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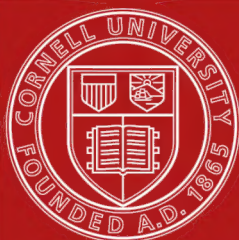


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REVISION OF THE TARIFF.

HEARINGS

BEFORE THE

COMMITTEE ON WAYS AND MEANS,

U.S. House FIFTY-FIRST CONGRESS, FIRST SESSION,

1889-'90.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1890.

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COMMITTEE ON WAYS AND MEANS.

FIFTY-FIRST CONGRESS.

WILLIAM MCKINLEY, JR., Chairman.

JULIUS C. BURROWS.
THOMAS M. BAYNE.
NELSON DINGLEY, JR.
JOSEPH MCKENNA.
SERENO E. PAYNE.
ROBERT M. LA FOLLETTE.

JOHN H. GEAR.
JOHN G. CARLISLE.
ROGER Q. MILLS.
BENTON McMILLIN.
C. R. BRECKINRIDGE.
ROSWELL P. FLOWER.

JOHN M. CARSON, *Clerk.*

REVISION OF TARIFF.

HEARINGS BEFORE THE COMMITTEE ON WAYS AND MEANS.

ORES, METALS, AND COAL.

IRON ORES.

DECEMBER 26, 1889.

The Committee on Ways and Means met at 10 o'clock a. m., Mr. McKinley, Chairman, presiding.

The CHAIRMAN. To-day and to-morrow have been set for a hearing on the subjects of metals, ores, and coal; and in order that we may proceed as systematically as possible, if any gentlemen present desires to speak in favor of free iron ore or a reduction in the rates of duty on the same, we will be glad to hear from him at this point; if not, we will hear from gentlemen who favor the duty upon iron ores.

STATEMENT OF GEORGE H. ELY.

Mr. GEORGE H. ELY, of Cleveland, Ohio, president of the Western Iron Ore Association, addressed the committee. He said:

Mr. Chairman and gentlemen of the committee: You have heard me give my relations to this subject. I come here representing the Western Iron Ore Association, whose headquarters are at Cleveland, Ohio. That association takes in almost all of the production of the four Lake Superior districts of iron ore. It is an association that was organized about eight years ago. Its objects, as the articles of association state, are limited purely to the reduction of the cost of transportation on the lakes, and objects of general and common good. It is precluded by its articles of association from ever doing anything to regulate the production of iron ore or the price of iron ore.

Now, the history of this iron-ore duty is familiar to almost all of you, and I will merely advert to it. Previous to 1879 there were no importations of iron ore into the United States to speak of. Iron ore was not mentioned previous to that time in the tariff schedules. But iron ore did come in. It came in under the clause of all mineral and bituminous substances, not otherwise provided for, 20 per cent. ad valorem. Under that clause the importation came in up to the enactment of the tariff law of March 13, 1883. While the tariff commission of 1882 was doing its work—at their instance and request that the manufacturers of iron and steel in the United States should assemble and agree among themselves as to the proper rates to be put on the metal schedules—a convention was called at Cresson, Pa., of all the manufacturers in the United States. This was in September, 1882. The iron-ore people of the country were invited to send suitable representatives to that convention. I went from our State with many others. I raised the question on the floor of the convention as to our relationship to the manufacturing interests of the United States. I stated: "We have no place here in this convention if it is not entirely proper and consistent with your objects. We are producers of your materials as manufacturers, and I would like to have this question settled. We will retire if we do not belong here."

The convention unanimously stated we did belong there, because the production of iron and steel in the United States began with the ore in the mountain, and the producers of iron ore were just as much entitled to recognition in the tariff schedules as the manufacturers were. On that basis we remained and participated in the convention. I will not delay you with the details, but the result was a recommendation to the tariff commission and to Congress that the duty on iron ores be

fixed at \$1 per ton. That was done by a large majority of the vote of that convention. Subsequently, as a member of the committee, and representing the iron-ore section in that committee, I myself made the recommendation that the duty on iron ore be reduced from \$1 to 85 cents a ton, provided the convention would be unanimous in that recommendation. That was unanimously voted for by the committee and also by the convention; and 85 cents a ton was recommended to the tariff commission and to Congress as the proper basis for iron ore in that schedule. Now, that is that history. The rate as put in the existing tariff was 75 cents, which was a reduction from the 85 cents a ton and on which we had a unanimous vote. That reduction was made to 75 cents on my own suggestion.

The CHAIRMAN. You mean the reduction to 75 cents was made on your suggestion?

Mr. ELY. Yes, sir. We felt then that the iron ore people were being recognized to a greater extent than ever before. It was the unanimous sentiment that it should be 75 cents. Now, what has been the effect of this duty since it went into operation in July, 1884? It has been beneficial; it has been satisfactory; it has promoted the iron and steel interests of the United States to a remarkable degree, and the importation of iron ore—I have that right here, to which I will refer—the importation of iron ore down to this time was in 1879, 254,000 tons—I will not give the odd tons—in 1880, 493,000 tons; in 1881, 782,000 tons; in 1882, 589,000 tons; in 1883, 490,000 tons; in 1884, 487,000 tons; in 1885—here comes in operation the interesting tariff—390,000 tons; in 1886, 1,039,000 tons; in 1887, 1,094,000 tons; last year—1888—587,000 tons, and for the last ten months of 1889 down to the first of November, 716,000 tons.

Now, the importation of iron ore of course depends on the conditions of the trade in Europe. The demands for Spanish ores last year were diminished, as you will notice that last year—in 1888—there were two causes affecting that trade—the increased activity of the conditions of trade and the high ocean freights, which, of course, are important factors in all these things.

Now, the trouble about the iron ore producer is this: The iron ore producers of Lake Superior and all over the country have their capital in a production, say of a Lake Superior mine, a year or a year and a half ahead (I mean current mining—their capital comes in five or six years earlier) which goes to building railroads and paying taxes, etc. In the Lake Superior iron ore production the money for it goes into the mines and into the railroad transportation to get ready for the summer transportation on the lakes, and the ore is not realized on for say from a year to a year and a half. Consequently they have to have a large amount of capital, and they take a great deal of risk on the conditions on the other side and the conditions of the trade as they may be here.

But what has been the history of this iron ore production in the Lake Superior district? Now there are four districts comprising the Lake Superior iron ore production. They are the Marquette, the Menominee, the Gogebic range, and the Minnesota range. The Gogebic range, which was not before opened and had sent out only about a thousand tons in 1884, has since that time sent out to the markets of this country 1,424,000 tons of ore. Four different railroads were built into that wilderness, these mines were opened, and 1,400,000 tons have been sent out into the trade of the country from 1884 to this time. Just about the same thing has happened in the Minnesota district. The first shipments were made in the autumn of 1884. The railroad was commenced to be built in the preceding June of 1883, and in fourteen months the railroad went into that unbroken wilderness, and, with all their supplies to be gathered in there, they shipped in 1884 about 60,000 tons. I have not in my mind the exact figures, but the production that went out from the Minnesota district this year must be about 800,000 tons.

Mr. FLOWER. Allow me to ask you a question right there. How much of this is Bessemer and magnetic ore in the Menominee and Minnesota range?

Mr. ELY. The Menominee range does not produce—I will have to qualify that as the Chapin, which is one of the largest mines, produces Bessemer ore, and in the beginning of the Bessemer production it was limited largely to the Marquette district. The Minnesota ore is about the best ore there is in the world, according to my judgment, and laying aside my modesty I will state that I have been in this business since Lake Superior was first opened, and have been selling these ores for the last thirty years. I think I understand the quality of the ores in these different districts and their comparative standing with ores of other parts of the world.

Mr. FLOWER. I want you to answer the question I ask. In 1884 or 1883 this tariff duty of 75 cents a ton was made instead of having it an ad valorem duty. Now at that time was any considerable amount of Bessemer ore found in this country?

Mr. ELY. I do not say considerable Bessemer ore—

Mr. FLOWER. The Gogebic range and the Minnesota range have been discovered since that time. There was not near enough at that time for the steel rails we produced.

Mr. ELY. No, sir. There is a large variety and quality in both of these districts. There is some Minnesota ore that is not up to the standard of low phosphorus, and

some Gogebic ores that are not, and then there are some that are strictly Bessemer ores. The opening of these two districts, it may be observed, afforded a wonderful help and stimulus to the iron and steel trade of the United States. I have read you the importations. The average importation of foreign ore and the average realized on the foreign ores for the support of the iron and steel industries of the United States has not been one-twentieth, and we have produced four-fifths of the iron and steel out of American home production of ores, and of Bessemer ores, too. Now, say the total production of iron ore in 1886 was 10,000,000 tons. I do not mean to include the foreign importations. In 1887 it was 11,300,000; in 1888 it was 12,062,000. I estimate that inasmuch as the production of these four districts about which I am talking has increased 2,000,000 this year that the estimated production of 1889 of iron will be 14,500,000 to 15,000,000 tons.

Mr. CARLISLE. You speak of the calendar year, and not the fiscal year?

Mr. ELY. Yes, sir; I mean the calendar year. Now let me advert to some of the arguments—

Mr. GEAR. Importations of foreign ore are for the fiscal year.

Mr. ELY. There is some slight discrepancy in that.

Mr. CARLISLE. It would make no difference in a series of years.

Mr. ELY. No, sir; now it raises the great question of whether it should be the policy of the United States Government to employ American labor and American capital in building up and developing her own country or some other country. I am decidedly in favor of building up our own country.

I am speaking, recollect, of the Lake Superior production, and Lake Superior is only a portion of the iron production, of course, of the United States. Seven million tons came out of Lake Superior in this year of 1889—no less than 7,000,000 tons. It did not all go on the lakes; 200,000 tons were carried up from the mines into Illinois—7,000,000 tons is just about half the total ore production of the United States. But more Bessemer ore comes out of the Lake Superior districts probably—there are others that are not Bessemer—than the other sections of the country. The great supply of Bessemer ore for home production may be said to come from Lake Superior.

Now this whole question of the duty on iron ore, or otherwise a reasonable duty—a low duty—is a question of wages. Now I can give you the comparative wages paid for mining the Lake Superior ore and the wages paid in Spain. I will read here a portion of an article in the North American Review of April, 1888.

Mr. CARLISLE. By whom is that article?

Mr. ELY. This article I contributed. But I was not going to raise that question. This is something I am willing to stand upon.

Mr. CARLISLE. That is something that will not detract from the merits of the article.

Mr. ELY. I hope the committee will grant me that favor. Mr. Jeremiah Head read a paper before the Mechanical Science section of the British Association on the iron mines of Bilbao, Spain, and this comes from that:

“The hours of labor per week were: At Bilbao, 72; in Cleveland District, England, 46; on Lake Superior, 55 to 60. Wages per day for drillers and miners at Bilbao, 60 to 72 cents; Cleveland, drillers and miners, \$1.21; Lake Superior, drillers and miners, \$2.25 to \$2.75. Wages per day for common laborers at Bilbao, 36 to 60 cents; Cleveland, common laborers, 72 to 84 cents; Lake Superior, \$1.60 to \$2. Wages per day for boys or women, Bilbao, 24 to 36 cents; Cleveland, boys or women, 24 to 60 cents; Lake Superior, \$1 to \$1.25. Wages of miners, then, on Lake Superior are more than three and three-quarter times what they are at Bilbao, and more than double those paid in the Cleveland District.”

Mr. McMILLIN. Have you any statistics by which you can inform us what is the relative production with the machinery in use at Bilbao and that at Lake Superior?

Mr. ELY. Perhaps I have got it right here: “The labor cost to a ton of ore on Lake Superior would be ten times what it is at Bilbao, and more than four times what it is at Cleveland. The average metallic content of Lake Superior ore is a little more than Bilbao, but the labor cost of a ton of iron ore in the Lake Superior region would be at least eight or nine times that at Bilbao. Under these labor conditions and the present rate of duty, importations are likely to continue to increase. In that event wages in American ore production must decline, or a large number of American mines will be closed and the men pushed out to crowd laborers in other industries. This process began three years ago in New Jersey. Prof. George H. Cook, in his annual report for 1884, said: ‘The low price of iron ore and the light demand for ore at almost any figure have caused a large shrinkage in the production and closed many of our mines. The large and increasing importations of iron ore from Spain and Africa also operate against our mines.’”

I can not give you the population that is supported. It is estimated that in the mines of these four Lake Superior districts and in the railroads (and there are as many as eight railroads whose principal business it is to take the ores from these mines and put them on the waters of Lakes Superior and Michigan) the amount of

property and development of mining property in these railroads and in the shipping on the lake that is exclusively occupied in iron ore—I made a close calculation five or six years ago—is supposed now to be \$150,000,000. Now let me illustrate that by adding this: That a great ship-building industry has grown up on all our lakes. In 1879 there were seventy-nine large steel and wooden ships put afloat. In 1888 there were sixty-two.

Mr. GEAR. You mean vessels constructed?

Mr. ELY. Yes, sir, and I might add that if you turn to the transportation statistics issued by the Interior Department for 1888 you will find the number of vessels on the lakes diminished, but there is a very large registered increase of tonnage on the lakes, and it grows out of the fact that these small vessels are no longer constructed on the lakes. When I first went into this business of selling ore in the sixties, we used to carry ore from Marquette on vessels carrying not more than 350 to 600 tons. When we got a vessel above 600 tons it was considered extraordinary. But what are the vessels now? Their size and capacity have greatly increased. Steam has been substituted almost exclusively for sail. The average size of those vessels now put afloat at Cleveland and other ship-yards is from 2,500 to 3,000 tons. Seventy-nine of these large ships were launched the year before last; last year sixty-two, and there is now being contracted—

The CHAIRMAN. In your former statement you said in 1879

Mr. ELY. I meant in 1887. You must excuse me, as it was a slip of the tongue. There are now under contract on the lakes forty-two more to be launched. From September to next May there will be forty-two more of these big vessels launched, and the average size is from 2,500 to 3,000 tons. What has been the effect on ores?

Mr. DINGLEY. These are iron and steel vessels?

Mr. ELY. Some few of them are wood. I went into the Cleveland ship-yards (and I have been in foreign ship-yards), and really it seems to me that the ships we put afloat on Lake Superior are equal to any in the world. Of course I do not mean in regard to passenger steamers, but for trading purposes there are none better than we put afloat on the lakes now. What has been the effect? To lower freights. The first few years of my engaging in this business we could not get the average freights from Marquette to Cleveland down below \$3, and the average last year would not exceed \$1.25.

The CHAIRMAN. When did you pay \$3 a ton?

Mr. ELY. Twelve years ago.

The CHAIRMAN. Has there been a gradual reduction ever since?

Mr. ELY. There has been from the time we began to get deep water. In 1881 we got 3 or 4 feet more at the St. Clair Flats, and they have deepened Lime Kiln Crossing, and the large ships have been doing so much more business that the freights have been reduced to \$1.25. Who has got the advantage of that? Where does that go to? It enables these Lake Superior districts to send these ores to a much larger extent than ever before all over the United States. Now the principal market for the Lake Superior ores has always been in the Pittsburgh and Wheeling districts up to a few years ago; but of late years, as you are well aware, Chicago has become a great manufacturing center. The advance there has been most marvellous. The history of this country shows nothing like it. I think a million tons of iron ore went into Chicago this year. Now we began last year to send this ore over the Alleghenies. Three hundred thousand tons of that ore was landed at Buffalo, and went over the Lehigh Valley road and over other roads into the Lehigh Valley in eastern Pennsylvania. What is the meaning of that? That is a high grade of Bessemer ore, and the freight was made very low. It is landed from Lake Superior at Buffalo at the same price as it is at Cleveland, and the railroads have reduced their rates of freight to such an extent that this ore will be \$1.55 a gross ton from Buffalo, including the dock charges at Buffalo, which is for the distance carried four-tenths of a cent per ton a mile.

The CHAIRMAN. From Buffalo to what point?

Mr. ELY. To furnaces in the Lehigh Valley.

Mr. BAYNE. What are the dock charges to which you refer?

Mr. ELY. Of course the ores have to have a deep-water dock, which is a very expensive dock, and requires hundreds of thousands of dollars capital to build. The ore is hoisted out of the vessel and landed on the dock, and of course the ore can not all go in the cars and go forward as fast as landed, because the furnaces can not use it that way.

Mr. BAYNE. You seem to give prominence to the fact that there are dock charges there. How much are they?

Mr. ELY. There has always been at Cleveland on ore going to Pittsburgh a dock charge of 20 or 25 cents, and that is included in the rate of freight. Now we used to pay \$1.50 freight, but the rates were reduced last year to \$1.05, including use of the dock and loading into the cars.

Mr. CARLISLE. You mean that there is a charge of from 20 to 25 cents per ton?

Mr. ELY. Yes, sir; these freight rates include the dock charges, the docks being owned partly by the railroad company.

Mr. McMILLIN. What is the distance from Buffalo to the Lehigh Valley mines by rail?

Mr. ELY. I can not give it satisfactorily.

Mr. McMILLIN. Well, approximately?

Mr. ELY. It is four-tenths of a cent per ton a mile. I can not give you the distance, as I have not it in my mind.

Mr. BAYNE. It is suggested by the clerk that it is 191 miles.

Mr. ELY. It is 150 miles from Cleveland to Pittsburgh, and the rate on this ore is \$1.05 to Pittsburgh, Wheeling, from all Lake Erie ports.

I think it is safe to say, gentlemen, that this duty of 75 cents a ton (and I am sure of the statement) has been a wonderful help and stimulus in the production of American iron ore. I do not think that the iron and steel interests of the United States could have done without it. We could not have manufactured one-half of the production of this last year that we have if it had not been for the abundant and adequate supply of American iron ore of all varieties. This development, I can say, is only just beginning in the southern country. If the southern country has got much Bessemer ore, and some people say it is doubtful, I think it is something yet to be proved. They have only scratched the surface of the southern country. I remember the first demand in 1868 for Bessemer ore. In the Lake Superior region an exploration was carried on. Money was put in in opening up new mines and we found Bessemer ore. They will do that in the South.

Mr. GEAR. Are these Spanish ores Bessemer ores?

Mr. ELY. Mostly; but some of the ores are a little higher in phosphorus over there.

Mr. BAYNE. Is it necessary in the iron and steel production of this country that any ores whatever should be imported?

Mr. ELY. No, sir; the increase of ore production in the United States is more than abreast of the iron and steel production of the United States.

Mr. BAYNE. That is as to the quantity. Now as to the quality.

Mr. ELY. From the tenor of my remark you will infer my belief that there is an everlasting abundance of Bessemer ores in the United States, not only in the Lake Superior region but in northern New York, and there will be gentlemen here to say this to you from other districts of the country. I took out of a paper yesterday a paragraph to this effect: That there is an organization of quite prominent Southern railroad men—a North Carolina iron and steel company—who propose to erect a Bessemer blast furnace in Wellsboro, N. C. I have a dispatch from H. S. Chamberlain, of Chattanooga, who regrets very much he is not here to-day to say he is in favor of this duty on iron ore being let alone. He believes it works well. They have got Bessemer ore. The Cranberry ores are Bessemer ores. The present condition of the Southern ore trade and Southern freight transportation is right over again the experience of the Lake Superior product. If capital had not stood at the door of these Lake Superior mines this country would never have supplied Bessemer ore, and it would have had to rely upon foreign importations of Bessemer ore.

I do not suppose there will be a ton of Spanish ore coming into America this year simply for one reason. There is a demand of the iron and steel industry of Great Britain, Germany, France, and Belgium that gobbles up all the Spanish ores. I do not know that it is a fact, but I know we have the statement on record from the British trade papers of public meetings held over there to the effect that they intended to keep a grasp on all the Bessemer ores they can find on the Continent. You know Great Britain has little high-grade ore—no Bessemer ores—and the English manufacturers are reaching out in every part of the world where there are large and important openings of Bessemer ores. There is one in Sweden, and a railroad of 120 miles is being built in to these mines extending to the northern coast, which is expected to give the English a supply of Bessemer ore in the future. It will take a few years to do that; but those gentlemen are far-sighted and long-headed in this matter. They do not propose to have the British iron and steel industry rest on unstable foundations. In foreign ores we do not know what we can ever do six months ahead. We can not buy ahead, because we do not know what the ocean freights will be. There is a large deposit of ore on the Island of Cuba. It is a good and rich ore, a Bessemer ore, and it will be a grand resource; but they can produce ore, put it on board at Cuban ports, pay the duty, and then run all around the producers of ore on Lake Superior or anywhere else in the United States.

If there is any concern on the Atlantic slope that thinks it is wise to reduce the duty or have no duty at all—I have seen such a statement in a paper—if there is any such concern as that, I want to say this: That they could certainly make a handsomer profit than Lake Superior iron men can on their ore, and pay the duty on Cuban ores. I do not think anybody should grumble at paying that duty. I have got some little interest in a Cuban mine as well as in Lake Superior, and I believe in the protection of American interests. I believe in a higher range of wages for American laborers, and

if it was against my personal and individual financial interests I would advocate that same doctrine. Go up to the Minnesota mines and look at the advantages of the people up there thirty or forty miles in the wilderness. What do you see? Men, women, and children living like human beings there. They get good wages, as I have read to you out of this book. They get from \$2 to \$2.50 a day for experienced men, and the consequence is that there are schools, churches, and comfortable houses; good food, and everything to make life desirable and bright. No wonder these Scandinavian miners come from Sweden and Norway into the mining districts, because the rate of wages is such that they can live. I have heard it stated that the range of wages was going to rise in Great Britain. If they ever rise they have got to change their policy. The policy of Great Britain at this moment in regard to iron and steel production is to make it cheap, and cheap at the expense of the manhood and womanhood that produces it. We do not want things too cheap, and we do not want to see the range of wages reduced in this country.

Mr. BAYNE. About how much is a ton of ore at the mines worth in the Lake Superior district?

Mr. ELY. Well, I would have to make a calculation. I can give the ranges for it at Cleveland.

Mr. FLOWER. Take this whole 7,000,000 tons produced. What is the average price of that at Cleveland? I will take the Gogebic; of course, there is also the Minnesota.

Mr. ELY. I will read this, which is a reliable statement:

Prices for last seven years, delivered at Cleveland and other lower lake ports.

	1883.	1884.	1885.	1886.	1887.	1888.	1889.
Republic and Champion, No. 1.....	\$7.50	\$6.00	\$5.75	\$6.25	\$7.00	\$5.75	\$5.50
Barnum, Cleveland, and Lake Superior specular, No. 1.....	6.50	5.75	5.00	5.50	6.50	5.25	5.00
Chapin and Menominee, No. 1.....	6.00	5.25	4.75	5.25	6.00	4.75	4.50
Vermillion district, No. 1, bessemer.....		4.75	5.00	5.75	6.75	5.75	5.50
Gogebic district, bessemer, first quality.....			4.00	5.00	6.00	4.75	4.75
Hematites, No. 1, non-bessemer.....	4.75	4.50	4.00	4.50	5.00	4.00	3.75

The Vermillion and Gogebic districts not opened until 1884 and 1885, respectively.

At this time the Minnesota was not opened, and they are considered the best ores in all the world. There is a good deal of ore sold for 1890. That is \$6.50.

Mr. FLOWER. How much of this \$6 a ton, taking it on the average, does the miner make on that ore per ton?

Mr. ELY. The owner of the mine?

Mr. FLOWER. The owner of the mine, or how much are transportation and labor?

Mr. ELY. That can not be answered in relation to large quantities. The mining conditions are entirely different in some districts. Sometimes you will have a mine that costs from \$2.50 to \$2.75 to mine, and in another you only pay from \$1 to \$1.75. It depends upon whether it is soft or hard ore; it depends upon the condition of the mining roof, the walls, and the nature of the ore.

Mr. FLOWER. Well, say, for instance, at the Minnesota mines. What is the freight on the railroad from the Minnesota mines to Duluth or to the lake?

Mr. ELY. I think it is \$1.

Mr. FLOWER. How much from there to Cleveland?

Mr. ELY. About \$1.25 from Marquette. The year before last it was \$1.75.

Mr. FLOWER. That is \$2.25. Your point is Cleveland?

Mr. ELY. Yes, sir.

Mr. FLOWER. Then you have got \$2.75. How much does it cost to mine that ore?

Mr. ELY. As I said before, the mine has different conditions; it is the difference between a good and a poor mine.

Mr. FLOWER. Give the average. What was the average of the Minnesota ore?

Mr. ELY. I do not think those statistics have been gathered.

Mr. McMILLIN. Does the estimate you have given describe the condition of ore in your mines rather than in other mines? What would you estimate your mines?

Mr. ELY. I am not now selling any iron ore, and am not in charge of any mine, and the accounts in connection with them do not come to me.

Mr. McMILLIN. Can not you give it in a general estimate?

Mr. ELY. I think it costs the Lake Superior Iron Company \$2.50 a ton to mine; but there are mines—

Mr. GEAR. That makes it \$5.25 at Cleveland.

Mr. ELY. Yes, sir.

Mr. FLOWER. That makes 75 cents which capital gets out of it.

Mr. ELY. I know a company—the Washington Iron Company—I will simply mention it—that opened twenty years ago. It put 500,000 tons of good hard magnetic ore on the market. They put 500,000 tons of ore on the market. The stockholders of that company never had one penny for it. They got in debt and stopped mining, and the people who leased the mine never made anything out of it.

Mr. McMILLIN. That is a funereal condition. What are the other conditions?

Mr. ELY. I can instance several different cases. Take the Lake Superior, the Republic, Chapin, Old Jackson, the Minnesota, the Colby, and two or three others, they have got peculiarly favorable mining conditions. Some of these people who mine a moderate quantity of ore mine for two or three years and do not know what it costs them.

Mr. BRECKINRIDGE. Do you not know the cost of mining in any instance?

Mr. ELY. I have just said that I think the mining cost of Lake Superior ore is \$2.50.

Mr. BRECKINRIDGE. Do you mean wages paid the miners?

Mr. ELY. That is the cost of getting the ore out.

Mr. CARLISLE. Would you say that is the average cost?

Mr. ELY. No, sir; I would not say that.

Mr. CARLISLE. Do you mean that is what it costs them at that particular mine?

Mr. ELY. I said the Lake Superior, as I happened to have in my mind the Lake Superior. That is one of the oldest of the Marquette district. Of course there are soft ores that only run 58 to 60 per cent. iron as against those best ores which run 64 to 68. That is a soft ore and mined at a much lower cost.

Mr. CARLISLE. Do they pay the same price for labor in that district?

Mr. ELY. They pay about the same average price for labor; but the mining is let out in different mines by contract. That is, eight or ten men will take it a month.

Mr. McKENNA. What is the cost of mining under the hardest conditions?

Mr. ELY. I can not tell you, because I am not familiar with that. In regard to the Lake Superior company I have instanced that as fairly illustrating a hard-ore mine. I have no experience about the soft-ore mines.

Mr. McKENNA. What do you mean by a hard-ore mine?

Mr. ELY. I mean an ore that comes out in the form of lumps as big as a hat, and when it goes to the furnace it has to go in a crusher before it is ready.

Mr. McKENNA. Is the cost of mining that greater than mining the soft ore?

Mr. ELY. It is greater. This ore has to be separated from the inclosing rock by dynamite and high explosives, and the cost is great.

Mr. McKENNA. Then the illustration you gave is a case of hard conditions of production?

Mr. ELY. Yes, sir; a hard ore. Yet the Lake Superior mine has been a prosperous one. It was opened in 1858 and has been mining ever since. When a place gets exhausted they open up a new mine. Their cost for mining runs along to about \$2.50 a ton.

Mr. McMILLIN. You have spoken of what the reduced price is for the last year or two, showing the scale had been reduced, as with everything, and you have given now the average cost for a number of years as being \$2.50. What is it under the lowest condition of 1888, when the average price was \$5.79?

Mr. ELY. As I said before, I am not selling iron ore now, and the accounts of none of these mines come under my eye. I have not that particular information, but I will read these statistics if you like to hear them.

Mr. BAYNE. I would like to know this: A ton of ore lying in the ground is worth about so much, and a ton of ore mined is worth about so much. What is the relative percentage of labor on that ton of ore?

Mr. ELY. Why, it is all labor, sir.

Mr. CARLISLE. Was the mine worth nothing?

Mr. ELY. Unless a man developed a mine it is worth nothing.

Mr. McMILLIN. But I suppose it sells for something?

Mr. ELY. But a man might buy a piece of mining property intending to develop it. That development will cost—

Mr. CARLISLE. Does the land-owner charge you royalty?

Mr. ELY. The royalty is 25 to 50 cents a ton.

Mr. CARLISLE. That is the tax upon the ore in the ground?

Mr. BAYNE. And the rest of the value of that ton of ore is labor?

Mr. ELY. The whole of it. I should say Mr. Carlisle has brought out the point by his question to me. There is, of course, in every piece of mining property what might be called intrinsic value as it lies in the earth. That is called the royalty; and mines are leased; and I know of some that are leased at 25 cents a ton and some at 50 cents; it will depend upon the location, for if it is upon low ground where the expense of hoisting machinery and the expense of getting the water out will be great, it is of course less.

Mr. CARLISLE. Do I understand you to say that when a ton of this ore is brought out

of the earth for shipment that the value this represents is nothing but the value of the crude ore in the ground, or royalty, and the labor that brought it up?

Mr. ELY. Yes, sir; and the use of the capital and the risk on the capital, which is very large.

Mr. GEAR. The people who lease the mine or pay rent always do the developing?

Mr. ELY. Yes, sir.

Mr. GEAR. And the royalty goes to the owner?

Mr. ELY. Yes, sir.

Mr. GEAR. How long does it ordinarily take to develop a mine?

Mr. ELY. It is impossible to answer that question. Some mines will be located on a hill-side where they can get right at the ore and get out 10,000 or 15,000 tons a year. Then there is the low ground where you have to search for the iron, and when you find it you have to put down the shafts and work it under ground. So a great variety of questions arise.

Mr. McKENNA. I understand the price of the ore must pay for mining the ore under the hardest conditions. Is not that true? The price of ore must pay for ore mined under the hardest conditions.

Mr. ELY. Of course the ore seller gets all he can, and he will sell it at the highest price he can.

Mr. McKENNA. And the price must be sufficient to compensate a working under the hardest conditions.

Mr. ELY. No, sir. There are more than one hundred mines up there. I do not know but there are one hundred and twenty-five.

Mr. BRECKINRIDGE. You gave some information (perhaps from an article) about the relative cost of Spanish and Lake Superior ores. Did you compile that information yourself?

Mr. ELY. Yes, sir; I compiled it from sources of information I had at that time.

Mr. BRECKINRIDGE. But you have not that information now?

Mr. ELY. I can only refer to it as I gave that information—

Mr. BRECKINRIDGE. That is not an answer. These are general estimates; but you are in possession of details by which you made up these conclusions at that time.

Mr. ELY. I took that, as I have already said when I read it, from statements by Mr. Jeremiah Head, who made them in an address before an association in England.

Mr. BRECKINRIDGE. Then this was not derived from your own personal information?

Mr. ELY. They are gotten from this English source, but I have no doubt they are reliable.

Mr. FLOWER. Let me ask you one question right here, because it bears upon this question of duty. The price of this iron, according to your statement, has not gone up since 1884 by reason of the tariff; but the needs of the railroad building, etc., gave you a larger demand. This year the price is down because of the smaller demand for your ores. It is down compared, at least, with the last year.

Mr. ELY. No, sir; higher for 1890.

Mr. FLOWER. I mean 1889. It is down.

Mr. ELY. In the winter of 1889 there was a great depression in iron and steel here and in Europe. Now comes this advance. There is a great change in the market in England, and for the last two months it has been steadily going up. English rails are quoted higher in London to-day than in New York or Philadelphia.

Mr. FLOWER. The tariff duty at 75 cents a ton does not seem to have had any effect on the price of ore since 1884.

Mr. ELY. Except in this, that it enables our mines to pay higher wages, and they do pay those wages.

Mr. FLOWER. Are you familiar with the Gogebic range?

Mr. ELY. No, sir; I have never been there.

Mr. FLOWER. In 1887 you had very high freights there, I am told, and that very year there was a great depression in the Gogebic range. Your freights went from \$1.25 to \$2.37. Have you any statistics that will give the output of your mines at that time, as to whether they were increased or diminished.

Mr. ELY. No, sir. I have never gotten any ores from the Gogebic range. My whole relations were with the Marquette and Minnesota districts.

Mr. GEAR. Have you been in the Spanish mines?

Mr. ELY. No, sir; I have not, but I have studied them very well. I got most of my information about the Spanish mines from people who had owned Spanish mines.

Mr. GEAR. My reason for asking that was I wanted to know the condition of the wages.

Mr. ELY. I read that.

Mr. DINGLEY. What number of the North American Review was that?

Mr. ELY. This is the number for April, 1888.

Mr. LA FOLLETT. Aside from last year, when you say England chiefly absorbed the

product of Bessemer ore from the Spanish mines, what percentage (if you can tell) was imported from Spain previous to this last year?

Mr. ELY. I mean to say that I think about one-twentieth of the total consumption of the American ores that went into the iron and steel industries came from foreign supplies.

Mr. LA FOLLETTE. Previous to 1889.

Mr. ELY. Let me see. The importations last year were only 587,000 tons, and for the ten months of this year they were 716,000 tons. Two or three years previous to that the importations were very much larger. They varied very much according to the conditions of ocean freights and the conditions of trade on the other side of the hemisphere in regard to Spanish Bessemer ores.

Mr. McKENNA. If England exhausts the Spanish Bessemer ore what other supply will she have?

Mr. ELY. There are ores in the island of Elba which are controlled by the Italian government. There are some ores in Africa. There is a large ore field, supposed to be in Sweden, away up in the Arctic Circle, and an English company have built a railroad of 120 miles to extend to the western coast of Norway; and all that affair is in English hands. In the apprehension of the not distant exhaustion of the Bilbao mines they are looking ahead to have ore after that is gone.

Mr. McKENNA. You speak of ores in the island of Elba controlled by the Italian government.

Mr. ELY. I say they are controlled by the Italian government, and the Italian government is trying and has been trying to build up an iron and steel production.

Mr. McKENNA. You say England is absorbing most of the supplies of this Bessemer ore.

Mr. ELY. For this coming year—1890.

Mr. McKENNA. If this duty of 75 cents is removed could the United States compete for Bessemer ores?

Mr. ELY. But the year 1890 is exceedingly exceptional and is temporary. I see no source of supply—no source of importation—except the island of Cuba.

The CHAIRMAN. How after 1890?

Mr. ELY. The conditions after 1890 can not exist as they exist here to-day.

Mr. BAYNE. The demand of Great Britain for Spanish ores may stimulate the production of Spanish ores largely?

Mr. ELY. Yes, sir.

Mr. McMILLIN. You say the price of ores of the Lake Superior region was higher for 1890 than for 1888 and 1889. What is the difference?

Mr. ELY. I guess I had better read you that. It is just about \$1 a ton laid down at Cleveland. It ranges, I should say, from 75 cents a ton on one ore up to \$1.10 on another.

Mr. McMILLIN. What I want to get at is, has there been an increase of a dollar a ton in the wages of the laborers employed in the mines?

Mr. ELY. That I can not tell you anything about, but I know that when the market is active and strong and the people can afford they always pay wages to the highest possible point. They hold their men and pay them their wages, and of course when there is competition they are expected to take their chances in the law of demand and supply. I beg your pardon for having occupied so much of your time.

Mr. GEAR. You stated that England absorbed the Bessemer ore for 1890. You mean absorbed the output but not the mines themselves?

Mr. ELY. I understand that we are not to expect anything more than small importations in 1890 of Spanish ores because the English manufacturers have already bought them.

Mr. GEAR. That is they have absorbed the output but not the property?

Mr. ELY. Oh, no sir; the general production of these Bilbao mines is not for the miscellaneous public. Three or four large concerns in England control the best of them.

Mr. McKENNA. What if this should continue after 1890?

Mr. ELY. It would be extraordinary, sir; these trade conditions change year by year—the conditions of manufacture here and abroad. It ought to be the general policy of this Government to do what it can to stimulate the production of our own native supplies of iron.

Mr. McKENNA. This is one of the causes preventing foreign production from competing with the domestic production?

Mr. ELY. Yes, sir.

Mr. McKENNA. At the present time and including 1890 there will be no foreign production to compete with the domestic, and the large Lake Superior mines will be strained to the utmost?

Mr. ELY. Yes, sir; all the iron ore the world can produce will be wanted for 1890, and after that we will drop back, by the fluctuating and changing condition of trade,

to the production of years past. But this present condition of things in 1890 is temporary and exceptional, and may not be repeated again for 25 years.

Mr. McKENNA. That is just what I was trying to get you to say a little while ago.

Mr. ELY. Excuse me if I did not quite understand your question.

Mr. BAYNE. Will not the demand of England for Spanish ores stimulate the production of Spanish ores and cause investment of capital there so as to create a greater output than heretofore existed; and when a depression of iron comes is it not likely that that output will come into a lively competition with American ores?

Mr. ELY. Certainly that would be an active factor, and the overflow would come to this country. What we want is to allow this duty to stand where it was fixed. We are not asking an increase. The duty as provided makes up part of the difference in wages paid. If we had a full equivalent to the difference in wages paid here and abroad in mining ore and in transportation, this ore comes very cheaply across the ocean by tramp vessels, that duty would be \$1.50 instead of 75 cents.

Mr. CARLISLE. How many tons of ore can a single miner take out in a day on an average?

Mr. ELY. That is a question that can not be answered, because the conditions vary in every mine.

Mr. CARLISLE. I simply ask for the average.

Mr. ELY. I can not tell you, sir. Some of it is hard and some soft; some of the mines have got water to be pumped out.

Mr. CARLISLE. And some contain more metal to the ton than others?

Mr. ELY. Yes, sir.

Mr. GEAR. Do you mine by the ton?

Mr. ELY. Where it can be done the men prefer to mine by the job. They prefer to take a job. Now that is done exclusively in some districts. They take a job, a certain part of the mine, say for a month, and the mine superintendent says that he will give them such and such a price to put the ore out.

Mr. GEAR. What is the usual price paid per ton when the employment is by the ton?

Mr. ELY. This is variable, sir. Nobody can tell, because it varies with every mine.

Mr. GEAR. You have already spoken of the wages a man receives.

Mr. ELY. When I speak of wages paid in a general statement like this, as compared abroad, I am speaking of the common labor.

Mr. GEAR. Where you employ by the day—do you employ any by the day?

Mr. ELY. Yes, sir.

Mr. GEAR. So you are prepared to make a statement as to what is paid by the day, but you are not prepared to make a statement as to what the average price per ton is?

Mr. ELY. I said a little while ago that in the case of one of the mines I know that it was \$2.50 a ton.

Mr. GEAR. Not paid to the miner?

Mr. ELY. No, sir.

Mr. GEAR. I want to know what is paid to the miner. You are not able to give that information in any instance whatever. Have you information on that subject?

Mr. ELY. As I say, sir, I am not in charge of any mine; am not mining any ore, although I used to be years ago. I have got a little interest in a couple of mines, and these accounts which would show the wages paid, and what the ore costs by the ton when it comes to the surface of the ground, I have not got.

The CHAIRMAN. You can get that and give it to the committee.

Mr. ELY. Yes, sir; I will try to do so.

Mr. CARLISLE. When you make a general statement, that must be an estimate based upon particulars. Now I want to get at the particulars, if I can, from which your general statement results.

Mr. ELY. It would be exceedingly difficult to make a deduction, as there are so many mines with such a great variety of conditions that would be misleading to anybody. Very difficult, indeed.

Mr. FLOWER. Are you acquainted with this great find out in Montana, at Great Falls, so talked about.

Mr. ELY. No, sir.

Mr. FLOWER. Are you acquainted with the Washington mines?

Mr. ELY. No, sir.

Mr. FLOWER. Are you acquainted with the Colorado mines?

Mr. ELY. No, sir; I have not any information west of our Lake Superior region. All I know is there is an abundance of ore in Washington Territory and in Colorado; and in Colorado there are some blast-furnaces and rolling-mills.

The CHAIRMAN. Mr. Tobey is present, and we will hear him on the subject of free iron and free coal.

STATEMENT OF MR. HORACE P. TOBEY.

Mr. HORACE P. TOBEY addressed the committee. He said :

Mr. Chairman and gentlemen of the committee: I came unexpectedly and hurriedly in answer to a telegram, and I shall have to beg the indulgence of the gentlemen, for what I have to say has not had as careful preparation as it might have had. We have had prepared in Massachusetts, the State from which I come, a memorial addressed to the Senators and Representatives from our part of the country calling their attention to certain facts in reference to the duties upon iron and iron ore, and as that memorial appears to touch directly upon the present inquiry, and as it was prepared by myself and I myself am responsible for the statements in it, I will, with your permission, read the memorial or such part of it as may be acceptable to the committee.

I understand this discussion at the present time to be confined to the question of iron ore. In this document which I beg permission to present, the duties upon iron ore are prepared in connection with the cost of iron and the prices paid—

Mr. BRECKINRIDGE. If you desire to speak on that you can do so as this day has been appointed for all classes.

Mr. GEAR. What is your business?

Mr. TOBEY. I am a manufacturer of steel. Our business is the manufacture of Bessemer steel which we carry into the finished product.

In 1872 the duty upon pig iron was fixed at \$6.30 per ton; that upon cast scrap-iron at \$5.40 per ton, and that upon wrought scrap-iron at \$7.20 per ton. In 1883 the duties upon these three grades of iron were equalized, under a uniform rate of \$6.72. During 1872 the average price of No. 1 foundry iron, at Philadelphia (see statistics of American Iron and Steel Association, 1880), was \$48.87½ per ton, in currency; \$43.63 in gold. The duty, therefore, was equivalent to 14.44 per cent. of the value, in gold, of American iron.

The average prices of No. 1 foundry iron, at Philadelphia, in 1879, and the subsequent years, were as follows:

1879	\$21.50	1884	\$19.87
1880	28.50	1885	18.00
1881	25.13	1886	18.75
1882	25.75	1887	20.92
1883	22.38	1888	18.88

The average price for the last ten years has been, therefore, \$21.97 per ton, or about one-half the price of 1872. At this time, February, 1889, its value is \$18 per ton, and the duty is \$6.72 per ton, or 37.33 per cent. of the value of the iron. As compared with the protection on American iron in 1872, the present protection is in the ratio of 2.58 to 1.

Duties are, however, assessed, not on the values of American iron in America, but on the value of the imported article at its last port of exportation. We give, therefore, the values of ordinary Scotch pig-iron, at shipping port, in Scotland, for the same years, as shown by the sale of "warrants."

In 1872 Scotch pig-iron warrants were sold for 132s. (say \$32.50) per ton of iron. The specific duty then imposed, \$6.72 per ton, was, therefore, when reduced to ad valorem terms, at the rate of 19.38 per cent. of the value of the iron.

The average yearly value of this iron, for the last ten years, has been as follows:

	s.	d.		s.	d.
1879.....	47	0	1884.....	42	1½
1880.....	54	6	1885.....	41	10
1881.....	49	1½	1886.....	39	11
1882.....	49	4½	1887.....	42	3
1883.....	46	9	1888.....	39	11

The average value for the ten years has been 45s. 3½ d. (say \$11.32), or about one-third of the value of the same iron in 1872, when the duty was imposed.

Mr. McKENNA. How does that compare with American prices?

Mr. TOBEY. The average American price for the same product was \$21.97 per ton, and the average foreign price was \$11.32.

Mr. McKENNA. That was the average price?

Mr. TOBEY. That was for 1888. In regard to it since I will speak a little later.

The average value of this iron for the year 1888 was 39s. 11d. (say \$9.98) per ton, and the duty upon it is \$6.72 per ton, or a little over 67 per cent.

The price of iron for puddling, at an English shipping port, is now about 34s. (say \$8.50) per ton. The duty upon it is about 80 per cent.

The price of scrap-iron is 42s. (say \$10.50) per ton. The duty on it is about 64 per cent.

While foreign pig-iron has fallen to about one-third of its value of 1872, the specific duty has not been reduced at all. In other words, for the last ten years pig-iron has paid nearly three times the duty, value for value, that was imposed upon it in 1872.

The case has been nearly the same as regards scrap-iron; but, in the absence of exact statistics, we do not tabulate the prices of this grade of crude iron.

This duty is practically prohibitory. Importations are confined almost entirely to certain high grades of pig-iron, in the use of which quality is more considered than price.

The result has been that New England rolling-mills and foundries have been compelled to pay for their crude materials the price ruling at distant furnaces in other States, plus a freight rate of several dollars per ton, to their works. As the rolling-mills, foundries, and machine shops located near such furnaces can transmit their finished goods to the New England consumer nearly as cheaply as the New England mill, foundry, or machine shop can bring in its pig-iron, the tendency has been to throw all the manufacturing, manipulating, and finishing of iron and steel, as well as the production of pig-iron, into the hands of the iron-producing States, and to wipe out the iron and steel industries, large and small, of New England. The surviving mills owe their continued existence, in a small part, to the fact that they have been able to pick up and rework a little old material (scrap-iron, castings, and turnings) in their own territory; but chiefly to the fact that they have, through the compulsion of circumstances, been systematically engaged in the degradation of American labor in New England. A skilled operative in a New England rolling-mill does not, on an average, receive one-half the pay that a man similarly employed in a Pittsburg mill receives for the same work.

But how inefficient even this exasperating resource has been in retaining the manufacture of iron in New England can be learned by examining the following statistics, compiled from the valuable annual reports of the secretary of the American Iron and Steel Association, and covering the period already discussed, that is, from 1879 to 1888.

Since 1879 there have died out, of the rolling-mills in Maine, 50 per cent.; of those in Vermont, 100 per cent.; of those in Massachusetts, 36 per cent.; of those in Connecticut, 20 per cent.; of those in Rhode Island, 50 per cent. Or, to show the same facts in another form, in 1880 the New England mills produced 170,877 tons of rolled iron and steel; in 1887 they produced 102,711 tons. In these years, therefore, the annual production of rolled iron and steel in New England has dwindled 40 per cent.

MR. GEAR. In the rolling-mill do you have a scale?

MR. TOBEY. No, sir; we pay every man just as we can make a trade with him.

Some exception has been taken to these statistics by Mr. Swank, secretary of the iron and steel association, and I invite his attention to this note inserted for the use of the Committee, as I should not care to have a wrangle about these figures. Mr. Swank is here, I think.

NOTE.—Statistics covering the manufacture of Bessemer steel rails in New England are not published in the annual reports of the American Iron and Steel Association, nor are they embodied in the figures here given. The experiment of Bessemer steel rail making in New England commenced in 1834 and ended in 1888. The cost of converting pig-iron into steel rails is so largely dependent upon the cost of materials and so little affected by any ordinary differences in the rates of labor that under existing competitive conditions the industry is an impossible one in the New England States so long as they are dependent upon others of the United States for a supply of iron, coal, and coke.

Mr. James M. Swank, statistician of the American Iron and Steel Association, has, in a published article, taken exception to the figures (170,877 tons) given in this statement as the production of 1888, claiming that unpublished data in his possession indicate that the true figures are 160,799 tons. While the figures given in the text are believed to be derived, with substantial accuracy, from his published statistics and statements, attention is called to the fact that the substitution which he desires to make would not affect the general tenor and strength of this argument, showing the dwindling of the iron and steel industries of New England; its only effect would be to alter, to an immaterial extent, the percentage of diminution.

Nor is this shrinkage confined to rolling-mill products only. Unfortunately, there are no statistics to show the change which has been going on, not alone in the number and size of the New England foundries, machine shops, forges, and other manufactories of iron and steel goods, but also in the class of goods they turn out, and in the character of the skilled labor required to make these goods. The heavy mill-wrighting business hardly exists in New England; the old mill-wrights are dying off, and few are being educated to take their places; their vocation is gone. Our iron and steel architectural beams, columns, roofing, gas-pipes, water-pipes and sewer-pipes are made in Pennsylvania. The iron stores and workshops in which New England men transact their business are machined by Pennsylvanian mechanics, and are erected by Pennsylvanian superintendents, in accordance with plans made by Penn-

sylvanian engineers. Our heavy machinery, also, is made in gigantic Pennsylvanian foundries and fitted up in spacious Pennsylvanian machine shops. In the mean-time the surviving New England foundries are running, mostly, on small job work to repair broken machinery, and the New England machine shops that still exist are, for the most part, turning out pulleys and shafting, sewing machines, rifles, and other small wares, or, in short, articles requiring much skill and labor and comparatively little iron.

During the same period what has been the progress of the country, as a whole, in the production of rolled iron and steel? Shall we find that New England has been taking only her fair share in a general decline of the iron and steel industries? By consulting the same sets of statistics, we find that in 1879 the total production throughout the United States of rolled iron and of iron and steel rails was 3,160,757 tons. In 1887 it was 4,961,835 tons. In addition to this there were rolled, in 1887, 902,156 tons of steel other than Bessemer rails, which amount is left out of this calculation of percentages, because no accurate collection of statistics for this department was made in 1880. It is safe to say, however, in passing, that in this department (rolled steel other than Bessemer rails) the production has more than doubled between 1880 and 1887. But excluding this item entirely, we have, as already stated, a production in 1887 of 4,961,835 tons, against a production in 1879 of 3,160,757 tons. These figures show an increase of about 57 per cent. in the production of rolled iron and steel throughout the country, during the same period that has witnessed a shrinkage of 40 per cent. in New England.

It is very evident that, for some reason, New England is working iron and steel at a disadvantage, as compared with other States. What is this reason?

COAL.

Some from ignorance, and some in order to obscure the truth, harp continually upon the theme that "It is hard for New England mills to compete with the cheap coal and natural gas of Pittsburgh." The constant repetition of this remark has generated the idea that high-priced fuel is one of the unalterable conditions of manufacture in New England. On the contrary, it is largely an artificial condition. The New England mills were formerly supplied with bituminous coal from the Canadian Provinces exclusively free of duty. This supply was shut off by the imposing of a prohibitory tax, and New England was compelled to purchase its mill coal from Pennsylvania and Maryland.

The tax has since been reduced, but not sufficiently so to encourage the fitting up of the Provincial mines with such modern machinery as is necessary to the production of cheap coal, on a large scale, and to the reopening of trade with the United States. The freight on coal from the mines of Pennsylvania and Maryland to a New England mill is about \$3 per ton. The freight from the Provinces, by water, is \$1.50 per ton. New England is, therefore, under a disadvantage, imposed by the tariff, of about \$1.50 per ton, which can be removed by the abolition of the duty on coal. And this is true, for the reason given, notwithstanding the fact that the tariff is only 75 cents per ton.

The present cost of bituminous coal, delivered in New England, is about \$4 per ton. New England, by the removal of the tariff upon this coal can, in time, obtain it 37½ per cent. cheaper, through the development of the Provincial mines, at her doors. This development will follow the abolition of the duty.

As bituminous coal is worth, at the mine, about \$1 per ton, the present duty upon bituminous coal is equivalent to 75 per cent. ad valorem. The present duty upon coke is 20 per cent. ad valorem. Both duties should be removed.

IRON ORE.

Iron ores are divided into two grand classes: First, the "mill ores," suitable only for making iron; and, secondly, the "Bessemer ores," suitable for making steel. The mill ores are impregnated with sulphur and phosphorus, which are injurious to steel. The Bessemer ores are nearly pure.*

The Bessemer ores of the United States are found chiefly, and almost exclusively, in richness, purity, and large mass, in the district around Lake Superior. Lean ores, of the Bessemer type, are found in large masses and of good quality in eastern Pennsylvania, New Jersey, and New York, but are too poor in iron to be profitably worked

* Mill ores carrying excessively large quantities of phosphorus can be used for steel making by the basic process. They are common in Europe, but so rare in America that the basic process is not in use in this country. The excessive tariff upon pig-iron forbids the importation of the cheap, heavily phosphorized pig-irons of Europe, which could, by the basic process, be cheaply converted into steel, in the limestone districts upon the coast of Maine, contiguous to the coal-producing shores of the Canadian provinces, if the duties upon raw iron, coke, and coal were removed.

without an admixture of richer ores. Pockets of these ores also occur in other States; but the ore is too scanty and too scattered to pay for the cost of mining. A large deposit is said to exist in North Carolina, but the conditions appear to be such as not to favor its immediate large development. Practically, therefore, the native Bessemer ore supply of the United States comes from the Lake Superior district, the center of which is about 1,100 miles distant from the coast of New England, 1,000 from the coast of New York, 1,100 from that of South Carolina, 1,600 from the southern coast of Florida, 1,200 from that of Alabama and Louisiana, 1,500 from that of Texas, and 1,600 from the Pacific coast. The transportation of this ore is by railroad and inland navigation lines, subject, as regards time, to the disturbances arising from railroad strikes and accidents; and, as regards cost, to the caprices of railroad management.

The coke of the United States is produced, in largest quantity and of the best quality, in the Connellsville coke district, near Pittsburgh. The Bessemer ores of Lake Superior are smelted, and the iron from them is converted into steel, with the aid of this coke.

Upon the line of travel from the coke fields to the iron mines, and in the district surrounding its southern terminal, there is building up an enormous monopoly of the steel business of America, through the operation of the tariff upon iron ore, which is forbidding the importation of foreign ore, and the consequent utilization of the native Bessemer ores of the eastern districts above referred to.

The duty is 75 cents per ton. This duty represents an extra cost upon the pig-iron of from \$1.25 to \$1.50 per ton; and this extra cost is sufficient to discourage the manufacture of Bessemer iron in eastern Pennsylvania, New York and New Jersey; to cause the Bessemer ore beds of these sections to lie almost idle; to put the dependent steel works at a heavy disadvantage; and, ultimately, to drive them out of the business, and to compel the coast population to draw its steel supplies, at heavy cost, delay, and inconvenience, from the far interior.

It is from the coast districts just named that, during the existence of a prohibitory import duty upon pig-iron, New England must draw her supplies of steel-making iron. And the tariff which puts a high cost upon the pig-iron made by the Bessemer iron furnaces of eastern Pennsylvania, New York, and New Jersey cripples New England correspondingly.

The use of steel is rapidly supplanting that of iron. In 1887 the entire production of rolled iron in the United States was 2,588,500 tons; that of rolled steel was 3,275,491 tons. (See statistics of American Iron and Steel Association, 1888.)

The import duty upon iron ore is tending to rapidly concentrate the manufacture of steel at a distant point in the interior to the large injury of the coast States.

The foreign cost of iron ore is from \$1.25 to \$2 per ton. The duty is, therefore, from 37½ to 60 per cent.

CRUDE IRON.

It is quite probable that the repeal of the duties upon iron ore, coal, and coke would, in time, enable New England to smelt her own crude iron from foreign ores. But long before commercial relations can be established, the Canadian coal mines be put into shape for producing coal under modern conditions, and the necessary capital be obtained and furnaces erected for smelting, the last vestiges of iron and steel manufacturing in New England are liable to be swept away unless a reduction is made in the duty upon crude iron. As an act of national justice, as well as a matter of relief to the sections oppressed by the present law, there should be an immediate and heavy reduction in this duty, which is enormously in excess of the duty upon any other crude material, embraced in the whole list of duties.

New England, being on the coast, can obtain her crude iron, both pig and scrap, at low-water freights, and at a low first cost, in Europe. Surely, then, she should be able to manufacture iron and steel under such favorable conditions, and especially so if the duty on coal is removed. But here we come face to face with an ugly fact. New England must pay a duty of \$6.72 per ton on pig and scrap iron, and this, not as a revenue duty (for it is almost prohibitory and gathers little revenue), but as a duty protective of the iron-producing States. Now, to measure in figures a part of the injury that is done to New England by this tariff, we will take as an illustration the prices of Bessemer pig-iron at Pittsburgh (\$16.25 per ton) and at Boston (\$20 per ton), say, in February, 1889. The price of the Bessemer iron (English) was made up of: First cost, say, \$12.03; freight, \$1.25; duty, \$6.72, making \$20 in all. It is evident that if the duty, \$6.72, were removed, Boston would, at the low rates of freight now ruling, buy its iron at the price represented by the other items of cost—that is to say, at \$13.28 per ton. By a similar computation, scrap-iron would cost \$11.75; foundry iron, \$11.25, and puddling iron \$10 per ton. While a large demand from this country would, doubtless, advance somewhat both the cost and the freight on English iron, it is still evident that there are no natural disadvantages to prevent Boston, and New England generally, from becoming great iron and steel man-

ufacturing centers. If the duty on crude iron and coal is removed, New England can rival Pennsylvania in manufacturing iron and steel. Her location on the coast fully offsets her disadvantage as regards fuel; for she can buy crude iron more cheaply than Pittsburgh can make it. It is, then, clearly the duty on coal and crude iron (pig and scrap, the duty on each being \$6.72 per ton) that is strangling in New England one of the largest of all the wonderful industries of our modern days.

Now, in considering the equity of a national duty on coal and iron doing such large injury to New England, let us see to what extent and in what manner the iron-producing States are benefited. The iron market is a close one, and it is safe to say that if New England should buy of them all her crude iron, of the grade named, at \$16.25 per ton, they would not, under present conditions, make 25 cents per ton on the trade. It seems inequitable to tax New England \$6.72 per ton in order that Pennsylvania, for instance, may make 25 cents per ton. But, in fact, 25 cents per ton is by no means the measure of the bounty that is paid to Pennsylvania. She does not make her profit by selling her pig-iron to New England. She reaps the benefit of the \$6.72, but she does it in another way. She takes upon herself the profitable business of doing all the steel and iron manufacturing, in rolling-mills, foundries, and machine-shops, rather than the mining and smelting only for New England. And there are to-day half a million at least of Pennsylvanians fed and clothed by doing, directly and indirectly, the iron and steel manufacturing and manipulating that ought to be going on in hundreds of New England villages, in rolling, casting, forging, machining, chipping, filing, and otherwise finishing the iron that is used in New England. And it follows, as a consequence, that there are half a million less of people fed and clothed in New England than there might be if the duty imposed on coal and crude iron did not deprive New England of the privilege of manufacturing her own iron and steel goods for her own consumption.

To establish these statements by authority, we gather from the excellent set of statistics already named, the following information as to the consumption of iron and steel in the United States, assuming, as must be, broadly, the case, that the iron and steel manufactured and imported annually passes annually into consumption.

The total consumption of the United States in 1887 was 9,330,873 tons. Of this amount there were of rolled iron and steel 6,603,389 tons; the rest, probably melted by foundries, 2,727,484 tons. Assuming that the consumption of iron and steel in New England was in the ratio of her population, as shown by the United States census of 1880, about 8 per cent. of the whole, we have, as her annual consumption of iron and steel, 746,469 tons, of which 528,263 tons are in the form of rolled metal and 218,206 tons in the form of cast metal. Assuming that a mill converting 5,000 tons of pig iron annually into rolled iron will employ 100 hands, and that a foundry melting 3,000 tons of pig-iron annually will employ 100 hands, there are needed 10,565 mill hands and 7,273 foundry hands to convert, roll, and cast from pig-iron the steel and iron annually consumed in New England. If we allow for each hand an average family of four, we find that 71,352 people are supported by the labor done in the rolling-mills and foundries alone. To forge, turn, plane, drill, and otherwise fit for its various uses the bars, beams, plates, shapes, and castings thus produced by these 17,838 hands will require (as an estimate) at least four men for each hand; and allowing these men also families of four, as before, we have 285,408 people to be added to the 71,352 already accounted for, making 356,760 in all. To furnish these with their articles of necessity, such as food, clothing, fuel, shelter, etc., will provide work which will support at least as many more; and we have a round 700,000 people (but not New England people) now supported by the manufacture and manipulation of the iron and steel used in New England.

Space is taken to introduce this calculation, because it is so often comfortably asserted in Pennsylvania, and conceded in New England, that iron manufacturing in New England must die. It is well to show the magnitude of the interest which we have been so quietly consigning to death; and to emphasize the statements that there is no necessity for letting it die; that it is only the existing duties on coal, ore, and crude iron that are strangling it; and that the abolition of those duties will not only keep it alive, but will insure it a tremendous vitality and large increase, and will add more largely to the wealth and population of New England than any possible legislation upon any other subject.

But compare these possibilities with existing facts. As no statistics regarding foundry consumption are obtainable, we are confined to the statistics regarding rolled iron and steel; but may infer that the foundry statistics, if obtainable, would indicate a similar state of affairs, as the conditions of the two branches are similar. Out of the 528,263 tons of rolled iron consumed in New England in 1887, 102,711 tons, or only one-fifth part of the whole, were produced in her mills, and the tendency of the interest is even worse than its existing condition.

Look at the following record of the production of rolled iron by the Massachusetts mills from 1880 to 1887, taken from the same set of statistics from which we have already quoted so freely: 1880, 114,250 tons; 1881, 116,846 tons; 1882, 111,388 tons;

1883, 100,418 tons; 1884, 77,560 tons; 1885, 75,074 tons; 1886, 61,322 tons; 1887, 45,853 tons. In 1887 the surviving mills produced but little over one-third as much as was produced in 1880.

These figures represent the destruction of many villages once occupied by industrious and contented colonies of producers, and the swamping of millions of dollars of capital.

Under the tariff duties upon iron and coal, as they were before the war, the New England States had slowly and surely built up a healthy and thriving iron and steel manufacturing interest.

The large demand and high prices created during the war enabled them to survive under the war taxes, and the consumption of their accumulated profits and reserves kept them in existence until the resumption of specie payments. The tremendous decline in the price of crude iron which followed, not being accompanied by any reduction in the specific duty, and being aggravated by the retention of a prohibitory duty upon coal, has created a condition which has, since 1850, destroyed two-thirds of the iron and steel manufacturing capacity of Massachusetts, and built up an enormous monopoly for a few iron-producing States. No change in the law can compensate New England for the heavy losses already sustained; but a restoration of the ante-war tariff rates upon crude iron, ore, coal, and coke will prevent the further extension of the evil and gradually restore to her her fair share in this great manufacturing interest.

It may be thought that even if the rolling-mills have to go out, there will still remain work for the foundries, machine shops, and smaller manufactories, which can use Pennsylvania pig, bar, and plate iron. This is, doubtless, true, to a limited extent. They will still run, some of them, on a small scale, on local work, repairs, and small specialties; but the heavy work, the contracts, all the large operations, have already gone to Pennsylvania, and the smaller ones are fast following them. Why should it not be so? Pittsburgh has cheap iron, and all the iron and steel industries flourish there, while, in New England, they languish and die, because iron is made dear by tariff duties six times greater than the average duties upon other crude materials.

The Pennsylvania Railroad Company (assisted, we may hope ignorantly, by its allied New England roads) has, apparently, formed a deliberate plan for destroying the iron and steel industries of New England, with a view to securing to Pennsylvania the manufacture, and to herself, forever, the transportation, of her iron and steel goods. While it brings into New England manufactured iron and steel goods at comparatively low rates; and while it carries back to Pittsburgh, at the same, or even lower rates, the scanty supply of scrap-iron and old rails produced in New England, and constituting almost the only available raw iron of the New England mills, it imposes a high freight charge upon the coke, which forms the staple, and only, fuel for the steel-making and foundry work of New England. For illustration: In December, 1888, it transported, from Pittsburgh to Boston, nails and the kegs containing them for \$3.04 per net ton (16 cents per 106 pounds); and from Boston to Pittsburgh, old rails for \$2.86 per net ton. But, for bringing coke from Connellsville (in the immediate vicinity of Pittsburgh) to Boston, it charged \$4 per net ton. A car-load of nails (240 kegs) was worth about \$500; a car-load of coke (24,000 pounds) about \$18. The freight rate per ton on the cheap coke, used for manufacturing iron and steel in New England, was 33 per cent. greater than on the costly nails, made in Pennsylvania; and 40 per cent. greater than on the old rails, thus removed from the reach of the New England rolling mills.

This discrimination, however, seems to have been rather stiff, even for the convenience of a railroad manager; and, at this time (February, 1889), the rates upon nails and old rails are 40 cents per ton higher than in December last; the rate on coke still remaining unchanged, and much higher than on those and other iron and steel goods. The intention to keep raw material scarce and high, and to introduce manufactured iron and steel at low rates until, under the combined pressure of customs duties and discriminating freight rates, the New England iron and steel industries are killed off is too clear to be mistaken. After that, the freight rates of this railroad upon manufactured iron and steel goods may not be so low.

In the eighteenth century Lord Chatham said, "England should not suffer the colonies to make even a horeshoe for themselves." In the nineteenth, Pennsylvania and the Pennsylvania Railroad Company say, "We will not suffer New England to make even a horseshoe for herself." In the lapse of a century we have only changed masters.

The surrender by any State of the power to manufacture its own goods was not contemplated in the formation of the Union. It is not right to so protect the manufacture of pig-iron that a few States can kill out, by virtue of such protection, all the iron industries of other States. If the iron-producing States could, by the aid of a tariff, develop their coal and iron mines, and send their coal and raw iron here, for us to manufacture into various forms suitable for our uses, we, as Americans might,

although at large injury, even under such circumstances, to ourselves, consent to the continuance of the present tariff rates. But, as they are not content with that, but insist upon making our bars and plates, our beams and columns, our agricultural tools, castings, forgings, shovels, nails, tacks, cutlery, and everything else that is made of iron or steel, closing our workshops, and paralyzing our industries, we now, as New England men, say this is not fair; and we are not called upon to sacrifice our growth, prosperity and independence, in order that the iron-producing States may become inordinately great.

Estimating their consumption of iron by the relative percentages of their populations, there are but six States that produce more iron than they use. In all the remaining States and Territories, crude iron is, and, in most of them, always must be, a raw material, to be purchased, in whole or in part, from other States or abroad. To enable these six States to firmly establish their industries, and to meet the expenses of the war, the other thirty-two States and the Territories have, for many years, submitted to a heavy war duty upon coal, iron ore, pig-iron, and scrap-iron. But it has become evident that this duty is tending to the degradation of New England. Since the exigencies which called for it no longer exist, it should, in justice to her, be abolished, or heavily reduced.

Thus far, this question has been considered only as affecting the diminution of the opportunities for labor, in the New England States. There is, however, a still more serious injury being done by the existing tariff rates upon coal and iron.

Iron and steel are the basis of all industries; and cheap iron and steel are necessary to the growth and prosperity of a country. To compel New England to pay freight from Pennsylvania, or Alabama, upon its iron and steel, at a railroading cost which is a heavy tax now, and which will become still heavier when the interested railroads, with the help of the present extreme tariff rates, shall have accomplished their purpose of obliterating the manufacture of iron and steel in New England, is to set her back in the scale of civilization, and to put her at an infinite disadvantage, as compared with those States to which monopolies in iron are given by the tariff. It is to limit and restrict the use of iron and steel; to compel the use of wood where metal would be better; to forbid the building of iron and steel ships, and to cripple commerce; to discourage manufacturing and invention; and to tend towards the conversion of a maritime, commercial, and manufacturing population into an agricultural peasantry, not even possessing a soil fit to cultivate.

The laws should not degrade one section of our common country in order to exalt another. They should not forbid New England to enjoy the rights which her location on the coast gives; they should be so amended that crude iron may be as cheap in her ports as it is in Pennsylvania or Alabama; and that coal and iron ore may be as cheap as the world will furnish them to her.

It is not claimed that crude iron should be allowed to come in at such rates of duty as to flood the iron producing districts, even if such a thing were possible; (but, in fact, it is not, for the world, outside of the United States, can not produce and spare iron enough to half supply this country; and a speedy advance in the price of foreign iron would follow any importations larger than the sea-coast requirements, even if crude iron were absolutely free of duty). But we claim that the tariff should allow crude iron to be as cheap on the coast as it is in the interior, in order that New England men may manufacture and finish the iron that New England uses; and that she may not be set back in civilization by the impediments arising from the lack of cheap iron and steel.

Is there not poor national economy in continuing a condition of affairs that requires us to pay three or four extra dollars per ton for our manufactured iron, even although we thus furnish work to certain railroads in the transportation of it? The railroad's profit is not equal to our loss, and the transaction is a losing one, even from a national point of view. It is true that employment is given, and wages are paid to the train men; but the wages are paid for unnecessary labor, and are consequently wasted. It is New England that foots the bill for the waste, besides being deprived of the opportunity to employ her own people in manufacturing the iron.

It is objected that Americans in the iron-producing States are deprived of the opportunity to mine and smelt the iron which is imported by the sea-board States. This is true; but it is also true that more men are employed in manufacturing and finishing than in mining and smelting a given quantity of iron; and also that cheapness largely increases consumption, and especially the consumption of iron. Consequently, at a decreased cost of three or four dollars per ton for iron, it is probable that to offset every man who, in consequence of an increased importation of iron into the New England States might be thrown out of work as a common laborer at mining and smelting in the iron-producing States, two men would find employment as skilled laborers in manipulating and finishing iron and steel in New England. Is it not better national economy to find employment for two skilled laborers than for one common laborer? And let us not forget that from a national point of view it is just

as well that men should be employed in New England as in Pennsylvania or Minnesota; this fact seems to be often overlooked. Touching the remark sometimes made, that a free importation of coal, iron ore, and crude iron would close the furnaces of the interior, we quote the following paragraphs from a Boston paper of recent date:

"In a recently published article, Mr. Andrew Carnegie has made the admission that, so far as foreign competition in pig-iron is concerned, if we have no tax upon that article, it would be confined to the sea-board districts of this country, where cheap transportation, by water, could be obtained from the centers of production in Europe. In the interior of this country iron is already manufactured at so low a price that foreign producers could not afford to send their product across the Atlantic, and pay, in addition, large rates of freight for transportation by rail in order to compete, in the interior, with American producers." Mr. Carnegie, thus speaking, is good authority on this subject.

It has been stated (page 8) that "under the tariff duties, as they were before the war, the New England States had, slowly and surely, built up a healthy and thriving iron and steel manufacturing industry." But it should be understood that, even then, the possible growth of this industry was measured by the gradual increase in the production of domestic scrap-iron, which was used in connection with some imported pig and scrap iron. Unfortunately, the duty, 24 per cent., was no lower, in percentages, than the duty, 24 per cent., upon manufactured iron and steel. In competing with other States for the right to do her own manufacturing, New England, under an import duty of 24 per cent. upon crude iron, had a better chance than she now has. But, neither then nor now, could the New England States, or any other States using, exclusively, crude iron imported under a 24 per cent. duty, manufacture iron and steel at prices to compete with manufactured iron and steel also imported under a 24 per cent. duty. By using cheap domestic scrap, in connection with certain proportions of imported pig or scrap, she was able to do a part of her own manufacturing; but the small supply of domestic scrap limited her ability; and more than half the manufactured iron and steel used in New England was made in England and Germany. With a duty of 24 per cent. on manufactured iron and steel, crude iron should have been admitted free of duty.

Small regard for the interests of New England has ever been shown in the making of the iron and steel tariffs. The earlier legislation compelled her to have the manufacturing of her iron and steel done largely in England and Germany. The existing tariff turns it over to Pennsylvania. A just and equitable tariff will enable her to do it at home, and will permit her iron and steel to be as cheap as they are in Alabama or Pennsylvania. Nothing but the tariff laws forbid this. Is it right that the United States should bar her from this privilege by discriminating legislation against the importation of crude iron?

The petition annexed to this statement is based upon the supposition that the present duties upon manufactured iron and steel will remain as they are. If, however, these duties shall be reduced, an equivalent reduction in the duty upon crude iron (pig and scrap) asked for (24 per cent.) should be made. No increase in the duties upon manufactured iron and steel will aid New England. It is not increased protection from foreign manufacturers, but cheaper raw material, that she asks for. In her struggle to do her own manufacturing her contest is not with England, but with enormously protected Pennsylvania.

This statement has, throughout, been confined to a discussion of the interests of New England; but it is evident that the reasoning applies with equal force to the interests of the whole sea-board population of the United States. It is not an argument for a corner of the country, but for all the people that live upon our Atlantic shores and Pacific coasts. All of these have the right to do their own manufacturing, manipulating, and finishing of iron and steel, and to have their crude materials for this purpose as cheaply as those who live in the interior. Natural obstacles may be insurmountable; but there should be no artificial barriers erected to prevent the sea-board States from advancing, with equal step, in comfort, prosperity, and civilization.

COMPARATIVE TABLE OF DUTIES.

The following rough grouping of the articles (some of them crude materials, and some of them manufactured) which are most largely used in the arts and manufactures, and the annexed rates of duty imposed upon them, respectively, by the present tariff, clearly shows the enormous discrimination which is made against the crude materials that enter into the manufacture of iron and steel:

Articles.	Rate of duty.
Acids, alkalis, alkaloids, chemical salts and compounds, mostly.....	Free.
In a few instances only, the duty runs up to	25 per cent. ad valorem.
Bones, crude, bone-ash and bone-dust	Free.
Brick and cements	20 per cent. ad valorem.
Cotton and cotton waste	Free.
Cork-wood and cork-bark	Free.
Drugs, non-edible, dye-woods, and dye-stuffs, crude	Free.
Drugs, non-edible, dye-woods, and dye-stuffs, not altogether crude.....	10 per cent. ad valorem.
Extracts and decoctions of dye-woods	10 per cent. ad valorem.
Feathers and downs, for beds, free; otherwise, if crude, undressed.....	25 per cent. ad valorem.
Flax, not hackled or dressed	\$20 per ton.
Glass, broken, fit only for remelting	Free.
Glue stock, horns, hoofs, and hides	Free.
Guano, manures and phosphates	Free.
Gutta percha	Free.
Hair, from horses and other animals, crude	Free.
Hemp, not hackled or dressed	\$10 per ton.
Hides skins and furs, not dressed or tanned.....	Free.
India rubber	Free.
Ivory, vegetable ivory and whalebone	Free.
Jute	10 per cent.
Leather	15 to 20 per cent. ad valorem.
Lime	10 per cent. ad valorem.
Oakum and old junk	Free.
Paper stock of all kinds, including grasses, fibers, rags (excepting woolen), clippings, etc.....	Free.
Precious stones	10 per cent. ad valorem.
Ores of gold, silver, tin, cobalt, and manganese	Free.
Ores of chrome	15 per cent. ad valorem.
Ores and minerals not otherwise provided for, crude.....	Free.
Silk, raw	Free.
Spices, nearly, or quite, all of them	Free.
Timber, round, unmanufactured	Free.
Timber, hewed or sawed	20 per cent. ad valorem.
Wood, for cabinet-makers' use, mahogany, ebony, satinwood, etc., in the log	Free.
Wood pulp	10 per cent. ad valorem.
Wool, estimated average rate, about.....	40 per cent. ad valorem.
Antimony and quicksilver	10 per cent. ad valorem.
Britannia and pewter, as old metals	Free.
Brass, in bars or pigs, or as old metal, 1½ cents per pound, equivalent, at present prices, to	15 per cent. ad valorem.
Copper, in ingots, bars, or pigs, 4 cents per pound, equivalent, at pres- ent prices, to	24 per cent. ad valorem.
Copper, as old metal, fit only to rework, 3 cents per pound	20 per cent. ad valorem.
Cadmium and platinum, unmanufactured.....	Free.
German silver, unmanufactured	25 per cent. ad valorem.
Lead, in pigs, bars, blocks, or as old lead, 2 cents per pound, equiva- lent, at present prices, to	66 per cent. ad valorem.
Tin, in pigs, bars, or blocks	Free.
Zinc, in pigs, bars, or blocks, 1½ cents per pound, equivalent, at present prices, to	37½ per cent. ad valorem.
All other metals, unwrought, not otherwise provided for	20 per cent. ad valorem.

It is seen at a glance that the average duty upon the many articles comprised in the groupings given above will fall far short of 10 per cent. Now, compare with this fact the duties upon the crude materials which enter into the manufacture and manipulation of iron and steel, as follows:

The duty upon iron ore is 75 cents per ton, which is equivalent to an ad valorem duty of 37½ to 60 per cent.

The duty upon bituminous coal is 75 cents per ton, which is equivalent to an ad valorem duty of 75 per cent.

The duty upon scrap iron and scrap steel is \$6.72 per ton, equivalent to an ad valorem duty of 64 per cent.

The duty upon pig-iron is \$6.72 per ton, equivalent to an ad valorem duty of 67 to 80 per cent.

It should be clearly understood that this enormous disproportion did not exist in 1872. It arises from the large shrinkage in values which has taken place since that time. Iron, at foreign shipping ports, is now worth only about one-third of what it was in 1872; but the specific tax of \$6.72 still remains unchanged. An ad valorem tax adjusts itself to the changing markets; a specific tax does not.

SUMMARY.

(1) The duty upon imported crude iron is, and for ten years, on an average, has been nearly three times as large, computed by values, as it was in 1872.

(2) The existing duty upon bituminous coal prohibits to New England the exercise of the right which she enjoyed, and largely used, before the war, of importing Canadian coal; and, without producing any revenue for the Government, puts an extra and unnecessary cost of \$1.50 per ton upon all bituminous coal used in New England.

(3) The combined duties upon coal and iron ore prohibit the smelting of iron in New England, and the duty upon pig and scrap iron and coal is closing her iron and steel mills and workshops.

(4) Under the pressure of these duties, statistics indicate that the iron and steel working industries of New England have, during the last ten years, shrunk 40 per cent., while those of the country at large have, during the same period, increased about 57 per cent.

(5) No natural disadvantages have caused this large loss to New England. The obstacles interposed by the tariff are solely responsible for it.

(6) These obstacles have caused a degradation of American labor in New England.

(7) In the manufacture, manipulation, and finishing of the iron and steel consumed in New England there would be support for 700,000 of her people if the prohibitory tariff duties upon crude iron, coal, coke, and iron ore were removed, or properly reduced.

(8) Crude iron is, in whole or in part, raw material in thirty-two of the States and in all the Territories.

(9) The prohibition of cheap iron and steel to New England (through the heavy duty upon the crude materials used in their manufacture) is an obstacle to her progress in arts, sciences, manufactures, and civilization, and tends to her degradation in rank among the States.

(10) National economy calls for the removal or large modification of the restrictions upon the importation of coal, coke, iron ore, and crude iron, since more men would thereby be given employment in the New England States than would be thrown out of work in other States, and the labor done would be of a higher grade.

(11) The importation of crude iron under a largely reduced tariff into the sea-board States will not prevent the American furnaces from making iron for all the interior States, and, through the fluctuations of the market, competing for and securing a large part of the trade of the sea-coast.

(12) While this argument has been closely confined to the interests of the New England States, it applies with nearly equal force to all the sea-board districts of the United States.

(13) The rate of duty imposed upon the crude materials used in iron and steel manufacturing is at least six times as large as the average duties imposed by the existing tariff upon all other crude materials used in the arts and manufactures. It finds its parallel only in the heavy duty still imposed upon lead.

PETITION.

To the Senators and Representatives in Congress of the New England States :

The undersigned, proprietors or managers of iron-working establishments in New England, being members of all political parties; and believing that, in the adjustment of the tariff, a careful regard should be had to the rights and interests of all sections, and of all the people; that the local interests of each section should be carefully watched by its delegates in Congress; and that in order to be fully informed, such delegates must necessarily depend largely upon information furnished by their constituents, do hereby respectfully unite in calling your attention to the condition of the iron and steel working interests in New England, and to the effect of this condition upon the general interests of this section of our common country, as fully set forth in a statement prefixed hereto.

And, in view of the approaching revision of the tariff laws, we further unite in the request that you will insist upon the incorporation of the following provisions in any revised tariff law that shall be enacted :

First. That iron ore, coal, and coke shall be put upon the free list, as they were before the war.

Secondly. That the duty upon pig iron and scrap iron and scrap steel which prevailed immediately before the war be restored: to wit, a duty of 24 per cent. ad valorem.

Name.	Business.	Town.	State.

The CHAIRMAN. You can leave that with the stenographer.

Mr. TOBEY. There has been a marked advance in the price of iron goods since that time. The advance is calculated upon by those who are best informed without exception as a temporary advance. The tendency in all articles is for lower prices progressively.

Mr. BAYNE. Are you a consumer of ore?

Mr. TOBEY. Not ore directly.

Mr. BAYNE. Are you a consumer of coke?

Mr. TOBEY. Yes, sir.

Mr. BAYNE. How much does your coke cost you at the works per ton?

Mr. TOBEY. About \$7.

Mr. BAYNE. And it costs the consumer at Pittsburgh about \$1.25?

Mr. TOBEY. I think coke of the same grade would cost about \$1.75 there, and about \$2.40 for coke of the same grade at Connellsville. The coke I use is average coke.

Mr. BAYNE. Do you think now when you have to pay that enormous price you would ever be able to compete if the raw material was made free?

Mr. TOBEY. We think Providence is kindly to everything, and we are manufacturing our class of goods very cheap.

Mr. BAYNE. How much do you pay for coal?

Mr. TOBEY. Our coal costs about \$4.25 at this time.

Mr. BAYNE. If you have seventy-five cents a ton taken off it would cost you \$3.50?

Mr. TOBEY. You would be very far from the difference by taking off that seventy-five cents.

Mr. BAYNE. Why so?

Mr. TOBEY. Because the mines in Nova Scotia have been restricted instead of being developed for thirty-four years. They have been laboring under the certainty of having to pay this duty of seventy-five cents a ton. So we are enabled to exclude them in that way from the American markets. There has been no attempt at developing the mines of Nova Scotia. If the Canadian mines were developed a large part of the product would come to this country.

Mr. BAYNE. Enough for the consumption of this country?

Mr. TOBEY. Yes, sir.

Mr. BAYNE. But now our own employes and people produce the supply largely of this material.

Mr. TOBEY. Yes, sir; but we have to pay the Pennsylvania people \$3 a ton to haul it.

Mr. BAYNE. You pay the Pennsylvania Railroad, and under the existing condition our own people produce the coal and our own miners are given employment, whereas, without that system the supply would largely come from Canada and thus deprive our producers of the production of that quantity of coal which you would consume.

Mr. TOBEY. Yes, sir; and deprive our people of the same amount of labor. We hope to be able to build up a large amount of labor in our section by giving them the equivalent legitimate labor from the increased production.

Mr. BAYNE. How many men have you in your employment?

Mr. TOBEY. I should say about two hundred and fifty or three hundred.

Mr. BAYNE. What is the product of this establishment?

Mr. TOBEY. The amount?

Mr. BAYNE. What do you make?

Mr. TOBEY. Bessemer steel.

Mr. BAYNE. Do you manufacture the finished product?

Mr. TOBEY. Yes, sir, we carry it into the finished product.

Mr. BAYNE. Do you carry all of the Bessemer steel into the finished product?

Mr. TOBEY. Yes, sir.

Mr. BAYNE. You do not sell any?

Mr. TOBEY. No, sir.

Mr. GEAR. What is the relative cost of labor in making the Bessemer product in your country compared with the Pennsylvania rolling mills? I speak of skilled labor.

Mr. TOBEY. I think the skilled labor would be at least double. I think the skilled labor in our mill is not much more than one-half that of Pittsburgh.

Mr. GEAR. How so?

Mr. TOBEY. We have succeeded in degrading American labor.

Mr. GEAR. How so?

Mr. TOBEY. By being compelled to hire it as cheaply as possible.

Mr. GEAR. Do you wish to ask for an increase in the tariff?

Mr. TOBEY. No, sir.

Mr. GEAR. Would you be willing to consent to a reduction on steel products?

Mr. TOBEY. In that case it would be necessary to give us a reduction of 25 cents a ton.

Mr. McKENNA. Why is it labor works for one-half in Massachusetts of what it does in Pittsburgh?

Mr. TOBEY. Because they are obliged to work for that or move. It is not agreeable to many of them. Some prefer to live at that rather than move.

Mr. McKENNA. So they take one-half rather than go to Pittsburgh?

Mr. TOBEY. Yes, sir.

Mr. GEAR. You do not quite comprehend my question. I ask you if you favor a reduction?

Mr. TOBEY. I think the duty has been so high a reduction——

Mr. GEAR. But on the general productions?

Mr. TOBEY. I do not think from the tariff at present that a horizontal reduction could be made to advantage. It appears inequitable that there should be a duty of 75 per cent. on raw material.

Mr. GEAR. Do you favor a reduction on the steel products made in your mill?

Mr. TOBEY. I will answer a little indirectly, if you will allow me. We have had to pay on pig-iron which we have brought out and used in our mill a duty of 70 to 75 per cent. We have been protected by the labor together with the duty on steel billets, slabs, and blooms, which we make, to the extent of 45 per cent.; it appears to my mind that there should not be a duty of 75 per cent. on the raw material and a duty of 45 per cent. on the face product. Although I advocate a reduction of duty on raw material, it does not follow that I must necessarily advocate a reduction on the finished product, as I think the duty is out of proportion.

Mr. GEAR. Your product among other things includes billets?

Mr. TOBEY. Billets for nine-tenths of the Bessemer steel works are the finished product. The duty of these has been 45 per cent. and on pig-iron 75 per cent. Now, if it is right and equitable to ask for a reduction on the 75 per cent., it might follow that we feel it was right to ask for a reduction on the 45 per cent.

Mr. GEAR. Your production is in billets. Are you in favor of a reduction——

Mr. TOBEY. Yes, sir. I might answer the question by saying I favor a reduction on nails, which is my chief article of production.

Mr. GEAR. Why?

Mr. TOBEY. Because I think the duty could be reduced and I could still make nails.

The CHAIRMAN. Suppose we had free coal and free ore?

Mr. TOBEY. I should be willing to submit to as much reduction in nails and then double it.

Mr. McKENNA. Suppose we gave you free raw material; would you make nails free?

Mr. TOBEY. I think I would rather have the duty on them.

Mr. GEAR. How much reduction would you favor?

Mr. TOBEY. I could not tell that. The duty upon them is large, so we do not import any at all; and they cost so much for transportation. I mean nail plates. At present they are not imported.

Mr. CARLISLE. It is a prohibitory duty now?

Mr. TOBEY. Yes, sir; practically so.

Mr. BRECKINRIDGE. I understand you to say that whether or not the tariff be made a little lower, at all times it is proposed the higher tax should be upon the crude materials than upon the finished product?

Mr. TOBEY. Yes, sir.

Mr. BRECKINRIDGE. Therefore you are arguing against the present inequalities of the tariff?

Mr. TOBEY. Yes, sir.

Mr. BAYNE. What are the steel billets you manufacture used for?

Mr. TOBEY. They are used in manufacturing nails. Nail making is substantially the same thing.

Mr. CARLISLE. Do you import any ores?

Mr. TOBEY. No, sir; we do not use any directly.

Mr. CARLISLE. Do you import any pig-iron?

Mr. TOBEY. Yes, sir; formerly.

Mr. CARLISLE. Will you state to the committee the cost of transportation from the place of production to your place per ton of pig-iron?

Mr. TOBEY. It varies from time to time. A short time ago it could have been brought in for 75 cents per ton.

Mr. CARLISLE. From the place of production?

Mr. TOBEY. From the port of shipment.

Mr. CARLISLE. What does it cost to take it from the place of production to the place of shipment?

Mr. TOBEY. That was included in the price to me on shipboard.

Mr. CARLISLE. The charge for transportation paid by you was 75 cents?

Mr. TOBEY. No, sir; we are not importing at this time, but we could have gotten it at that price. This is lower than the freight price.

Mr. CARLISLE. What has been the average price for the last five years?

Mr. TOBEY. Perhaps \$1.50 would be a very fair price.

Mr. BRECKINRIDGE. From Glasgow or Liverpool?

Mr. TOBEY. Yes, sir.

Mr. BRECKINRIDGE. Where are they produced?

Mr. TOBEY. On the west coast of England generally, but we have purchased some from Scotland.

Mr. BRECKINRIDGE. How far inland?

Mr. TOBEY. I am not familiar with the details of production over there?

Mr. BRECKINRIDGE. Do you know anything of the cost of transportation of ore brought here from Spain and various other sources of supply?

Mr. TOBEY. If it was brought over by steamers as pig-iron it would be lower than if brought by transport ships.

Mr. BRECKINRIDGE. In proportion to its value?

Mr. TOBEY. It would be absolutely more per ton.

Mr. BRECKINRIDGE. Why for pig iron?

Mr. TOBEY. For the reason that the steamers take pig-iron for ballast. They like to have some heavy weight in the bottom of the ship.

Mr. BRECKINRIDGE. The cost of bringing the ore is less than the cost of bringing the pig-iron?

Mr. TOBEY. No, sir. The pig iron is in a very convenient shape to handle. It is the right size and the passenger steamers like to have the ballast all low down in the ship. Ore is friable and they have to handle it with shovels, so they dislike to receive it.

Mr. BRECKINRIDGE. You say the cost per ton for transporting pig iron is less than the cost per ton for transporting ore?

Mr. TOBEY. Yes, sir.

Mr. BAYNE. How much coke does it require to reduce a ton of ore?

Mr. TOBEY. I am not a blast furnace man, but I understand it to be about three-quarters to seven-eighths of a ton; but I do not run a blast furnace.

Mr. BAYNE. Does it not require more than that?

Mr. TOBEY. No, sir; I think not.

Mr. BAYNE. I think it is a ton and a half. If you put \$4 to the ton for coke and should buy the reduced ore, the pig iron and coke would cost you apparently \$6 per ton.

Mr. TOBEY. I should like to inquire of Mr. Swank whether it is a ton and a half?

Mr. SWANK. Some require a little less than others. I should say a ton and a quarter. Some can make pig iron for a little more a ton.

Mr. BAYNE. Say a ton and a half. That would be about \$4 a ton for coke.

Mr. TOBEY. We pay more than \$4 a ton for coke.

Mr. BAYNE. How much do you pay?

Mr. TOBEY. Seven dollars a ton.

Mr. BAYNE. Then it would cost you about \$10?

Mr. TOBEY. Yes, sir.

Mr. BAYNE. What interest have you in getting free ore if you have to pay that enormous price for coke?

Mr. TOBEY. You appear to overlook the proximity of Nova Scotia to us.

Mr. BAYNE. If you take seventy-five cents a ton off coal you still have this enormous cost for fuel?

Mr. TOBEY. The coal can be produced here at a price which will more than offset the seventy-five cents when this development has been made.

Mr. BAYNE. Suppose that there was a lively competition. You would still pay more for your fuel than in Pennsylvania?

Mr. TOBEY. Very little more. I think we would get it at \$2.50 per ton.

Mr. BAYNE. Do you think according to the laws of trade you could succeed in competing with Pennsylvania under these conditions?

Mr. TOBEY. What would you think of Chicago competing with Pennsylvania when she has to pay more?

Mr. BAYNE. She is compensated by nearness to the ore.

Mr. TOBEY. That is quite so.

Mr. BAYNE. You did not think of the advantage of Chicago when she is near the Lake Superior ore mines, whereas you are so far away.

Mr. TOBEY. Water freights are quite low.

Mr. BAYNE. Of course you are a little farther away and do not have such compensation as Chicago in the way of cheap re?

Mr. TOBEY. You are aware furnaces are run in New Jersey and Pennsylvania entirely on foreign ores, and they manage to live; and then there is the 75 per cent. duty.

It may appear strange that I have not, in the rates I have given, included the year 1888. At the time this statement was made the statistics for 1888 were not out. They had not been published. They have since been published, and a statement

might have been made in reference to them. An examination of them makes very clear the fact that they are quite erroneous as compared with the statistics of the preceding years. There has been introduced into them the steel rolling production of the largest concern in Massachusetts, which never heretofore has been asked for until this year. In 1881, I think, Mr. Swank incorporated it in his statistics for that year.

Mr. SWANK. We have asked for the product of the establishment alluded to for the last seventeen years, and have always received a statement from them.

Mr. TOBEY. You have received a statement in regard to scrap iron, but not steel.

Mr. SWANK. They so reported to me.

Mr. TOBEY. Mr. Moyné is the person from whom I got my information. That is the reason I have not incorporated the statistics for 1888, as I considered them quite erroneous.

Mr. GEAR. You speak of the decadence of the iron manufactories in New England. Is it not true that other manufactories than iron have a tendency towards the West—such manufactories as shoes and other such articles?

Mr. TOBEY. I do not think the census reports show diminution of manufactories.

Mr. GEAR. Is it not a matter of fact that the general trend of manufactures is towards the West; that the people are going out there to live, leaving their shops in the East?

Mr. TOBEY. I should hardly think so. I think there are some new cotton manufactories building up in the South.

Mr. GEAR. Do you know that there are some manufacturers of nail plates who have gone out there?

Mr. TOBEY. I do not know of any who have closed them for the purpose of going West. A good many people have gone West, but I do not know of any who have closed their manufactories and gone there.

Mr. GEAR. They have abandoned them?

Mr. TOBEY. I do not know of any industries to which that remark would apply. I have a list of the signers of document.

The CHAIRMAN. Leave that, if you please.

PETITION.

To the Senators and Representatives in Congress of the New England States :

The undersigned, proprietors or managers of iron-working establishments in New England, being members of all political parties; and believing that, in the adjustment of the tariff, a careful regard should be had to the rights and interests of all sections, and of all the people; that the local interests of each section should be carefully watched by its delegates in Congress; and that in order to be fully informed, such delegates must necessarily depend largely upon information furnished by their constituents, do hereby respectfully unite in calling your attention to the condition of the iron and steel working interests in New England, and to the effect of this condition upon the general interests of this section of our common country, as fully set forth in a statement prefixed hereto.

And, in view of the approaching revision of the tariff laws, we further unite in the request that you will insist upon the incorporation of the following provisions, in any revised tariff law that shall be enacted.

First. That iron ore, coal, and coke shall be put upon the free list, as they were before the war.

Second. That the duty upon pig iron and scrap iron and scrap steel which prevailed immediately before the war, be restored, to wit, a duty of 24 per cent. ad valorem.

List of names of the prominent signers of the iron and steel petition.

Names.	Business.	Town.	State.
Palmer Wire Manufacturing Company, Henry P. Holden, treasurer, H. L. Holden, president.	Wire-drawers	Palmer	Mass.
Thomas Gogin	Iron and steel	Boston	Do.
William E. Coffin	Iron manufacturer	do	Do.
Bay State Iron Company, John H. Reed, treasurer.	Iron manufacturing	do	Do.
South Boston Iron Works, W. P. Hunt, president.	Iron foundry	do	Do.
Rhode Island Tool Company, William B. Dart, treasurer.	Nuts, bolts, drop forgings, etc ..	Providence	R. I.
William H. Smiley	Tack manufacturer	Haverhill	Mass.
Clark & Dow	Tack and nail manufacturers ..	do	Do.

List of names of the prominent signers of the iron and steel petition—Continued.

Names.	Business.	Town.	State.
Bartlett & Perkins.....	Nail manufacturers.....	North Middleborough.....	Mass.
Nahum Stetson.....	Iron manufacturer.....	Bridgewater.....	Do.
J. A. Northrop.....	Foundry and machine works.....	New Milford.....	Conn.
Dighton Furnace Company, James H. Coddington, treasurer.	Stove foundry.....	Taunton.....	Mass.
E. Phillips & Sons.....	Tack manufacturers.....	South Hanover.....	Do.
Z. Talbot.....	Tack manufacturer.....	Holliston.....	Do.
Holliston Mills.....	Machinery.....do.....	.....do.....	Do.
Peter Joyce.....	Iron foundry.....	Brattleborough.....	Vt.
Richard Sacden.....	Wire manufacturer.....	Spencer.....	Mass.
Dunbar, Hobart & Co.....	Tack manufacturers.....	Whitman.....	Do.
David B. Gurney.....	Tack manufacturer.....	.....do.....	Do.
D. A. Gurney & Co.....	Steel shanks.....do.....	.....do.....	Do.
Jenkins Bros. & Co.....	.....do.....do.....	.....do.....	Do.
A. B. Phillips & Co.....	Machinists.....do.....	.....do.....	Do.
Charles T. Stetson.....	Machine-shop.....	Hanover.....	Do.
American Screw Company, Ed- win G. Angell, president.	Screws tire and stove bolts, rivets, wire nails, etc.	Providence.....	R. I.
Albert Field Tack Company, N. B. Dean, treasurer.	Tacks, nails, shoe and wire nails, etc.	Taunton.....	Mass.
Norway Steel and Iron Company, Albert Geiger, treasurer.	Iron and steel manufacturers...	Boston.....	Do.
Taunton Tack Company, Thomas J. Lothrop, treasurer.	Tack manufacturers, etc.....	Taunton.....	Do.
Brown and Sharp Manufacturing Company.	Machinists.....	Providence.....	R. I.
Franconia Steel and Iron Works.	Steel and iron manufacturers...	Wareham.....	Mass.
Somerville Spike Works.....	Spike manufacturers.....	Somerville.....	Do.
Howard Foundry Company.....	Iron foundry.....	Bourneville.....	Do.
Fairhaven Iron Works.....	Iron foundry and machine-shop.	Fairhaven.....	Do.
New Bedford Iron Foundry, Ed- ward Grinnell.	Iron foundry.....	New Bedford.....	Do.
Governor Oliver Ames.....	Shovel manufacturer.....	North Easton.....	Do.
Ellis Foundry Company, Peleg McFarlin, treasurer.	Stove-works.....	South Carver.....	Do.
Rhode Island Locomotive Works.	Locomotive works.....	Providence.....	R. I.
Highland Foundry Company, T. W. Elliott, treasurer.	Stove works.....	Boston Highlands.....	Mass.
Magee Furnace Company.....	Stove works and furnaces.....	Boston.....	Do.
Wareham Nail Company.....	Nail manufacturers.....	South Wareham.....	Do.
Taunton Locomotive Works.....	Locomotive works.....	Taunton.....	Do.
Tremont Nail Company.....	Nail manufacturers, etc.....	West Wareham.....	Do.
Cambridge Rolling Mills.....	Iron and Steel manufacturers...	Cambridgeport.....	Do.
New England Butt Company.....	Foundry, machinery, and hard- ware.	Providence.....	R. I.
Cobb & Drew.....	Nail, tack, and rivet manufact- urers.	Plymouth.....	Mass.
Armington & Sims Engine Com- pany, Pardon Armington, treas- urer.	Manufacturers of steam-engines.	Providence.....	R. I.
H. C. & W. S. Cole.....	Tack manufacturers.....	Kingston.....	Mass.
French, Hall & Co.....	.....do.....	Rockland.....	Do.
Henry Perkins.....	Foundry and machine-shop.....	Bridgewater.....	Do.
Perkins Bros.....	Wire-nail manufacturers.....	.....do.....	Do.
Tyler Steel Tube Company.....	Steel tubes, etc.....	Boston.....	Do.
Florence Tack Company, G. W. Bond, treasurer.	Tack and small nail manufact- urers.	Northampton.....	Do.
East Bridgewater Iron Company.	Iron manufacturers.....	East Bridgewater.....	Do.
Boston Forge Company, James Smith, treasurer.	Railroad and steam marine works, etc.	East Boston.....	Do.
W. Osborne & Co.....	Nail manufacturers.....	Lakeville.....	Do.
B. Schlesinger.....	Iron manufacturer.....	Boston.....	Do.
Manchester Locomotive Works, Aretas Blood, manager.	Locomotives.....	Manchester.....	N. H.
Nashua Iron and Steel Company. Aretas Blood, treasurer.	Manufacturers of all kinds of iron and steel.	Nashua.....	Do.
Bradford Joint Company.....	Bedstead fastenings.....	Plymouth.....	Mass.
Brainard Milling Machine Com- pany, A. H. Brainard, general superintendent.	Machine tools.....	Hyde Park.....	Do.
John T. Robinson & Co.....	Fine machinery.....	.....do.....	Do.
New Home Sewing Machine Com- pany.	Sewing machines.....	Orange.....	Do.
Joel Knapp.....	Machinist.....	Lowell.....	Do.
Rolney Hunt Machine Company, E. N. Harris, treasurer.	Machinists and iron founders...	Orange.....	Do.
Chase Turbine Manufacturing Company, L. Kilburn, treasurer.	Machinery and iron foundry....	.....do.....	Do.
Samuel B. Locke & Co.....	Iron foundry.....	Somerville.....	Do.
Cunningham Iron Works Com- pany.	Boiler manufacturers.....	Charlestown.....	Do.

List of names of the prominent signers of the iron and steel petition—Continued.

Names.	Business.	Town.	State.
Household Sewing-Machine Company.	Sewing-machines.	Providence.	R. I.
A. E. Tenney Manufacturing Company.	Manufacturers of machinery.	Pawtucket.	Do.
George W. Payne & Co.	do.	do.	Do.
J. C. Potter, president.	do.	do.	Do.
J. S. White.	do.	do.	Do.
McWilliams Manufacturing Company, John McWilliams, president.	Machinery.	Providence.	R. I.
Allen Fire Department Supply Company, R. J. Gilmore, manager.	do.	do.	Do.
Mechanics' Iron Foundry Company, J. A. Caldwell, treasurer.	Iron foundry.	Boston.	Mass.
Globe Nail Company.	Horseshoe nails.	do.	Do.
William H. Haskell Company, D. A. Abbott, agent.	Bolts, screws, etc.	Pawtucket.	R. I.
Corliss Steam-Engine Company, William M. Cowan, treasurer.	Engine builders.	Providence.	Do.
Aretas Blood, president.	Horse-shoe nails.	Boston.	Mass.
Edward Kendell & Sons.	Charles River Iron Works.	Cambridgeport.	Do.
Henry M. Bird.	Broadway Iron Foundry.	do.	Do.
Miller & Shaw.	Machinists and blacksmiths.	do.	Do.
Walworth O. Barbour & Co.	Iron foundry.	do.	Do.
Alfred Morrill & Co.	Machinists and blacksmiths.	do.	Do.
William Campbell & Co.	Cambridge Boiler Works.	do.	Do.
Augustus Swift.	Iron foundry.	New Bedford.	Do.
Bowker & Tripp.	Machinists.	do.	Do.
Luscomb & Corey.	do.	do.	Do.
Brownell, Ashley & Co.	Carriage manufacturers.	do.	Do.
Humphrey Machine Company.	Foundry and machinists.	Keene.	N. H.
Walter Aiken.	Hosiery and machine builder.	Franklin.	Do.
Thomas W. Keely, treasurer.	Nashua Co-operative Iron Foundry Company.	Nashua.	Do.
Rollins Engine Company.	Steam-engines.	do.	Do.
The American Tool and Machine Company.	Iron foundry and general machinery.	Boston and Hyde Park.	Mass.
J. M. Watson.	Special machinery.	Boston.	Do.
Moore & Wyman.	Elevators and machinery.	do.	Do.
Jos. F. Carroll.	Machinist.	do.	Do.
Jas. C. Newell & Co.	Press and machinery manufacturers.	do.	Do.
C. H. Hutchinson.	Foundry and machine works.	Manchester.	N. H.
Harrison Sonle.	Iron foundry.	Rochester.	Do.
John A. White.	Wood-working machinery.	Concord.	Do.
John P. Smith.	Machinist.	Exeter.	Do.
Wm. P. Ford & Co.	Iron foundry.	Concord.	Do.
Daniel Kidder.	Machinist.	North Groton.	Do.
Washburn & Moen Manufacturing Company.	Steel works and wire mills.	Worcester.	Mass.
American Twist Drill Company.	Machinery and tools.	Laconia.	N. H.
Geo. H. Whitney.	Manufacturer of machinery and turbine water wheels.	Nashua.	Do.
J. R. Holman.	Machinery.	Hinsdale.	Do.
G. W. & C. A. Lane.	Manufacturers of mills and elevators.	Exeter.	Do.
Edward S. Taber.	Machinists' tools.	New Bedford.	Mass.
Biddeford Stove Foundry, Geo. W. McFadden.	Stove manufacturers.	Biddeford.	Me.
Portland Stove Foundry, F. M. Lawrence, treasurer.	do.	Portland.	Do.
Eugene C. Le Baron.	Iron foundry.	Middleborough.	Mass.
E. O. Baldwin.	Millwright.	New Stratford.	N. H.
Cole & Nichols.	Iron foundry.	Lowell.	Mass.
F. S. Perkins.	Machinist.	do.	Do.
A. L. Smith.	Iron foundry.	do.	Do.
Geo. W. Fifield.	Machinist.	do.	Do.
Benjamin F. Stevens.	do.	do.	Do.
Alfred Nourbourn.	do.	do.	Do.
A. L. Wright.	do.	do.	Do.
J. J. Crawford & Son.	Steam plate presses, steam-boilers, etc.	Nashua.	N. H.
Whittier Machine Company, by Charles Whittier, president.	Manufacturers of machinery.	Boston.	Mass.

STATEMENT OF MR. F. S. WITHERBEE.

Mr. F. S. WITHERBEE, of Port Henry, New York, president of the Eastern Iron-Ore Association, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee: Mr. Ely, who has preceded me here, has very generally covered the ground in regard to the duty on iron ore, and I shall simply confine what I have to say about the subject to the interests of the section which I represent. The territory which is covered by the Eastern Iron-Ore Association is practically bounded on the west by the Allegheny Mountains, on the north by the St. Lawrence River, and on the east by the Atlantic Coast. That section of country produced last year, I should estimate, very closely over two million tons of iron ore. That represents probably a body of miners composed of not less than ten or twelve thousand men, and in all probability a very large body of men who are directly or indirectly dependent upon the resources of this district. This region is more assailable to assaults which would come upon it by foreign labor than the western country, for the reason that it lies close to the Canadian line on the north and the sea-ports, and the mines are no very great distance from tidewater. Now, the question has been raised by a gentleman who spoke before me as to whether this eastern portion of the country was able to supply a sufficient quantity of iron ore to be converted into Bessemer steel. I want to say in answer most emphatically that it is, and whatever we may be short can be supplied from Lake Superior at a price not far from what it costs now at Pittsburgh.

In regard to the future, I think I can speak unhesitatingly. We have an unlimited supply for any demand that may come upon us for two reasons. In the first place basic steel—I do not know but what I will have to explain this—is a commodity which is one of the purest products of steel, and yet it does not require the purest ore to produce it. Almost any ore containing almost any amount of phosphorus can by this process be enabled to remove almost entirely the phosphorus from the ores. Now, an enormous quantity of ore in this eastern district is especially adapted to this basic process.

This process not only converts the pig-iron into steel, but it makes a commonly desired commodity, which is superior to the ordinary acid steel product. Then there is a system of concentration. Concentration consists of a method of applying a magnet to the separation of iron ore. It consists of first grinding the ore, and secondly, passing the particles so ground over a magnet. The magnet attracts the particles of iron and does not attract the rock. Therefore the particles of rock are placed at one point and the particles of iron at another point, so leaving the high phosphorus in the rocky material. So we are enabled to manufacture a product which in purity of iron and lowness of phosphorus will equal if not excel any ore mined in this country.

Mr. CARLISLE. This is the process—

Mr. WITHERBEE. This is the process of concentration or the magnetic process. I might say this is yet in its infancy, but is very rapidly developing.

Mr. McMILLIN. If I could interrupt you here, with a view of determining the efficiency of the scheme. What is the cost of that method of freeing the ore by magnet?

Mr. WITHERBEE. It is very early in the stage of its development to answer that. Mr. Edison is perhaps more largely interested in it than anybody else. He is to-day buying heaps of iron ore left out for years, which, by other processes, would yield 25 to 30 per cent. of metallic iron, and he has been able to bring that product up to 60 per cent. of iron. In rough numbers I should say perhaps it would go to 75 cents or \$1 a ton additional cost. Mr. Edison has had considerable experience in that, and can answer it more definitely, although we have just started it ourselves.

Now, we have to look in the east very much as a gentleman who preceded me said, to the fact that our industries have not progressed in the last ten or fifteen years as in other parts of the country. I do not agree with him in the statement he made that removing the duty on pig-iron and iron ore would be the remedy desired. I think we have the remedy, it lies within ourselves by putting ourselves on a plane of development equal to that of the South and West, and secondly by using what influence we can toward securing low freight rates. The gentlemen made several assertions in regard to the Pennsylvania Railroad as being a great obstacle to development. We have to deal with it and with roads in other directions, and I would say that the chief obstacle I find to New England trade arises from the almost prohibitory rates charged by the New England railroads. The trouble from the Pennsylvania region is not so much occasioned by the Pennsylvania Railroad as by the almost prohibitory rates charged by the New England roads. What we need is low rates. Let the gentleman who preceded me endeavor to run entirely upon foreign ore or pig-iron. They are selling abroad higher than here without the duty. I agree

they may go lower. At the same time they probably will never get back to where they were before.

Mr. McMILLIN. Does that advance here correspond with the advance there?

Mr. WITHERBEE. Not correspondingly.

Mr. McMILLIN. But there has been a considerable advance?

Mr. WITHERBEE. Yes, sir; but not a corresponding one.

Mr. McMILLIN. What is the advance here?

Mr. WITHERBEE. It is very hard to get it proportionately, but I should say that iron which sold at \$16.50 is now probably fairly quoted at \$19.

Mr. McMILLIN. I want to get at iron ore—the advance here.

Mr. WITHERBEE. The advance here has not been nearly as great as that in foreign ore.

Mr. McMILLIN. What is the price abroad?

Mr. WITHERBEE. I do not know accurately, but I could give an estimate.

Mr. McMILLIN. How, then, do you know it is not as great?

Mr. WITHERBEE. I simply know from the sales at New York harbor. I know the advance in this country has been from seven and a half units up to ten and eleven units. It seems to me we have in the eastern territory a production with which to supply our wants, and, looking at it from a manufacturer's point of view (for I am a manufacturer as well as a producer of ores and iron), I feel the manufacturers' interests will be protected better by the fact that they can have a steady supply of domestic ores with a duty maintained, because the discovery of new mines has been taking place very rapidly in the last few years, than it would be to give us free ore, because if you do not protect this industry you intimidate capital from developing mining properties.

In closing, in reference to the conditions of trade of New England, I have to say in regard to New York—there are more idle furnaces in New York than in any other State in the Union. She is almost worse than New England—but our raw material will not help us, though modern plants might. I feel here to-day I am representing the sentiments of the people living throughout my part of the country when I say that we believe in protecting our laborers, who have to compete with the labor of Africa and Spain. We think we are very justly entitled to protection on the raw material. We have to meet the cheapest of all labor abroad. We have to compete with the development of Georgia, Alabama, Ohio, Illinois, and Minnesota, but if we have got to give way to them, and I say with all my heart that if we have got to die, I would prefer to have American friends officiate at our funeral rather than foreigners.

Mr. FLOWER. The tariff duty on iron ore, as I understand it, is 75 cents a ton. What do you make a ton on your kinds? I do not mean in a booming year, but an average year. In your mines what do you make a ton?

Mr. WITHERBEE. Well, it is rather hard to give it in that form.

Mr. FLOWER. Do you make a dollar?

Mr. WITHERBEE. No, sir; not 50 cents.

Mr. FLOWER. At the Troy or any other mine?

Mr. WITHERBEE. No, sir.

Mr. FLOWER. What about the Troy rolling-mill, that is not running?

Mr. WITHERBEE. Yes; it is running now.

Mr. FLOWER. They only started a short time ago, then?

Mr. WITHERBEE. Yes; owing to the fact they are going to get better ore.

Mr. FLOWER. You are not despondent, like Massachusetts, in regard to the profits to be made on iron manufacture?

Mr. WITHERBEE. I am not despondent, like the gentleman from Massachusetts. I think we have a great future. I think the development of the basic process and the magnetic process will be a great advantage.

Mr. McMILLIN. And yet you say you have a very large number closed up, and idle furnaces; so protection has not been able to keep them alive?

Mr. WITHERBEE. Not that, sir. I think the fact of improved plants has a great deal to do with it. It is impossible to run the old furnaces, which required 2 tons to smelt the ore, against the modern plants, which require only 1 ton.

Mr. McMILLIN. The trouble comes in part that you have not got the iron ore, coal, and limestone all together.

Mr. WITHERBEE. Somewhat that way; and another thing is we have to meet the foreign Bessemer ore close by at sea-ports. A large amount of Bessemer ore has come in the last three or four years and has sold at lower figures than we can produce it.

Mr. BAYNE. Is the basic process much employed now?

Mr. WITHERBEE. Yes, sir. I should say the last year the product of the European Continent was probably two-thirds basic.

Mr. BAYNE. You are encouraged to believe by the adoption of the processes being developed in your State and New England that you will be able to produce your iron approximating the cost of production elsewhere?

Mr. WITHERBEE. It looks so.

Mr. BAYNE. Explain the basic process.

Mr. WITHERBEE. I am not as competent as gentlemen who will speak after me.

Mr. BAYNE. How near are you to the New England line?

Mr. WITHERBEE. About 2 miles.

Mr. BAYNE. If the New England railroads would give as fair rate of charges as the Pennsylvania Railroad, could you supply Massachusetts with iron ores at a reasonable rate?

Mr. WITHERBEE. I think so.

Mr. BAYNE. That is, if the New England railroads would charge as low rates as the Pennsylvania?

Mr. WITHERBEE. Yes, sir.

Mr. BAYNE. You employ about twelve thousand men?

Mr. WITHERBEE. No, sir; I said the territory I represented did.

By BAYNE. I mean your district.

Mr. WITHERBEE. Yes, sir; that is a fair estimate.

Mr. BAYNE. What wages do those men get?

Mr. WITHERBEE. On the whole they are much the same wages mentioned by Mr. Ely. They do not differ very much because if they differed in the two districts they would migrate from one to another.

Mr. BAYNE. That would be from \$1.25 to \$2.50 a day?

Mr. WITHERBEE. That would be a fair average.

Mr. BAYNE. So the iron workers and the workers in the mines are a well-paid body of men? Mr. Toby says they only pay them about half.

Mr. WITHERBEE. I think Mr. Toby's figures would be considerably above ours, as he is not a miner, but a manufacturer and employs largely skilled labor.

Mr. BAYNE. You have not reduced the cost of your labor of mining as Mr. Toby has?

Mr. WITHERBEE. I am sorry to say we have, very much against our wishes, although they are getting a very much larger proportion of the selling price of iron ore than ever before in the history of mining. The iron-ore men have within the last fifteen years certainly had double the wages they are receiving to-day.

Mr. BRECKINRIDGE. Do you pay by the ton or by the day?

Mr. WITHERBEE. By the ton.

Mr. BRECKINRIDGE. How much do you usually pay per ton?

Mr. WITHERBEE. No; I should have said by the day.

Mr. BRECKINRIDGE. Do you mine any by the ton?

Mr. WITHERBEE. I do not think we do any mining by the ton. We pay them so much by the ton where a specific amount is to be gotten out.

Mr. BRECKINRIDGE. How much do you estimate the cost of wage per ton per day?

Mr. WITHERBEE. You mean to say from the time the iron ore leaves the ground until discharged on the top?

Mr. BRECKINRIDGE. I asked you how much was paid your miners?

Mr. WITHERBEE. We have no royalties to pay, but I should say it is very hard to estimate. I should say it was from \$1.50 to \$3.50 a day, according to the ore and grade. I mean to say the actual cost of iron ore is \$1.50 to \$3.50 a day. That is the actual labor.

Mr. CARLISLE. Do you mean to say you have no capital invested in your mines?

Mr. WITHERBEE. This is the cost.

Mr. BRECKINRIDGE. I ask you to give me the price to the miner per day, how much per ton? How much of the wage would that cost you per ton to, say a man to whom you give \$1.50?

Mr. WITHERBEE. Of course there is the matter of transportation and the matter of powder and dynamite.

Mr. BRECKINRIDGE. Does he have to furnish the powder?

Mr. WITHERBEE. No, sir.

Mr. BRECKINRIDGE. I have especially excluded everything except the mere element of wage.

Mr. WITHERBEE. I am sorry I could not possibly give that to you, because we do not keep our figures that way.

Mr. BRECKINRIDGE. How much do you give a good miner per day?

Mr. WITHERBEE. He should control about \$1.65; say \$1.50 to \$1.75.

Mr. BRECKINRIDGE. I understand what you call a day's wage to a good miner would be \$1.50 to \$1.75. How many tons of ore would you expect that miner to get out?

Mr. WITHERBEE. That is utterly impossible to answer because it varies with the conditions of the mining.

Mr. BRECKINRIDGE. Take an average vein, take an ordinary working state of things. How much would you expect him to put out, one, two or ten tons, or what?

Mr. WITHERBEE. I have no idea,

Mr. BRECKINRIDGE. How then can you form any calculation of the cost of production?

Mr. WITHERBEE. Simply by taking the gross expenditures at the end of the year for the mining department, and we do not even then get at the wage of each individual man. You see in some places the body of ore is soft and in others it is hard.

Mr. BRECKINRIDGE. Suppose it is in a body of soft, how many tons would you expect a man to get out in a day?

Mr. WITHERBEE. I have never figured it out.

Mr. BRECKINRIDGE. Have you any information of any day's production?

Mr. WITHERBEE. We have a record of the daily production.

Mr. BRECKINRIDGE. Can you get the total production and the total number of miners will you get that?

Mr. WITHERBEE. The number of miners vary from day to day. I do not know how many we employ.

Mr. BRECKINRIDGE. Can you find out how much your miners on an average turn out per ton when they are afforded every favorable condition?

Mr. WITHERBEE. I do not know. There are hard places where the amount of dynamite used varies from day to day.

Mr. BRECKINRIDGE. Did you ever have them get out ore by contract?

Mr. WITHERBEE. In very rare instances; I might almost say never by the ton. As a rule it is a very dangerous practice, because if you make a contract with the men they are apt to encroach upon the pillars which support the roof. If a man makes a contract he wishes to get as much ore out as possible, and he will leave as little support for the roof as possible, and the practice is considered injurious to the mine. We certainly not in the last twenty years to my knowledge did any contract mining, because we are opposed to it.

Mr. BRECKINRIDGE. You mean you have done little, or none at all?

Mr. WITHERBEE. We may have done a little, but chiefly it has been done the other way.

Mr. FLOWER. I understand that these Port Henry mines are a compact mass of rock and ore, and one day you will be mining regularly, and then you have jigs in which you jig this ore?

Mr. WITHERBEE. That is done at Chateaugay.

Mr. FLOWER. That jigs 50 per cent. of the best shipping ore. I understand you can not tell what you pay a miner for mining a ton of ore, and you can not tell how much he can mine in any one day, or the cost of it for the reason your accounts are kept, so that the plant, dynamite, coal, wood, everything that goes into that mine is charged on that account, so at the end of the month or year that figures up just how much your ore costs you. Everything that goes into the mine is figured in the cost?

Mr. WITHERBEE. Yes, it is about that way.

Mr. FLOWER. If so, what is that cost in your mine?

Mr. WITHERBEE. There is a difference in every mine. We have mines running there 65 per cent. of ore and another will run, say, 30 to 50 per cent. We have others running 30 to 50 per cent. ore that lies on the bank and is not transported sometimes for two years. So you see it is utterly impossible for us to get the exact cost of the ore produced. This ore thus lying out will be utilized by concentration.

Mr. McKENNA. Have you never made an estimate of what the labor costs you?

Mr. WITHERBEE. No, sir.

Mr. McKENNA. Have you no estimate as to whether you are making money or losing?

Mr. WITHERBEE. We can not tell until the end of the year.

Mr. McKENNA. Can you tell at the end of the year?

Mr. WITHERBEE. Yes, sir, generally.

Mr. McKENNA. Have you investigated the element of that cost?

Mr. WITHERBEE. We do, but not the direct source, not the individual production of one man. We take at the end of the year what the product has cost, the general balance sheet shows how we stand.

Mr. McKENNA. Did you never consider the elements of computation at all, so as to see in regard to the cost of labor, transportation, and other things?

Mr. WITHERBEE. No sir, not so as to make a detailed account.

Mr. McKENNA. Can you give a rough estimate as to the various elements?

Mr. WITHERBEE. I could not, certainly.

Mr. LA FOLLETTE. How can you determine the price to pay your miners?

Mr. WITHERBEE. We can only settle the wages by what the law of supply and demand dictates. We intend to pay as much if not more than other people.

Mr. McMILLIN. You spoke of a reduction of wages. When was that last reduction?

Mr. WITHERBEE. I do not know if there has been a reduction in three years.

Mr. McMILLIN. Neither in time or rate? When was the last reduction in time?

Mr. WITHERBEE. Our last reduction in time was very close to fifteen years ago. That was a Saturday half-holiday fifteen years ago.

Mr. CARLISLE. Do your miners work all the year round?

Mr. WITHERBEE. Yes, sir; more generally in winter than summer.

Mr. CARLISLE. How did you conclude to give them this half-holiday?

Mr. WITHERBEE. We thought the men would be better for it.

Mr. CARLISLE. Could you give anything except what you lost or made by your general expenditures and general receipts? Did you know what was paid the stockholders?

Mr. WITHERBEE. We are a firm, not a stock company.

Mr. CARLISLE. Can you tell how much profit was on the investment?

Mr. WITHERBEE. It is very hard to tell on the investment. I should say on a fair mine, twenty years, the profits did not exceed at the outside 10 per cent. I would like to explain that. In regard to mining iron ore you are taking out your property and not replacing it. It is not only dividends, but you are taking away the very property itself.

Mr. CARLISLE. I understood you to say that ore in the ground was not worth anything; that it was all labor.

Mr. WITHERBEE. That is very true, but it is just that much loss and no profit on it.

Mr. CARLISLE. Then it is worth something?

Mr. WITHERBEE. It is worth what you make on it.

Mr. CARLISLE. But the ore is worth something in the mine.

Mr. WITHERBEE. It might be in the form of royalty.

Mr. CARLISLE. Do you consider the capital invested anything?

Mr. WITHERBEE. It is worth the plant and what the profit is worth.

Mr. CARLISLE. It is worth what it cost you?

Mr. WITHERBEE. Yes, sir.

Mr. MCKENNA. Will you continue the explanation of the question in regard to the profits you made? You said something about 10 per cent.

Mr. WITHERBEE. How would you like the explanation?

Mr. MCKENNA. Any way you choose.

Mr. WITHERBEE. It is very hard to arrive at it.

Mr. MCKENNA. Does that 10 per cent. include the interest on the money you have invested and the cost for superintending the work?

Mr. WITHERBEE. I suppose so. As I said before, it represents the value of the property. I am giving that figure of 10 per cent. as a comparative value. I think our mines are capable of producing ores at as low prices as most of the mines in the East. A good many of them have paid 5 and 6 per cent., and therefore I should say ours pay about 10 per cent.

Mr. GEAR. Are you familiar with the rolling-mill interests?

Mr. WITHERBEE. Very indirectly, I have had an interest in them.

Mr. GEAR. You have stated that one reason for the decadence of manufacturing iron in New York, converting ore into the pig, is that the furnaces there require more fuel.

Mr. WITHERBEE. I referred more particularly to blast furnaces than to rolling-mills.

Mr. GEAR. Is that relatively true of the rolling-mill plants of New York?

Mr. WITHERBEE. Yes, sir; and New England.

Mr. GEAR. Therefore, if that be true, we can not compete with more modern plants which use less fuel?

Mr. WITHERBEE. Not at present, but in the future we may with modern plants.

Mr. CARLISLE. You say your dividends have been about 10 per cent.?

Mr. WITHERBEE. That is not put in the form of a dividend, but a calculation that we ought to gain that much on the property. If you ask me to-day what I consider the value of the property I could not tell you.

Mr. CARLISLE. You think your profits then would be 10 per cent. on the investment?

Mr. WITHERBEE. Some years.

Mr. CARLISLE. What are the dividends on an average?

Mr. WITHERBEE. That I can not tell you.

Mr. CARLISLE. Do the books show it?

Mr. WITHERBEE. They might.

Mr. CARLISLE. Do you know what they were last year?

Mr. WITHERBEE. I could not tell you here. Our dividends do not always show because we often invest money in the purchase of new property.

Mr. GEAR. Something has been said in regard to the ore in the ground. Suppose you buy a thousand acres that you think contains good iron-ore. What is the value of that without developing it? Has it any or none?

Mr. WITHERBEE. That is very problematical. Of course you can not tell its value under ground.

Mr. GEAR. What is the best ordinary acreage price.

Mr. WITHERBEE. It may have some or little value.

Mr. GEAR. Then the value is dependent upon the development and the plant?

Mr. WITHERBEE. Yes, sir.

Mr. FLOWER. And also on how much it is developed and whether it is good iron or not?

Mr. WITHERBEE. That is about it.

Mr. GEAR. It is like buying a pig in a poke.

Mr. BRECKINRIDGE. What do you estimate to be the value per acre of your best iron property?

Mr. WITHERBEE. I could not answer that, because it is not defined in the form of acreage. The lots are laid out in certain tracts. Sometimes they are awards of soldiers in the Revolutionary war.

Mr. BRECKINRIDGE. Is not an acre a unit of measurement which you usually employ in estimating ore land?

Mr. WITHERBEE. No, sir; it is generally a mine. The mine may cover parts of several acres or may be in a certain tract.

Mr. BRECKINRIDGE. By what means do you measure the dimensions of the ores?

Mr. WITHERBEE. We generally measure by the length of the vein and the thickness of it.

Mr. BRECKINRIDGE. Then you reduce that into what form of expression; feet, yards?

Mr. WITHERBEE. Into feet.

Mr. BRECKINRIDGE. When it is quoted for sale or purchase, what unit of measure as to the physical area is generally employed?

Mr. WITHERBEE. You mean as to the area of the mine?

Mr. BRECKINRIDGE. As to the property you are going to buy?

Mr. WITHERBEE. It is generally stated so much for a mine and not the acreage. It is mining property. There may be a large number of acres or small number covering a tract or range. You buy it by the quality of the ore and the thickness of the vein.

Mr. BRECKINRIDGE. You generally estimate the capacity in some form?

Mr. WITHERBEE. Yes, sir.

Mr. BRECKINRIDGE. I am endeavoring to get at the mode of making a calculation in either the purchase or sale of a mine. You have some mode of reasoning about these things?

Mr. WITHERBEE. In buying a mine we generally go and look over the country with a compass and see what the magnetic indications are, what other tracts are in the neighborhood, etc.

Mr. BRECKINRIDGE. You can not state the manner in which you estimate the value?

Mr. WITHERBEE. No; it is a jump in the dark absolutely. I would be very glad to answer the question.

Mr. BRECKINRIDGE. You estimate it, I presume, in some way?

Mr. WITHERBEE. If I was buying iron-ore property to-morrow, I should estimate it by the surrounding circumstances of the country and the prospects of corresponding veins in the vicinity.

Mr. BRECKINRIDGE. You would seek to get at the amount of ore in the mine?

Mr. WITHERBEE. Yes, sir.

Mr. BRECKINRIDGE. How would you measure that?

Mr. WITHERBEE. By tons.

Mr. BRECKINRIDGE. And what would you consider to be the price per ton for a good mine in your section of the country?

Mr. WITHERBEE. You mean the price I would realize—

Mr. BRECKINRIDGE. If you wanted to make a purchase, what would you take to be a fair selling or purchase price per ton for what you would call a good piece of ore property in your section of the country?

Mr. WITHERBEE. There is no uniform estimate. There is one piece of property you could purchase for one price and another for another. There is one piece of property you might purchase for \$1,000—

Mr. BRECKINRIDGE. A thousand dollars for what?

Mr. WITHERBEE. For the farm. Perhaps the very next land to it would be \$500 or \$5,000. You are governed entirely by the circumstances and what you think the property is worth.

Mr. BRECKINRIDGE. You have spoken in regard to making an estimated 10 per cent. dividend on your properties. Do you estimate the value of those properties by acreage or by tons, or upon what unit of measurement?

Mr. WITHERBEE. We have no uniform estimate in any way. We estimate that about 10 per cent. is what we ought to get out of the mines.

Mr. BRECKINRIDGE. Take one of your mines. What valuation do you put in your estimate upon any given mine; take a good one?

Mr. WITHERBEE. The mines are grouped as a whole. I should put it in this way: I think we ought to get a fair profit—of not less than 25 cents a ton. The risk would be hardly worth that it ought to be 50. At the same time, if we only get 25 cents a ton, we would be willing to take the risk. There is no sufficient return to mining

capital. It ought to pay 20 per cent., because you are continually destroying your principal.

Mr. GEAR. It is only a question of time to work it completely out?

Mr. WITHERBEE. Yes, and the time may be only a few days, a few months, or a few years

Mr. CARLISLE. I move the committee now take a recess for thirty minutes.

Accordingly the committee took a recess until 2 p. m.

STATEMENT OF MR. V. K. MOORE.

Mr. V. K. MOORE, of Detroit, Mich., next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, it was certainly far from my expectation to appear before you. I am here purely to answer a few inquiries, as gentlemen who spoke earlier this morning failed to develop some of the details which the committee seem to wish to know. It will be only my purpose, as far as possible, to answer a few of these questions. My connection with the trade has been since 1883, with one of the smaller mines—a non-Bessemer mine—one of that class of which you hear but little; not like the Lake Superior and Republic mines, but is one of those smaller ones, of which you hear but seldom. If they are prosperous you hear more of them, and if not they quietly pocket their losses and are very careful not to develop how much they have lost. Our mine was opened in 1883. Since that time we have produced about 200,000 tons.

The CHAIRMAN. Where is your mine?

Mr. MOORE. It is in the Menominee district, and is about 30 miles west of the Chapin mine, in the State of Michigan. We are just a little above the Florence mine. Inquiry has been made here, "What does it cost to mine a ton of ore?" and the answer has been, "We can not tell." That is true. So many circumstances enter into it that it is impossible to determine the cost of a single ton of ore. I will illustrate it by saying this: Our mine is what is known as a semi-hematite. We pay, for instance, in some portions of our mine 30 cents a ton for mining. We pay in other portions of our mine \$1 a ton for mining, and in other portions as high as \$1.50 a ton, dependent upon the conditions under which the work is done. That is why the gentlemen can not tell you what the price is specifically per ton of ore.

Mr. FLOWER. You can take a year's output, and all the plant that goes into the mine and all the products that come from it and all the labor and everything else that enters into it, and when you strike a balance-sheet at the end of the year you can not tell what a ton of ore costs on an average?

Mr. MOORE. That is not what I intended to say.

Mr. FLOWER. Is not that the way you keep the accounts of the company?

Mr. MOORE. That is the way the thing has been mixed in the answers that have been made. I went back to my room for the purpose of obtaining some statistics in regard to that which I had. For instance, in 1887 we produced about 30,000 tons of ore. Our pay-roll was \$40,000 and a little over. There you can get an average, perhaps, for a year. Yet for some of that ore we only paid from 35 to 40 cents a ton for mining, and in other portions we paid from \$1 to \$1.50 a ton for mining; so that it is impossible to determine what the cost of a ton of ore is for mining until the balance-sheet is struck.

Mr. FLOWER. That is what I wanted. That is the direction in which my question pointed. What is the average price per ton of ore mined—for bringing it out of the ground, including in that, plant, new machinery, and everything?

Mr. MOORE. In the estimate I have given it does not include new machinery. It is simply the pay-roll of our works. We produced a few tons less than 30,000, and our actual pay-roll, exclusive of superintendence, was a few dollars over \$40,000 for that one year.

The CHAIRMAN. That was for actual labor?

Mr. MOORE. Yes, sir.

Mr. BRECKINRIDGE. What year?

Mr. MOORE. 1887.

Mr. McMILLAN. And how many tons?

Mr. MOORE. 30,000 tons a year.

Mr. BRECKINRIDGE. To place your ore where?

Mr. MOORE. At the mouth of the mine.

Mr. LA FOLLETTE. That does not include anything for superintendence?

Mr. MOORE. It does not include superintendence.

Mr. FLOWER. That is not a fair statement, if you will allow me, for you can mine and make money some years, and some years not. Now will you give an estimate of what your plant cost you per year at that mine? How much on a ton separate?

Mr. MOORE. In the figures I have given they do not include that estimate. We

have not estimated that at all. In the case I mentioned it is simply the days worked that goes in it. It is no interest on the money nor anything on the plant at all.

Mr. FLOWER. How much does it cost to get it from your mine to Lake Michigan?

Mr. MOORE. It costs us 75 cents freight from our mine to Escanaba. From Escanaba to Cleveland this year the freight has been steady (until in September) at 90 cents. After that \$1.30 a ton to Cleveland.

Mr. FLOWER. Some years it costs more?

Mr. MOORE. Two years ago it cost \$1.35 for the season through.

Mr. FLOWER. On an average you could say \$1.25 for the labor at the mines, and you pay 75 cents to take it to Escanaba, and \$1 on an average to Cleveland. That is \$3. What does that ore sell for there?

Mr. MOORE. It sells at Cleveland this year at \$3.75. We paid out of that about 40 cents a ton royalty for that ore.

Mr. FLOWER. Then you made about 35 cents a ton, and with that you purchase your machinery, etc.?

Mr. MOORE. Yes, sir; that is the situation.

The CHAIRMAN. Is there anything further, Mr. Moore?

Mr. CARLISLE. Have you any means by which you can designate which is the labor?

Mr. MOORE. Yes, sir; that is all labor.

Mr. CARLISLE. Now, is that a fair average of the cost of labor in the production of iron ore in the United States?

Mr. MOORE. It is impossible to average the price of labor, as in one mine (for instance, our mine) it varies from 50 cents to \$1 a ton. It is done by contract mostly. The Lake Superior mine pays twice that, and more, possibly, for the reason that our mine is a soft mine, while theirs is all hard.

Mr. CARLISLE. Have you any means of ascertaining or can you state about how many tons of ore an ordinary good miner can take out in a day?

Mr. MOORE. That depends entirely upon the conditions of the ground in which they are worked. It is impossible to tell. I will say this: We mine by contract there as far as possible, and our contracts pay from \$2 to \$2.50 a day to the miner. The miner making 50 cents a ton makes \$2.50 a day if he mines 5 tons.

Mr. CARLISLE. If a man make \$2.50 a day you say he mines 5 tons?

Mr. MOORE. That is in certain rooms. For instance, we suit our contracts so that we can judge pretty nearly the amount they can take out.

Mr. CARLISLE. Do you ever employ men to mine by the day?

Mr. MOORE. Yes, sir.

Mr. CARLISLE. What do you pay?

Mr. MOORE. In some rooms \$1, \$1.50, and \$1.75.

Mr. CARLISLE. On account of what?

Mr. MOORE. On account of the difference in the rooms in the work of mining. That is the rule. We endeavor to equalize the wages as far as possible, according to the amount of labor required.

Mr. BURROWS. It makes a difference whether a person can get out 1 ton or 5?

Mr. MOORE. Yes, sir; all the difference in the world. I do not think I have anything further to say, simply to emphasize what Mr. Ely said.

ADDITIONAL STATEMENT OF MR. V. K. MOORE.

Mr. Ely has given prices at Ohio ports and drawn his deductions mostly from Bessemer ores; non Bessemer, while paying the same fixed charges between mine and market, have not brought so much, but have ranged in 1889 (for 60 per cent. and above) from \$3.50 to \$3.75 in Cleveland. These fixed charges have averaged this year from the Menominee and Marquette ranges about \$1.80 for freight and insurance from the mines to Ohio ports; 10 cents for commissions and handling there, and a royalty of from 25 cents to 50 cents, or an average of about 35 cents on non-Bessemer (the Western mines are all leases), making in all about \$2.25 from these ranges.

Deduct this from the selling prices for this year and we have from \$1.35 to \$1.50, net returns to the operator for putting the ore into railroad cars in his yard and development work.

This \$1.25 or \$1.50 must pay the laborers for mining, for fuel, for steam to pump and hoist, for superintendence, interest and expense, and for renewals and maintenance of plant.

The balance, if any, may apply to repaying cost of the plant, much of which will be practically useless when the ore is exhausted. You will readily see that any material reduction from these figures in the net returns must come from labor.

The non-Bessemer mines are mostly short-lived, being in lenses or pockets and can't be counted on with any certainty for large amounts of ore in one place.

This makes development work expensive in proportion to amount produced, and it requires a vast amount of courage to prosecute it. It is a vast industry, for the aggregate of the non-Bessemer small producers is a very important figure in the totals of the Western mines, but it would be much restricted with adverse legislation.

Vast sums of money have been lost in many unprofitable and abandoned while the very few profitable mines are the exception instead of the rule. These few, however, are used to point the argument that the industry no longer needs protection.

What the ore business wants, and the same may be said of iron, is steadiness in the national policy. Changes in existing conditions tend directly in this more than in any other branch of production to discourage investments in these hazardous enterprises.

Ore, duty free, would not only increase shipments from Cuba and Spain, but would lead to the immediate development of a near Canadian field of very considerable magnitude about Georgian Bay and up on Lake Ontario.

I believe in protection. In the ore and iron business it must be maintained, else we must reduce our labor, or what would result in the same, the smaller producers must go out of the business and their laborers seek other employment.

STATEMENT OF MR. POWELL STACKHOUSE.

Mr. POWELL STACKHOUSE, vice-president of the Cambria Iron Company, next addressed the Committee. He said:

I have no statement to make, gentlemen, but if you have any questions to ask I will be pleased to answer them.

The CHAIRMAN. Are you engaged in the mining of ore?

Mr. STACKHOUSE. Yes, sir.

The CHAIRMAN. Where?

Mr. STACKHOUSE. In the Menominee range, Michigan.

The CHAIRMAN. Are you a consumer of ore as well?

Mr. STACKHOUSE. Yes, sir; we consume our own product.

The CHAIRMAN. What do you represent?

Mr. STACKHOUSE. The Cambria Iron Company.

The CHAIRMAN. Is there any gentleman who wishes to make any inquiry of Mr. Stackhouse?

Mr. FLOWER. I would like to know whether you run the Chapin?

Mr. STACKHOUSE. No, sir; we do not.

Mr. FLOWER. Does not the Cambria own that?

Mr. STACKHOUSE. No, sir.

Mr. FLOWER. Do you keep your accounts in this slipshod manner that the rest of them do?

Mr. STACKHOUSE. We try to know what we are doing.

Mr. FLOWER. Do you try to put the plant and the labor and everything else together at the end of the year? Do you charge the plant to profit and loss?

Mr. STACKHOUSE. No, sir. I had better make an explanation of that. Our mine is a lease-hold one, and of course the plant is personal property and we have a right to move it.

The CHAIRMAN. You pay a royalty.

Mr. STACKHOUSE. Yes, sir.

Mr. FLOWER. How much is that?

Mr. STACKHOUSE. Twenty-five to 40 cents a ton, and 50 cents in some cases.

Mr. BAYNE. What do you pay your employes a day.

Mr. STACKHOUSE. A man credited as a practical miner will get from \$2.25 to \$2.50 a day when he is working under contract. Company miners working by the day get about \$2 as a rule.

Mr. BAYNE. Then your ore when taken above ground pays a royalty of 40 cents and costs \$2.50 a ton?

Mr. STACKHOUSE. Yes, sir.

Mr. BAYNE. The duty of 75 cents a ton is equivalent to about 25 per cent. ad valorem?

Mr. STACKHOUSE. Nearly that.

Mr. BAYNE. How many men have you employed?

Mr. STACKHOUSE. It varies in different seasons of the year from about 750 to 900.

Mr. McKENNA. Do you pay them all \$2.50 a day?

Mr. STACKHOUSE. No, sir. That is for the practical miners. Our pay-rolls—leaving out the salary men, such men as get \$100 a month and above that—will average in different years from \$1.75 to as high as \$1.90. That covers skilled and unskilled labor of all kinds.

Mr. McKENNA. What is the lowest price you pay anybody?

Mr. STACKHOUSE. About \$1.40.

Mr. McKENNA. What does he do?

Mr. STACKHOUSE. He is a common surface laborer. The figures I have mentioned above leave out mechanics in the general average and include everybody employed by the company.

Mr. McKENNA. Let us get at the elements of them. The laborer you pay how much?

Er. STACKHOUSE. The common \$1.40; the better \$1.50.

Mr. McKENNA. Now, your skilled miner?

Mr. STACKHOUSE. If he works by the day he gets \$2.

Mr. McKENNA. Then the mechanic?

Mr. STACKHOUSE. They get from \$2.75 down to \$2.

Mr. McKENNA. What do you mean by ordinary labor as distinguished from the contract miner?

Mr. STACKHOUSE. Such men as you can go in the street and pick up are ordinary laborers, but when you come to the miner he is a man who is skilled in his work, who can drill, sink, and drive a shaft, or any regular mining work.

Mr. GEAR. Does the company furnish the explosives?

Mr. STACKHOUSE. In most cases, except in contract work, where we pay so much a ton.

Mr. BAYNE. Where do you receive your ore?

Mr. STACKHOUSE. Johnstown.

Mr. BAYNE. What is the cost of the transportation of that ore?

Mr. STACKHOUSE. At present just about \$4.

Mr. BAYNE. Four dollars a ton?

Mr. STACKHOUSE. Yes, sir.

Mr. BAYNE. Do you mean it costs \$4 actual transportation?

Mr. STACKHOUSE. Yes, sir.

Mr. BAYNE. Well, your ore must cost you about \$7 a ton at Johnstown?

Mr. STACKHOUSE. Yes, sir. Some of our ores are cheaper, but the average will be in that neighborhood. It varies, but it will be between \$6 and \$7.

Mr. BAYNE. That vast cost of transportation is what enabled Chicago to build her iron works?

Mr. STACKHOUSE. That enables them to equalize the freight and cost of fuel.

Mr. BAYNE. You have to bring ore a vast distance to your establishment and Chicago has to bring fuel a long distance to hers?

Mr. STACKHOUSE. Yes, sir.

Mr. FLOWER. Do you mean Johnstown, Ohio?

Mr. STACKHOUSE. No; Pennsylvania.

Mr. FLOWER. What is your haul of coke?

Mr. STACKHOUSE. About 75 miles.

Mr. FLOWER. And your ore about—

Mr. STACKHOUSE. About 45 miles to Escanaba; from Escanaba to Ashtabula, and from that—say about 120 miles.

Mr. BRECKINRIDGE. This is Bessemer ore you are getting out?

Mr. STACKHOUSE. Yes, sir.

Mr. BRECKINRIDGE. Is it a soft or a hard ore?

Mr. STACKHOUSE. It is soft.

Mr. GEAR. What is it called; a blanket vein?

Mr. STACKHOUSE. No, sir. It lies in this form [illustrating with a book], and it lies in the ground like that [illustrating].

Mr. FLOWER. Entirely different from the Southern formation in Alabama, which lies like coal lies.

Mr. BRECKINRIDGE. Are you familiar with deposits where you excavate from the surface, and where there is no use for beams or anything of that sort?

Mr. STACKHOUSE. You have to timber very heavily as the ore is soft and the mine has to be well timbered.

Mr. BAYNE. If it costs you at Johnstown \$7 a ton that includes transportation 75 cents a ton, and the duty on iron ore would be a trifle over 10 per cent. ad valorem.

Mr. STACKHOUSE. That is the cost delivered at the works.

Mr. BAYNE. That would not be enough duty.

The CHAIRMAN. Is there anything further, gentlemen? I will read the committee a telegram I have just received:

Hon. WM. MCKINLEY,

Chairman Committee on Ways and Means,

Washington, D. C. :

PLATTSBURGH, N. Y., December 25, 1889.

Learn I am on committee to appear before your committee to-morrow and am unable to attend at such short notice; but wish to most respectfully but earnestly protest with other producers of iron ore in the East against any reduction of the duty on iron ore.

SMITH M. WEED.

STATEMENT OF F. J. DOMINICK.

Mr. F. J. DOMINICK, representing the Chateaugay Ore and Iron Company, the Crown Point Iron Company, and the Hudson River Ore and Iron Company, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee: In the absence of the president and general manager of the Chateaugay Ore and Iron Company and the Crown Point Iron Company, it was decided yesterday I should come here and state on their part they desired to be represented here as opposed to any reduction of the duty on iron ore. Those companies are situated in northern New York, and the question of ore has been so fully argued by Mr. Ely and Mr. Witherbee that it seems to be entirely unnecessary to go more into the question. If there are any questions you desire to ask me I will be happy to answer them.

The CHAIRMAN. Will you be able to give us the cost of producing a ton of iron ore? Mr. DOMINICK. I can not give the cost of production, as I have no reference to the books at Plattsburgh. I have had no time since yesterday to look up the question. The Chateaugay crude ore, I understand, will cost this year about \$2.20 a ton at the mine.

The CHAIRMAN. How much of that is labor?

Mr. DOMINICK. Except perhaps 15 or 16 cents royalty it is all labor, or material in the shape of powder, the expense of running engines for the compressed air and the power of hoisting. How it is to be divided I can not tell without reference to the books.

Mr. CARLISLE. Does the capital invested get anything of that at all?

Mr. DOMINICK. I think the capital would get nothing of that price this year.

Mr. BAYNE. You sell at an advance for that price?

Mr. DOMINICK. Unfortunately this year we have not, but we hope to do so, otherwise we would not be in the business. Besides that we make a concentrated ore upon which there is a small profit.

Mr. BRECKINRIDGE. Is that by this process which one gentleman explained?

Mr. DOMINICK. Not precisely. That ore is concentrated with jigs by water, and not by electricity, but the principle is the same. The lump ore is crushed until it is about one-fourth of an inch in diameter, which passes through an extra mesh in the sieve. Then this is washed in a jig and the gangue washed away from the ore.

Mr. BRECKINRIDGE. Is that the process in general use?

Mr. DOMINICK. It is not in as general use as it was a number of years ago in that region of northern New York when so many were engaged in manufacturing bloom iron.

Mr. BRECKINRIDGE. Have you any other information of its use in other localities?

Mr. DOMINICK. Not until very recently.

Mr. BRECKINRIDGE. Is it used to any extent in other localities of which you know?

Mr. DOMINICK. I do not think it is at this time, but there are concerns that are going into the business now of making it by electricity, but the process of making it by water I do not think is done elsewhere.

Mr. BRECKINRIDGE. That I understand is still in an experimental stage.

Mr. DOMINICK. Yes; we use electricity to charge the magnet itself.

Mr. BRECKINRIDGE. I am not speaking of the mode, but the state of maturity; it is yet unfinished. It is still in an experimental state.

Mr. DOMINICK. Yes, sir; I think it is.

Mr. BAYNE. Do you think you can supply New England with ore from the New York region?

Mr. DOMINICK. That is a question I can not answer without knowing the quantity required for New England. Do you mean as far as price is concerned?

Mr. BAYNE. Yes.

Mr. DOMINICK. We do send a little ore to New England, but not a great quantity.

Mr. BAYNE. Do you feel encouraged by the introduction of the basic process?

Mr. DOMINICK. It will not affect us in the least. Chateaugay ore is a Bessemer ore, and the basic process will not require Bessemer ore.

Mr. McMILLIN. It will affect you injuriously where it affects you at all.

Mr. DOMINICK. I doubt it.

Mr. McMILLIN. When it enables ores higher in phosphorus to come in competition with Bessemer ore, which they can not do now, will it not affect the Bessemer ore?

Mr. DOMINICK. It would if there were any longer a demand for the Bessemer ores by the furnaces now in existence; but they no longer require them.

Mr. BAYNE. Would it have the effect of cheapening Bessemer ore and enabling you to supply New England?

Mr. DOMINICK. I think it would.

Mr. McMILLIN. According to what you said you could not stand cheapening?

Mr. DOMINICK. We can not.

Mr. CARLISLE. This year you are not selling at a profit?

Mr. DOMINICK. 1889?

Mr. McMILLIN. What did I understand you were selling at this year?

Mr. DOMINICK. I said we sold it at about \$2.20 a ton at the mines.

Mr. McMILLIN. Does that include interest on the plant?

Mr. DOMINICK. I should think not.

Mr. McMILLIN. You do not know how that is?

Mr. DOMINICK. I am quite sure that is only the expense at the mine.

Mr. CARLISLE. If I understand the statement you made, you said the ore cost at the mine after it was taken out \$2.20, and that all of that with the exception of 16 or 17 cents was labor. Do you mean to say you pay the miner \$2.20, less 16 cents per ton, for mining a ton of ore?

Mr. DOMINICK. No, sir; excuse me. I said that included labor, the cost of producing the ore, the use of machinery and everything.

Mr. FLOWER. Are you connected with the Hudson mine?

Mr. DOMINICK. No, I have no connection with it, but it is in the same office with me in New York, and I know something about it.

Mr. FLOWER. Have they to jig that ore?

Mr. DOMINICK. It is not possible to do that. The structure of the ore is such that it can not be done by water, nor has it been successfully done by electricity.

Mr. FLOWER. Well, the Chateaugay?

Mr. DOMINICK. That mine and the Troy company do it.

Mr. FLOWER. Is it Bessemer?

Mr. DOMINICK. Some of it is Bessemer and some of it is not, but the larger proportion is Bessemer.

Mr. BRECKINRIDGE. In this cost of ore at the mouth of the mine, how much is paid per ton to the miner?

Mr. DOMINICK. The mining at Lyon Mountain is done mostly by contract, and those contracts are fixed according to the ground. That is a hard ore, and they mine a good deal of rock, and a mine which will bring a higher price. It is done by the square foot and fathom.

Mr. BRECKINRIDGE. Are you able to tell us on an average how much a miner gets per ton?

Mr. DOMINICK. I am not able to do so, but from my knowledge elsewhere I should say not less than \$1.75 in any case.

Mr. BRECKINRIDGE. That much you think is received by the miners per day, but my question was how much does he receive per ton?

Mr. DOMINICK. No, I can not tell you how much. It is very uncertain in these mines.

Mr. BRECKINRIDGE. Have you any general idea what it is?

Mr. DOMINICK. No; I think the only way it could be done would be to average the total amount taken out, the total cost of it, and divide it by the number of men employed.

Mr. CARLISLE. And even these contractors make their profits?

Mr. DOMINICK. He may make a slight profit, but the contractor is a miner, who may employ some one else to help him.

Mr. BRECKINRIDGE. Can you figure this out?

Mr. DOMINICK. I think so. But it was only 1 o'clock yesterday when it was decided I should come here, and I could not have the use of the books in the New York office yesterday.

Mr. BRECKINRIDGE. You could consult the books and give that information?

Mr. DOMINICK. I think any data the committee require could be obtained.

The CHAIRMAN. You could send that to us at any time?

Mr. DOMINICK. Will you note down just what you want?

Mr. BRECKINRIDGE. I hope you will make a note of it.

The CHAIRMAN. If there is any gentleman present desiring to be heard against the duty on iron ore we will be pleased to hear him. If not, we will proceed to hear statements in regard to coal.

NEW YORK, January 14, 1890.

SIR: In reply to the inquiry, what is "the price per ton of iron ore paid to the miner only" made by the Hon. Mr. Breckinridge at the hearing of December 26, 1889, I would state: that upon every ton of ore sold by the Chateaugay Ore and Iron Company during the past three years, the amount paid the miner for mining a delivering the same at the mouth of the pit averaged \$1.37 $\frac{7}{8}$ per ton.

Respectfully,

F. J. DOMINICK.

Hon. WILLIAM MCKINLEY,
Chairman Committee on Ways and Means.

VIEWS OF L. S. BENT.

208 SOUTH FOURTH STREET,
Philadelphia, Pa., December 26, 1889.

DEAR SIR: Engagements preventing my appearing before your honorable committee to-day, I take the liberty of presenting my views in writing on the subject of foreign ore in connection with the tariff and the manufacturing interests which I represent.

The demand for free ore, in my judgment, can now be presented from a commercial standpoint, which can not fail to convince all fair-minded persons that immeasurable benefits to our country would follow without working harm to a single interest which is legitimately connected with the production of American ore, iron, or the products proceeding therefrom. To substantiate this permit me to present the following facts:

First. That only ore which is suitable for the manufacture of steel is ever imported; and if competing at all, can only compete with the like quality of domestic production.

Second. The steel making ores produced in this country for the year of 1890 will closely approximate the following estimates:

Practically all the ore imported into this country is used for steel purposes, and therefore there is absolute absence of competition between foreign ores and the non-steel ores of this country. The whole quantity of ore suitable for Bessemer pig-iron which it will be possible to produce in this country during the year 1890 will not exceed five millions of tons. This estimate includes every ton of ore of suitable quality that can be raised by hook or by crook. Three and one-half million tons of pig-iron, it is estimated, will be required to supply the wants of the steel manufacturers in this country during the year 1890. To manufacture this amount of pig-iron, 6,500,000 tons of iron ore of suitable quality will be required. One and one-half millions tons of Bessemer steel ore must therefore be imported into this country by our steel manufacturers, or their works will remain idle 25 per cent. of the year.

One-half million tons of iron ore will come from the Island of Cuba, where the mines are owned by an American company, having invested nearly \$3,000,000, and where the importation of this ore is the direct means of securing the exportation to the West Indies and South America of American coal, as return cargo in the steamers which bring the ore to this country. In 1889 the export of American coal in these ore ships has been almost equal, ton for ton, to the importation of iron ore. There is no reason why, by using these steamers, this country can not so develop her coal business in the West Indies and South America that she will absolutely drive English coal out of those markets.

One million tons of ore will be imported from the Mediterranean, and the three hundred and fifty steamers which will be required to bring that quantity of ore to this country will leave our shores laden with wheat, cotton, and corn. By so much as the ship derives profit from the freight which she receives on iron ore on her voyage here by that amount will she carry her outward cargo from this country more cheaply.

There is to-day no question of competition between imported and native ore, because all the native ore is already sold, and the foreign ore is required to fill an absolute shortage of raw material. All the continental nations who are large manufacturers of steel import the bulk of the ore which they use in the manufacture of pig-iron for steel purposes. The quantity of imported ore that these countries consume is so large that the quantity shipped to America is relatively quite small, and American shipments have practically nothing to do with fixing the price of the ore free on board vessel at its place of export. The price is fixed by the European demand.

The freight that is paid by America for the carrying of this ore to this country depends, first, upon our harvests, and, secondly, upon the harvests of Southern Russia. At the present moment, to my own personal knowledge, there are seventy-five steamers chartered to bring iron ore to this country, and all of those steamers are rechartered to carry back corn from Baltimore.

Practically the whole of the imported iron ore is used in the furnaces located at or near tide-water. Seventy-five cents per ton duty on these ores represents the cost of hauling 1 ton of iron ore 100 miles.

Removing this duty, therefore, only enables iron ore to enter 100 miles farther into the interior than it does to-day. On the other hand, it will enable my company, as exporters, to go 500 or 1,000 miles by sea to compete with our competitors abroad.

The condition of the supply and demand for Bessemer steel raw material has not materially changed in this country for the past five years. This country has never, since the introduction of the manufacture of Bessemer steel, imported less than twenty-five per cent. of the material consumed in the manufacture of the steel output; and the prospect for the future, judged by the past, is that the national growth

of the country will keep pace with, and probably more than absorb, the increased out-put of native steel raw material arising from the new developments that are and have been constantly projected. It used to come here in the form of pig-iron, but as this country increased her furnace capacity, the steel manufacturer now seeks to bring it here more and more in the form of ore.

As I have said before, imported ore is used in supplying the requirements of furnaces situated at or near tide-water, and a removal of the whole duty of 75 cents per ton would only pay for 100 miles of inland transportation of the ore, or double that distance on the finished steel product, while Lake Superior Bessemer ore would have to be transported 450 miles by rail beyond its present Eastern limit of use, to meet its foreign competitor. The effect of the removal of the duty on iron ore would be to slightly increase the importation, but not materially, as I have before stated. Another effect of the removal of the duty on iron ore would probably be that the ocean freight-rate on iron ore would be increased, and if so, the outward freight on grain and cotton would be diminished accordingly. Experience has shown that it is necessary for steamers coming to this country to take back grain and cotton to earn a certain sum for the round trip, and if ore pays more cotton and grain pays less, and *vice versa*.

There are in Virginia deposits, said to be large, of quasi Bessemer ore, which probably can be used as a mixture by the addition of the purer imported ores. At our works at Baltimore we shall require fully 1,000,000 tons of ore annually, and expect to be able to use 200,000 tons of that quantity of these quasi Virginia ores; but without the foreign ore to use with it I can not use 1 ton of Virginia ore in our works.

The removal of the duty on iron ore would directly affect our business as follows:

We should not require any protective tariff upon pig-iron or steel rails other than an amount sufficient to pay the freight from our works to the Southern ports, where England can deliver her goods as ballast in steamers going for cotton. In making this statement I have in mind our works now being located on Chesapeake Bay, very favorably located for coastwise and export business. Other works not so well located would require an additional protection, to the extent, probably, of \$5 on pig-iron, and \$10 on steel rails, and while such a duty could work no harm at any time, it would act as a barrier to prevent our markets being flooded with the surplus products of Europe in times of depression.

I have thus outlined my views. Steel rails are now quoted at the same price at the shipping ports both in this country and England.

I fully appreciate that my proposition opens up a wide field for serious thought, but the brief notice of your honorable committee desiring information has not permitted me to go further than to discuss these two points, which are the most important to the interests that I represent.

If, at any future time, I could be of any service to you or your committee, in elucidating the position I have taken, it would give me pleasure to come before you.

Very respectfully,

L. S. BENT,
President Pennsylvania Steel Company.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Ways and Means Committee.

IRON AND STEEL.

STATEMENT OF MR. JOSEPH G. BUTLER.

Mr. JOSEPH G. BUTLER, of Youngstown, Ohio, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I represent an industry which is the foundation of all kindred industries of iron and steel. In the Mahoning, Ohio, and Wyoming Valley, down in Pennsylvania, there was produced in 1888 about 9,000 tons of pig-iron. We shall manufacture in 1889 something over a million tons, or more than one-eighth of the pig-iron produced in the United States. We live within 7 miles of the Pennsylvania State line. We use Connellsville coke and Lake Superior iron for smelting, and I am here to protest against any reduction in the duty. We produced in this country in 1840 less than a half million tons of pig-iron. This has been gradually increased, until in 1889 we shall have produced something over 8,000,000 tons, or more than Great Britain; and we have furnaces projected so that in 1890 we shall produce over 9,000,000 tons, or very nearly one-third of the world's production. This is done largely under a protective policy. We manufacture at Youngstown a supply of crude iron which is largely sent up into New England. We send it over different roads, and a very large amount of it over the Pennsylvania Railroad, right

through Pittsburgh, the greatest iron-producing place in this country, right through the anthracite region, and lay it down at the New England farms and make a little money on it.

We give cheaper pig-iron than ever before, and if you will let us alone and not reduce this duty we will keep on reducing the price the people have to pay for pig-iron. If not for the development of the pig iron industry to-day in this country, brought about under this protective policy, I do not know where we could get it to-day; we can not import a ton. Scotch iron cannot be laid down here at \$26 a ton. We have orders on our books, taken some little time ago, where we have sold Clove-land and other points our iron in place of Scotch iron. Some few years ago our iron was not known at all, and we had great difficulty to get it introduced. We called on one concern and persistently pushed our iron, and managed at last to get this iron in. They said that they would make a contract with us, and I gave the gentleman an option on a thousand tons. He took 50 tons as a trial. It turned out just right, and he gave us an order. Ever since then our furnaces for making this crude iron have constantly grown until the imported iron is pushed out.

Mr. BRECKINRIDGE. In this price of imported iron do you include the duty?

Mr. BUTLER. Yes, sir.

Mr. BRECKINRIDGE. What is the price?

Mr. BUTLER. I think Scotch iron is to-day worth 80 shillings at Glasgow. Then add the freight at which they can lay it down here. It has enabled us to turn out this vast production. Now, I listened with a great deal of attention to a gentleman—Mr. Toby, I think his name is—in the remarks he addressed to the committee before lunch, and I was handed a pamphlet here of which I am told he is the author. If I am mistaken he can correct me. It is entitled a statement regarding the iron and steel interests of New England, and a petition to the Senators and Representatives of the New England States in Congress for the year 1889. There is one clause here I will read you: "New England being on the coast, can obtain her crude iron, both pig and scrap, at low water freights and at a low first cost in Europe."

Now, as I said, I listened with much attention to what he said. If I had happened to come in after he commenced and got at what he said, I should think that he was talking for Old England instead of New England. He simply talked about what he wants in his section. We propose out West to take a broader view of this question. We do not single out one particular place, but we say this protection policy is expected to take in the whole people of the United States.

Mr. GEAR. You do not believe in placing a tariff on a local interest?

Mr. BUTLER. No, sir. I believe in protecting everything in this country, whether it is coal or sugar, no matter what it is; and I do not think a single industry should be singled out, brought here, and hammered at. I know the rolling-mill interest of New England does not amount to anything. We have got one located in Youngstown which makes a vast amount, and one in Pittsburgh which makes more than we do. They must recognize the fact that this industry is moving west and south. A large amount of southern iron is taken into New England. That iron is brought from the South and laid down at Boston. These gentlemen want to get cheap pig-iron, and if you let us alone we will cheapen this product. The gentleman speaks of the high price he paid for coke. In these manufactories the present price is \$1.75. Add \$4 freight, and it has cost about \$6.25 instead of \$7. Assuming that the duty on coke, as I am informed, to be 20 per cent., if he goes to Nova Scotia, and they charge him a liberal price, say \$3 a ton on the vessel at Nova Scotia, add duty, 60 cents, and freight, \$1.40, that makes \$5 a ton laid down in New England. Why does he not go and get coke? Why does he not go to Canada, where they pay a bounty of \$2?

Mr. BRECKINRIDGE. You think a reduction in the tariff would not lose the market?

Mr. BUTLER. I say at present it does not make much difference. There have been times, but just at present we have got something to fall back on, and we want to continue to increase this vast industry.

Mr. MCKENNA. You say now, by reason of the price, the tariff is of no consequence?

Mr. BUTLER. I say the present tariff does not cut any figure at this time.

Mr. MCKENNA. Owing to the recent rise?

Mr. BUTLER. It cut a good deal of a figure at one time, but at present it does not cut any figure at all. On the other side of the water they need all the iron they can get. There has been a great expansion there and we are now wholly dependent on our own iron for supply. We are getting ready, and if you will let us alone we will increase this right along, year after year, until we are the greatest iron producers in the world.

Mr. MCKENNA. Until the tariff is of no consequence?

Mr. BUTLER. Possibly. No tariff man will admit that. We want this tariff on everything we can produce in this country. We do not want to import anything.

Mr. BRECKINRIDGE. What grades of pig-iron do you make?

Mr. BUTLER. We make very largely foundry iron.

Mr. BRECKINRIDGE. For casting purposes?

Mr. BUTLER. Yes, sir.

Mr. BRECKINRIDGE. Where do you get your iron?

Mr. BUTLER. From Lake Superior.

Mr. BAYNE. Do you mine your ores?

Mr. BUTLER. I am interested in ore mines and I am interested in making pig-iron.

Mr. BRECKINRIDGE. Where?

Mr. BUTLER. Connellsville.

Mr. GEAR. You said in Canada they gave a bounty of \$2.

Mr. BUTLER. I understand so. I will be glad to answer any questions the committee may wish to ask.

STATEMENT OF WILLIAM H. MORRIS.

Mr. WILLIAM H. MORRIS, of Pottstown, Pa., next addressed the committee. He said:

Mr. Chairman and gentlemen of the Committee: Our works are located in the Schuylkill Valley, about forty miles from Philadelphia. We are manufacturers of iron and steel, and our products are billets, ship and tank plates, and cut nails. I just want to say briefly a few words in favor of the tariff on ore. You have heard a good deal about ore to-day, and I do not wish to wear you out and rub the subject threadbare, but I believe in protecting all of the industries. I think if I want protection on plates and nails that the ore producer is entitled to have it. The cheap labor is entitled to protection from the tariff rather than skilled labor. We have men working who get as much as \$5 or \$6 a day. We have men getting \$1.25 and \$1.50 a day. Certainly, of those two classes, the men that are working for \$1 and \$1.50 a day are the men who need protection. The man who works in the mine would be idle to-day if he did not accept \$1.50 to \$2 a day. He is certainly more in need of the protecting arm of the Government than the skilled laborer who can make much higher wages. We are large buyers of ores, so you see in speaking in favor of the protection of ores I am speaking against my own interests. The same thing applies to pig iron. While we manufacture pig iron we also buy largely, and I believe in the protection of pig iron. I think were it not for the tariff that we have been enjoying the benefit of for some years, we would find it difficult to get pig iron; certainly we would have to pay much higher prices than rule to-day.

In hastily going over the statistics, I estimated, as Mr. Ely told you, we would produce this year and next year in the neighborhood of 15,000,000 to 16,000,000 tons of ore, and in 1888 we produced about 13,000,000 tons. I think that is a very good showing, that we have been able to very nearly reach the English production. Now, there has been a great deal said about ores and the quality of ores, and if we were allowed to run two of our works—there is one part of our steel works standing idle recently, which I will explain—if we were allowed to run that, we would largely increase the consumption of ore, and be able to use a class of ore which to-day is almost unsalable—these phosphoric ores. We would not be dependent upon the foreign markets for ores. I do not think it is the intention of this committee to force our labor to the Padrone system of labor. I might call attention to the fact that last year 30,000 tons of plate were imported. For the ten months of this year 125 tons of steel plates, and 6,000 tons of iron plates, have been imported, showing the duty on this is not sufficient to keep out the foreign article. We do not propose to ask for an increase in the duty, but we do ask that it be allowed to remain where it is, and we trust that this Congress will do something in the way of shipping, and giving us good carrying facilities, so the plate business will be increased and we will be able to take care of ourselves.

Mr. FLOWER. Why do you wish the shipping interests increased?

Mr. MORRIS. If ships are built in this country it will make a very large demand for shipping plates and boiler plates.

Mr. FLOWER. I thought you were interested in the rate of freights?

Mr. MORRIS. No, in making the plates.

Mr. BRECKINRIDGE. Would it add to the export sales?

Mr. MORRIS. I do not think there are any plates exported. If there are they are very few.

Mr. BRECKINRIDGE. Would you not expect to build up an export trade for plates?

Mr. MORRIS. Not at the present time although we may come to that later on. The same thing applies to cut nails which have been at a very low cbb for some two years. I must differ from my friend Mr. Toby in thinking we could stand a reduction in duty. There are some nails made in Canada. Certainly anything that would make the nail business worse at present would be a deplorable state of affairs.

Mr. GEAR. What are you getting for iron nails?

Mr. MORRIS. They bring about \$2.

Mr. GEAR. Has there not been an advance in the last ninety days?

Mr. MORRIS. Yes, sir; there has been.

Mr. GEAR. About 15 to 20 cents?

Mr. MORRIS. Yes, sir.

Mr. BAYNE. Do you manufacture steel plates?

Mr. MORRIS. Yes, sir.

Mr. BAYNE. What do you think of the duty on steel plates.

Mr. MORRIS. I think on steel plates there should be a specific duty. It should be increased to one and a quarter for the steel plates the same as iron plates, for I believe that specific duties are always better than ad valorem duties.

There is another matter, gentlemen, I wish to call attention to of a rather different character from this. I am sorry I am forced to bring it before you. I understand you propose to legislate as far as possible against trusts and monopolies. We have the Bessemer steel works, which we propose to run somewhat in the same line as the basic process which has been spoken of here. There are large supplies of ores in our country that are particularly adapted for this process.

Mr. McKENNA. Will you explain that process?

Mr. MORRIS. The difference between the acid process and the basic process is, in the acid process you use pure ore without any phosphates, and line the vessel with a salicious lining. In the basic process you use a different material. You use a lining that is made up of lime and dolomite, or something of that kind, and in doing so you are able to use the phosphorus ore.

Mr. BAYNE. Is this a cheaper construction?

Mr. MORRIS. No, sir; it is more expensive to handle, but the metal should be cheaper.

Mr. McMILLIN. What is the difference in cost?

Mr. MORRIS. About \$5 a ton on the average. The ores are worth much less.

The CHAIRMAN. The basic costs—

Mr. MORRIS. Five dollars a ton more than the acid. Ordinarily I do not think the basic steel can compete with the acid steel; certainly not for rails, but for ordinary soft steel I think it is as good.

Mr. GEAR. Do you get dolomite in your country?

Mr. MORRIS. Yes, sir; close by us. These patents the Bessemer Steel Association claim to own. I might say here that they did not spend a dollar in working out these patents, and it is not their intention to do so. It is simply holding these for the sake of preventing competition which they fear would injure their business. There was a partial attempt at Harrisburg some years ago to run an old plant which has been abandoned for the Bessemer process. They thought they could afford to experiment with that, and naturally it was a failure. Carnegie & Co. are running a basic iron hearth in Pittsburgh, but there is no basic Bessemer works running, nor has any ever been attempted on a thoroughly practical scale, except the iron plant at Pottstown, which we wish to run on a somewhat similar line to that. The members of this Bessemer association are the large rail producers of the country. They certainly deserve credit for what they have done to cheapen the cost of rails. You know rails are selling as cheap here as at Liverpool.

Mr. LaFOLLETTE. What is the price here?

Mr. MORRIS. About \$35. There has been considerable advance in the last six months. They were selling as low as \$26, and the price in England was only a dollar or two difference.

Mr. FLOWER. How cheap can Bessemer steel rails be put on board at Liverpool?

Mr. MORRIS. I think at about \$35.

Mr. FLOWER. At what price have they been put on within the last two years?

(SOME PERSON). Thirty-nine dollars.

Mr. MORRIS. I am not here to criticise the rail-makers of the country, for I think they deserve a good deal of credit for what they have done, but I think they have rather overreached themselves in this matter of competition. The steel we propose to make is of a different character from what they propose to make. It is an entirely different class of steel and it is suitable for boiler-plates, ship-plates, and material of that kind.

The CHAIRMAN. Why cannot you make it?

Mr. MORRIS. They claim to own these patents.

Mr. BAYNE. Cannot you get into that association?

Mr. MORRIS. No, sir; I hold in my hand a report of a former interview before the Committee on Ways and Means in 1884. At that time this matter was brought up by Mr. Head, and the southern people were very much exercised because they thought they would have no opportunity of developing the ore, they were principally phosphoric ores, and the south as well as other points in the country, and the rail men, sent a committee down. Mr. Wharton represented the Bessemer men. Here is a letter which was read at this time:

“OFFICE OF THE BESSEMER STEEL COMPANY (LIMITED).

“Philadelphia, October 29, 1883.

“MY DEAR SIR: Replying to your application for a license for your company to use the patents owned by this association, and relating to the basic process, I have the pleasure to report as follows:

“This association will grant you a license to use the patents referred to at \$1 per

ton royalty, and advance payment of \$50,000 to be made at the time the license issues as royalty on the first 50,000 tons of metal treated under the license.

"Hoping this will prove satisfactory,

"I am, very truly, yours, etc.,

"JNO. M. KENNEDY, *Secretary,*

"Per ROBT F. KENNEDY.

"H. S. CHAMBERLAIN, Esq.,

"*President Roane Iron Company, Chattanooga, Tenn.*"

In the first place it is an outrageous royalty, and I do not believe that letter was written with the intention of giving a royalty. We were assured by the Bessemer people that if we would build our works they were prepared to grant the license, that they would go to work and develop this process, and we would have special terms. They failed to carry out their promise. They said that owing to some litigation of Mr. Reese, who claimed to be the inventor of the American patents, they preferred not to enter into any agreement just as soon as we said we were ready to do so.

The CHAIRMAN. Has that been settled?

Mr. MORRIS. Yes, sir; they are declared to be the owner of Reese's patents. I will read part of a letter of November 14, 1889. I have had some correspondence with those gentlemen and I have had personal interviews.

"Pending the organization of the new company it would be premature and inexpedient to discuss the rate of royalty for the use of the patents referred to."

After an interval of five years these people have not been able to fix a rate of royalty, and they are not willing to grant a license.

Mr. BAYNE. What did they pay for the patents?

Mr. MORRIS. This testimony showed they paid \$225,000 for the use of them.

Mr. BAYNE. If you could get in, would you not be a partner in the concern?

Mr. MORRIS. I don't think you could buy an interest in the thing.

Mr. BAYNE. If you pay a royalty, do you become one of the partners in the patents?

Mr. MORRIS. No, sir; but I have a right to use the patents.

Mr. BAYNE. By the payment of the amount you pay, you would share to the extent of the payment of that fund?

Mr. MORRIS. No, sir.

Mr. BAYNE. Where would that fund go?

Mr. MORRIS. In their pockets.

Mr. BAYNE. As I understand it this fund is kept separate; that fund is not mixed up with their common property?

Mr. MORRIS. They decline to grant any license on any terms.

Mr. GEAR. What remedy would you suggest?

Mr. MORRIS. I think the proper remedy suggested at that time, five years ago—it strikes me it is not the object of this Government to protect people and enable them to build up a grand monopoly and prevent everybody else from carrying on a similar business.

Mr. McMILLIN. I understand that they have got these patents and refuse to use them themselves, and they refuse to let others use them and supply the country with their products by the use of this process.

Mr. MORRIS. They are not, because there is a great deal of basic steel imported.

Mr. FLOWER. Their object is to sell the Bessemer steel?

Mr. MORRIS. Yes, sir; for rails and such blooms as they are able to make. There is one further thing I call attention to. In 1888 nearly 2,000,000 tons of basic steel was produced abroad. There was also 100,000 tons of slag produced. This is one of the best materials for fertilizing there is. It contains over 20 per cent. of phosphoric acid, and by actual experiments it has been found very valuable. Now, these gentlemen are doing not only a great injustice to the producers in the country and to the consumers in the country, but also to the farmers in the country.

Mr. BAYNE. Are they making basic steel?

Mr. MORRIS. I do not know that they are making any except at probably one mill.

Mr. BAYNE. You do not seem to recognize the patented rights of these gentlemen?

Mr. MORRIS. I do, but I do not think they have a right to lock them up and say that others shall not use them.

Mr. BAYNE. If a patentee sells a patent you have a right to use that to the exclusion of the whole world.

Mr. MORRIS. But these gentlemen are not using it. The basic process is not practiced in this country to-day.

Mr. McKENNA. Do they monopolize the market?

Mr. MORRIS. For Bessemer steel; they produce Bessemer steel and they supply that to the extent of their ability.

Mr. McKENNA. If you should make this basic steel, how much competition would that make?

Mr. MORRIS. I do not think it would be competition, as it is suitable for other purposes. They are afraid there will be some competition. They certainly bought it with that view.

Mr. McKENNA. What competition?

Mr. MORRIS. They are afraid if we make steel we will interfere with them. I saw a letter written recently calling the attention of members to the fact of this particular testimony and promises that were made at that time to grant licenses at a reasonable rate, at 50 cents a ton if necessary.

Mr. BAYNE. How long are the patents?

Mr. MORRIS. The foreign patents are about eight or nine years old, and the American or Reese patents, some of them, are still in the patent office.

The CHAIRMAN. Can you make the Bessemer steel without paying a royalty?

Mr. MORRIS. Yes, sir.

Mr. McMILLIN. But you can not do that with the phosphorus ore?

Mr. MORRIS. No, sir.

STATEMENT OF JOSEPH WHARTON.

Mr. JOSEPH WHARTON, president of the Bessemer Steel Association, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I am chairman and president of the Bessemer Steel Association, limited, against which Mr. Morris has made charges.

I remember very well the circumstances of the negotiations to which he has alluded. The impression with the officers of our companies is that the concern which Mr. Morris represents made endeavors to produce basic steel by other methods than those covered by our patents, and those efforts have not been successful. When the question rose it almost became a sectional question, because the Southern people thought that they were being discriminated against on account of their having phosphoric ores. They were not aware they had Bessemer ores as well. When the basic process began to be talked of in Europe some of our members examined the question, and became convinced that there was a great future for the making of steel from these phosphorus ores. They made a preliminary purchase of the rights for the process which had been adopted in England, and these rights were bought finally, and so they are owned by this Bessemer Association. I had better explain that the Bessemer Association is not incorporated for manufacturing in any business. It is a voluntary association of the great steel mills of the country for the purpose of controlling patents relating to their manufactures.

When the Bessemer process was originally patented there was an American patentee named Kelly who thought he had invented it. Some people thought we could work under Kelly's process and others thought the Bessemer process was the safer one, and that resulted in the formation of the trusteeship to own and control patents, both the Kelly and Bessemer—the American and English. All the companies then engaged in making steel rails participating in the purchase became joint owners, so this Bessemer Association was formed which would own all the patents. They bought the rights of Kelly, and that association has kept them from that time to the present, and has acquired other patents that seemed necessary for the prosecution of their business. We could not afford to let somebody come in with a patent that would perhaps involve the processes we have been working and forbid us to manufacture, or pay them a royalty; so we have bought all the patents necessary for the prosecution of our business. Coming to the basic process, after an examination of it, we concluded to purchase it; and then we became aware that there was an American claimant for all those patents—Mr. Jacob Reese, of Pittsburgh. While the patent was in dispute we were invited to name the price of royalty by which business could be done under this process. We did our best to get into position to name a price. Lawsuits and patents are very tedious things, and several years passed before that dispute ended. In the meantime we had informed the country, and those particular gentlemen in the South who desired to use our patents, that we intended to allow the process to be used at a reasonable royalty. In point of fact, no Southern concern was found ready and no Southern concern is yet ready to go to the expense of putting up a considerable plant to manufacture steel by the basic process. We have applications made from all over the country. There is a large concern in the South, the name of which escapes me, formed by the combination of a number of iron establishments.

Mr. McMILLIN. I think it is the Southern Iron Company. It is formed of various companies making charcoal iron.

Mr. WHARTON. Mr. Shook, the president of the company, has written several times lately to Philadelphia with the view of making an appointment with me and an investigation into this matter, and as to whether we could agree upon terms by which they could go into the business. Finally I told him what I am going to tell you. I think he was well satisfied that we acted in a reasonable manner. We had this dispute with Jacob Reese. This dispute was between the Thomas Gilchrist patents and Reese. So we became parties in the dispute, as we had thought it necessary to buy the Reese patents. Finally the Reese patents were adjudged to be the valid ones. When we got so far, Reese made claims for certain inventions he had made which he claimed were not included in the patents sold to us, although his sale was of all patents relating to the making of this steel, and improvements he might make

thereon. He claimed certain things were not included. That entailed another long fight. Finally that fight was decided against him, and quite lately we became the undoubted owners of those patents.

The CHAIRMAN. When was it finally disposed of?

Mr. WHARTON. Last October a year ago. Then we had a title, I think, for the first time to this property. Then came the question: If a man is invited to sell something, he necessarily desires to know something about the value of the thing which he is to sell before he names a price. We had only the experience with the process in Europe, and the importance of that invention has not been overestimated by Mr. Morris. Experiments have been carried on on a large scale, and these experiments have demonstrated to us that the process is of very great value; of greater value than we were prepared to hope for. So now we have two things; we have a good title and we have acquired some idea of the value of the process. Now comes another complication. The Bessemer Steel Association was organized according to the best light we had at that time, but when we got to a certain expansion of the business, involving the dealing with outsiders and involving the question of locality and other questions, we found the association was not such a one as we thought best fitted to conduct the business. Last spring we therefore took such steps as were necessary for a reorganization among ourselves, and those steps have been going on to the present time. I was made chairman of this association last spring, and I have not had the thing out of my mind from that time to this. There has been no time lost in the endeavor to make this organization complete. Mr. Morris has been well aware of this—at least he has been told so. Probably he does not believe it. These are the facts. But he is grieving for being kept from enjoying a thing that belongs to another man. Mr. Morris no doubt owns a house, and he can not think it hard for a man if he comes to him and demands the price of that house and Mr. Morris refuses to name a price. I do not think that Mr. Morris would feel that the man was aggrieved because he refused to name a price for a thing he wanted to keep. I do not think he has any standing at all before a court of law, while before a committee of this kind I hardly see why he should bring it, as it is not a question of tariff.

Mr. FLOWER. This Bessemer Steel Company does not manufacture anything?

Mr. WHARTON. No, sir.

Mr. FLOWER. Is it prepared some day to offer for sale these rights?

Mr. WHARTON. It is making all possible diligence now to do so.

Mr. FLOWER. I understand from Mr. Morris that it is not an eleemosynary institution?

Mr. WHARTON. No, sir; we paid our money out and we hope to get it back.

Mr. McKENNA. Why is a reorganization necessary to name the price of a thing whose value you know by your own admission?

Mr. WHARTON. A reorganization is necessary because until it is effected no one has a right to speak. You probably would say that the president should have the right, but that is not the case. He has to be guided by orders from the companies who form the association.

Mr. McMILLIN. Could they not allow their representatives to act?

Mr. WHARTON. They are using all diligence to come to that point.

Mr. McMILLIN. It does not take a reorganization to enable them to do that?

Mr. WHARTON. It is necessary for this purpose. We do not now have any authorized agent who can speak. It requires a certain large proportion of all members of the association to name a price at which anything in the nature of a patent license can be sold. This is the case now.

Mr. GEAR. Your organization is for the purpose of dealing in these patents?

Mr. WHARTON. Yes, sir; exclusively. We keep this thing moving among ourselves, and are using all diligence to get the thing in shape, so that persons may be permitted to use this or any other patent we possess. Among our members there is a great difference of opinion. Some of them would shut the door if they could; others would open it and let the outside public in, not because we feel we are forced to do that, but because we think it is, on the whole, reasonable and right. That if they, for instance, did not choose to carry on a manufacture in the State of Georgia or Missouri somebody else shall be allowed to carry it on there by paying us what we could agree on with the person desiring to use it. That is the whole story, and I have to regret taking up so much of your time in telling it.

Mr. McKENNA. When do you think this reorganization will be completed?

Mr. WHARTON. I understand we shall have a meeting of the association next month. There have been circulars sent out to members of the association inviting them to respond affirmatively to the question of joining in the reorganization.

Mr. McKENNA. Is there any prospect of their doing so?

Mr. WHARTON. There is every prospect of it.

Mr. McKENNA. After that what do you think of the prospect of granting the right to sell these patents?

Mr. WHARTON. I am not sure we shall be able to fix it at a price that Mr. Morris ap-

proves of. That is a question that does not concern you gentlemen. That is a question of private trade. My own intention is to speak in favor of a price that I think will be a reasonable one. It would not be right for me in relation to my colleagues to name the price that seems to me a reasonable one, for I have no right to bind them. There is no disposition on my part to do that. I have said so to Mr. Morris, who does not believe it. He can not come cheaply into a thing that has cost a vast sum of money, and a good many years' interest, and cost a good deal of toil, on the basis of the people who have stood by it for that length of time. He will have to pay the price, but it will not be so unreasonable that he can not come in.

Mr. FLOWER. As far as you have experimented with the basic process, have you made steel rails?

Mr. WHARTON. Not yet. I think the chief uses for basic steel will be for other things than steel rails.

Mr. McMILLIN. Will it probably make steel cheaper than it can be made by the Bessemer process?

Mr. WHARTON. No, sir; I should think not. If we have got ores that do not contain phosphorus there is no improvement probable on the Bessemer process except mere details of construction. Where you have rich ores free from phosphorus the Bessemer process will be used. Where you have ores containing a good deal of phosphorus then the basic process will be cheaper, but I should not imagine steel rails can be made by the basic process cheaper than the Bessemer, the acid process.

Thereupon the committee took a recess until 7.45 p. m.

LEAD ORES.

STATEMENT OF MR. OSCAR KEEN.

Mr. OSCAR KEEN, attorney for the Newark Smelting and Refining Works, next addressed the committee. He said:

I am very much indebted to you for the privilege you have granted to me of addressing you very briefly in behalf of any action that this committee of the House of Representatives may take in respect to duties that may be imposed upon importation of silver-lead ores from Mexico into this country. I represent the firm of E. Balbach & Sons, of Newark, N. J., who are the owners and proprietors of the Newark Smelting and Refining Works. They have been engaged in this business for over forty years. About three years ago last spring they embarked in a new enterprise in addition to the business of smelting and refining ores. They embarked in the business of getting ores from Mexico imported into this country. These ores were silver-lead ores, and it was in pursuance with the rulings of the Treasury Department of the United States that were made by the Secretary of the Treasury in the month of January, 1880, during the administration of Mr. Hayes, and also the administration of Mr. Cleveland, in 1886, that they engaged in this enterprise. The Treasury Department made this ruling, that where silver-lead ores imported into this country, where the silver in value predominated in value over the lead in the ores, though the lead might predominate in quantity and weight over the silver, that in a legal and commercial sense these ores were silver ores, and therefore not subject to duty.

The CHAIRMAN. Because silver is free?

Mr. KEEN. Yes, sir. And I might add, Mr. Chairman and gentlemen of the Committee, that it seems to be the policy of this Government that gold and silver ores shall be free of duty, and where there are in the ores containing gold and silver small quantities of lead, it is of no consequence and should not be considered by Congress or by this committee as amounting to anything in the way of protection. Now, it was not until after Assistant Secretary of the Treasury French, in 1880, made that ruling in respect to the statute passed by Congress, and it was not until after Assistant Secretary of the Treasury Fairchild made a similar ruling, in 1886, affirming the ruling of Mr. French, that my clients, Messrs. E. Balbach & Son, embarked in this enterprise; and it was in the pursuance of that ruling and in consequence of that ruling and by reason of that ruling that they embarked in the enterprise.

The CHAIRMAN. What is the quantity of lead that is brought over?

Mr. KEEN. I know the quantity of lead compared with the quantity of silver is very small and the silver has always predominated.

The CHAIRMAN. Do you know what is the proportion of the lead to the silver?

Mr. KEEN. I do not; but I know the lead is smaller in value than the silver, and the lead used is for the purpose of fluxing.

The CHAIRMAN. It takes the place of that quantity of lead that might be purchased here?

Mr. KEEN. Perhaps so, yes, sir. I was about to state it was in consequence of this ruling made by the Department under the administration of Mr. Hayes and of Mr. Cleveland that they embarked in this enterprise. Before that time they had been engaged in the business of smelting and refining ores for forty years at Newark,

They employed 350 people in a population of 175,000, and these are wage workers, and of these 175,000 Messrs. E. Balbach & Sons support, perhaps, 1,500 to 2,000 people, feed, clothe and house them. When the Treasury Department made this ruling they engaged in this business. In addition to the plant they had in Newark they put up in Sabinas, in the Republic of Mexico, additional works amounting to \$350,000 in value, and it was in pursuance of the ruling made by the Department that they entered into this enterprise.

Last May an application was made to the Treasury Department to change the ruling made by Assistant Secretary French and Assistant Secretary Fairchild also. Secretary Windom, after due consideration, refused, and stated he had this ruling before him, and that this ruling was made by his predecessors in office and had received also the sanction of the Judiciary Committee of the Senate, of which Mr. Edmunds was Chairman, and that it should still be retained. The law now is that when silver-lead ores are imported into this country, where the silver predominates in value over the lead, although the lead may predominate in weight, in a legal and commercial sense these are silver ores and exempt from duty.

Mr. BURROWS. So the lead always comes in free?

Mr. KEEN. Yes, sir. Now, my clients also have an establishment at Kansas City, and the reason why Mr. Windom decided this question is this: He said his predecessors had made a certain ruling and that rule has been acquiesced in by the Department and by his predecessors in office, and on the faith of that ruling capital had been placed on that industry, and that it would be contrary to equity and good faith if the Secretary of the Treasury of the United States should change this ruling; because on the faith of that ruling men had put their money into that business and relied upon the faith of the Government of the United States that they would continue to maintain the ruling that had been previously made.

Now, I submit to this honorable committee where on the faith of the act of Congress and on the action of the Department gentlemen have placed money in an enterprise, they have a right to presume that Congress will not change that ruling unless Congress is satisfied that any change of law that may be made will accrue to the benefit of the country at large and a better law than that which already existed. Now, gentlemen, what reason is alleged against the law as it now stands? As I understand this law it is this: Wherever silver-lead ores are imported into this country or elsewhere and where the lead predominates in value as well as in quantity, a duty should be imposed upon these ores at $1\frac{1}{2}$ cents a pound. It was the intention of the Allison bill, introduced last summer, to assess upon any lead found in the ore a duty of $1\frac{1}{2}$ cents a pound. That was contrary to the act of Congress March 4, 1883, and also to the act of Congress passed prior to that time.

Now, what is the reason these gentlemen see fit to ask this committee to change the statute law? As I understand, there was imported from Mexico during the year ending June 30, 1889, about \$930,000 worth of lead. Now, the people of Montana and Colorado object to that, and I do not know for what reason. It is imported with silver, and I will remark to you, Mr. Chairman, and gentlemen of the committee, that while lead imported from Mexico amounts to \$930,000, the value of silver imported from Mexico was \$4,870,000 and some odd dollars. Now, if the committee please, there is no objection on the part of the people of Montana or Colorado to the importation of this silver from Mexico; and yet before the Treasury Department last May, they said that there was great objection on the part of the wage-workers to letting the law remain as it is. They did not, however, make any objection when \$4,870,000 worth of silver was imported; they did not think that interfered with the wage-workers. Yet this committee will easily see that if the importation of \$930,000 worth of lead from Mexico interfered with the wage-workers of Utah, Colorado, and Montana, how much more would the importation of this large amount of silver do so? Now, gentlemen, the question to be considered is this—I did not come here in favor of free trade. I come from a district which has never sent here a man who is opposed to American industries. I represent a firm who are in favor of American industries. And yet if you take from these people the law as it now stands and give them another law, you interfere with the operations of American industries and partially deprive one thousand five hundred people in the city of Newark of their bread and butter.

Now, what interest is opposed to the law as it now stands? It comes here tonight asking the committee to recommend to Congress that the bill passed by the Republican Congress in 1883 stand as it is. We ask for no change. We represent nine electoral votes and the State of Kansas has nine electoral votes also. The only people opposed to this are in the States of Montana, Colorado, and the Territory of Utah; and, gentlemen, I am told that the total value of the lead in the State of Montana is $2\frac{1}{2}$ per cent. as compared with the value of the other minerals of that Commonwealth.

The CHAIRMAN. Do you think there should be a duty on lead ores?

Mr. KEEN. No sir. I think lead ores ought to be free, as they are now. I think in a legal and commercial sense, where ores are imported from Mexico containing silver

and lead and where the silver predominates in value, these ores should come in free, and where in silver and lead ores the lead predominates in value, they ought to be subject to a duty. I desire to say that I come here from a free-trade stand point in this respect. I come here representing an industry in the city of Newark, and the same industry in the city of Kansas City. We do not ask any change in the law, but simply ask this honorable committee to submit to Congress that the law as it has been for years shall remain.

The CHAIRMAN. Do I understand you to say that you favor a duty on lead if it is separated from, and not if it is assimilated with silver?

Mr. KEEN. If the lead is brought in *per se* I think a duty should be imposed on lead.

Mr. McMILLIN. If I understand you correctly, you think there ought not to be an embargo imposed upon importations of silver simply because it is found in connection with some baser metal?

Mr. KEEN. That is it.

Mr. BAYNE. These people simply refine the silver?

Mr. KEEN. Yes, sir; that is all. If you will ask some gentlemen—I will refer you to General Rosecranz, who is acquainted with the works of E. Balbach & Sons—

Mr. BAYNE. Your word is good enough. They are general smelters and refiners, and they have embarked in this enterprise on the good faith of Congress and under the rulings of the Secretary of the Treasury.

Mr. KEEN. On the rulings of the Secretary of the Treasury and on the statute law passed by Congress.

The CHAIRMAN. If you want silver metal you can import that free of duty, and therefore the lead is so much clear gain if you get it in free?

Mr. KEEN. Yes, sir.

The CHAIRMAN. There is no embargo on silver, as referred to by Mr. McMillin?

Mr. McMILLIN. Our embargo I had reference to is that embargo that is necessary from its having to come across the country for miles packed in that way, with lead and dirt in the silver. Then the proposed tariff would be an embargo?

Mr. FLOWER. Where does this come from?

Mr. KEEN. Sabinas.

Mr. FLOWER. How far from the railroad is that?

Mr. KEEN. About 72 miles. It crosses from there by railroad to Galveston and then by steam-ship to New York City.

Mr. FLOWER. Is that all the importation that comes from there?

Mr. KEEN. That is a good deal of the importation. I will state that the Southern Pacific Railroad and its kindred corporation, the Morgan Steamship line, depend upon the ores sent from the West. What we want to do is this—that you should report to Congress that the law as it now stands and as it has stood for several years be kept the same and unchanged. Under that law we have invested a large sum of money in Newark. We have done well; we have provided homes, etc., for about 1,500 people, and all we ask is that the law shall remain.

Mr. BURROWS. You want the ruling as it is to continue?

Mr. KEEN. Yes, sir, we want the law upon which the ruling was made to continue. In other words we do not want a change in the law.

Mr. BRECKENRIDGE. You want the present ruling under the administration of Mr. Windom to continue?

Mr. KEEN. I do not mean his regulations of the 17th of July last, but his ruling of October or November whereby he affirmed the ruling of his predecessors in office, Assistant Secretaries French and Fairchild.

Mr. BRECKENRIDGE. In which he set aside the regulations you speak of?

Mr. KEEN. Yes, sir; We do not come here at the present time for the purpose of asking this honorable body to suggest any law of reciprocity. We perhaps may come to that in the near future, because these countries in Central and South America produce nothing in the way of machinery and manufactories which we produce. We have a large field of market to which we can send our goods. We have the machinery they use. They manufacture nothing there, and what we want here is raw material; and we ask that it be given us in such a way that we can use it.

The CHAIRMAN. When were your smelting-works established?

Mr. KEEN. Forty years ago.

The CHAIRMAN. Did you commence the business of smelting silver and gold before this ruling of the Treasury?

Mr. KEEN. Yes, sir; but we never entered into this business of importation of Mexican lead ores until after the Secretary of the Treasury in 1880 and 1886 gave an opinion in regard to the tariff act of March 4, 1883, and the tariff act of April, which was the successor of that.

The CHAIRMAN. Was your investment made before that?

Mr. KEEN. I had already stated, Mr. Chairman, and I will state it again, that it was only after this ruling, and in pursuance of this ruling, that we embarked in this

Mexican business and put in additional capital to the amount of \$350,000 in our plant, and that is one of the reasons why the Secretary of the Treasury did not reverse the ruling when he was asked to do so last May. He applied this doctrine: That where parties under the faith of the ruling had invested money in an enterprise, it was the duty of the Government to consider that the money so invested in that plant was properly invested. In other words, that the decision of a previous Department was binding upon their successors in office; and inasmuch as his predecessor had so decided, Mr. Windom made this ruling.

The CHAIRMAN. Where did you get your silver ores prior to this ruling?

Mr. KEEN. In different parts of the country.

The CHAIRMAN. Did you get it all in this country?

Mr. KEEN. Yes, sir.

The CHAIRMAN. And the fact that you could get lead in the silver made you prefer to import it rather than buy the home product?

Mr. KEEN. Yes, sir; I was about to observe to the Chairman that the silver ore from Mexico about paid the expenses of bringing it over, and the lead also afforded a good flux.

The CHAIRMAN. You mean the lead?

Mr. KEEN. Yes, sir; this lead is useful for fluxing. It is dry ore generally, and the fact is, these people would rather have these Mexican ores because they are better ores than those of Montana and Colorado.

Mr. McMILLIN. This is useful for fluxing native ores?

Mr. KEEN. Yes, sir; and I was about to state that this ore is used much by the people of Montana and Colorado for that purpose. There are gentlemen—I do not know whether they will address your committee—sent here from Montana and Colorado who say they need these ores. There are two mines in Colorado which have these ores of the same quality and quantity, but they charge the people who want these ores very high prices, and the result is they alone have these ores and nobody else can supply them, and they compel the people of Colorado and Montana to use them at high prices.

Mr. GEAR. Where is that mine in Colorado?

Mr. KEEN. Leadville.

Mr. GEAR. They do not use any Mexican ores there?

Mr. KEEN. No, sir; but you will find that when Governor Grant came here last May and made an argument before the treasurer, he admitted he had used ores and fluxing in Colorado works.

Mr. BAYNE. You speak of the predominance of silver in lead. Do you mean in value or weight?

Mr. KEEN. In value. The ruling now established by the Treasury Department is, where the silver predominates in value, that in a legal and commercial sense it is silver ore and free of duty.

Mr. BAYNE. This ore which you procure from Mexico has relatively very little silver in it compared with its weight?

Mr. KEEN. Yes, sir; but in every instance the silver is largely superior in value to the lead and all silver-lead ores imported by E. Balbach & Sons, of Newark, are really silver ores; that is, the silver is predominant in value, and they come under the ruling of the Treasury Department and the Judiciary Committee of the United States Senate.

Mr. BAYNE. I understand you imported some ore where the lead predominated in value?

Mr. KEEN. I understand there are instances of that kind, but where that has happened they have paid the duty.

Mr. BAYNE. And where the silver predominates?

Mr. KEEN. They did not pay the duty.

Mr. BAYNE. In point of weight what would be the percentage between them where the silver predominates? What would be the relative weight of the two metals?

Mr. KEEN. Of course the lead would weigh considerably more.

Mr. BAYNE. But take 100 pounds of ore combining silver and lead.

Mr. KEEN. I do not know that I can answer that question correctly. I have come for the purpose of addressing this committee on the policy of the Government in regard to the matter, and I am not prepared to give those statistics.

Mr. BAYNE. That is the very thing that affects the policy. If you are importing a vast quantity of lead ore and a small quantity of silver you are getting this lead here free—that imported lead you get free?

Mr. KEEN. Yes, sir.

Mr. GEAR. Suppose you have 100 pounds of Galena ore and the lead is worth, say, 3 cents and the silver is worth \$3.50, it would come in free?

Mr. KEEN. Yes, sir. I was about to state that this committee would undoubtedly have in view the interests of the greater number of people. Now, as I understand it, in the State of Montana $2\frac{1}{2}$ per cent. of all her mineral products is lead. We do not

ask any reciprocity, although I desire to call attention to this fact: here is a treaty between the United States and the Hawaiian Islands, by virtue of which there has been received up to the end of the fiscal year ending June 30, 1889, over \$9,000,000 worth of sugar, rice, and molasses. There has been no complaint on the part of the gentlemen coming from the South, although that, perhaps, interferes with their industries.

The CHAIRMAN. You are mistaken; there is a great deal of objection.

Mr. KEEN. I mean as far as the treaty is concerned.

The CHAIRMAN. There are great objections to it all the same.

Mr. KEEN. I mean that this provision stands; that it is the law of the land. I am not speaking of the present state of affairs. We have now a treaty and I desire to call the attention of this honorable body to the fact that while I do not ask reciprocity at this time, I do represent the idea prevailing in our section of the country. If you will give us a place where we can put our surplus production, you will enable us to do better in manufacture than in the past. Not only the smelting and refining works in Kansas City, the Southern Pacific Railroad Company and the Morgan Line of Steamships, but also the manufacturers in Illinois, Pennsylvania, New England, and New Jersey, who make the machines for crushing these materials, to work them up—they also will be interfered with. So your body will take into consideration not only the fact of the business we are engaged in, but all the other businesses connected with and influenced by it.

Mr. GEAR. How much was the tonnage of that ore?

Mr. KEEN. The value of that ore was about \$930,000.

Mr. GEAR. But about how much tonnage?

Mr. KEEN. I think I can give you that exactly from an official document in Congress. There was imported for the year ending June 30, 1889, \$931,229 worth of lead—the number of pounds is what you want. Imported from Mexico during that year, from June 30, 1888, to June 30, 1889, 58,679,609 pounds.

Mr. GEAR. That all comes in free under this ruling?

Mr. KEEN. No, sir; wherever the lead preponderated in weight and value it was subject to a duty of $1\frac{1}{4}$ cents per pound.

The CHAIRMAN. Does it ever preponderate?

Mr. KEEN. Yes, sir.

The CHAIRMAN. Do you mean that where the people imported that lead with silver and where the lead predominated in value over the silver, that it came in free.

Mr. KEEN. The Newark Smelting Company have often paid duties to the Government wherever the lead in the ore predominated in weight and also in value.

The CHAIRMAN. Within what period?

Mr. KEEN. During the last four years.

Mr. BAYNE. Say that a pound of silver is worth \$13.60, and a pound of lead is worth about 3 cents. One pound of silver worth \$13.60 would be more than equal in value to about 400 pounds of lead which would come in free.

Mr. KEEN. You must remember this lead is not brought in to interfere with the product of Montana, but is brought in for the purpose of fluxing, for the purpose of separating the ore from the dross. We do not wish to do this thing for the purpose of getting free lead.

Mr. GEAR. How many tons do you use to get a ton of base bullion? I take it, it is in the shape of base bullion?

Mr. KEEN. I do not know whether I could answer that question. I ask the committee that I may be allowed to file printed particulars on behalf of these works.

Mr. GEAR. As I understand, in Leadville—I spent some time there—it takes about 6 or 7 tons crude ore to make a ton of base bullion.

Mr. KEEN. I had no idea that I had taken as much time as I have, and I desire to express to the committee my sense of the obligation for the courtesy shown me.

STATEMENT OF L. E. HOLDEN.

Mr. L. E. HOLDEN, of Cleveland, Ohio, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I do not come as a lawyer, but simply as a business man interested in the great industry of producing lead and silver in this country. It happened to be my fortune to be in this city when the present tariff law was passed, and of course, as my business has been so largely connected with the production of lead in the West, I feel all encroachments upon the law. Now we all understand when the present tariff law was passed it was passed as a protection measure, and it was not understood that there was such exception made in the law, and that lead in any shape or in any way was to be introduced into this country free. It was almost by an inadvertence, I might say, that the policy of bringing in lead ores free from Mexico was inaugurated. It no doubt grew out of a

ruling made by Secretary Sherman, wherein he permitted iron ore, which was of no value, to be admitted free because it carried silver of a higher value. All subsequent rulings have been based on this ruling, till the results are unbearable.

I will read a few statistics showing the gradual importations of lead for a series of years past. In 1874 I went to the great West for the purpose of mining. I became interested in this great industry and I have been interested in it ever since. You will understand that previous to the war a very large percentage of the lead that was used in this country was imported from Europe and Mexico. It was not until since the war that the great lead industries began to come to the front; so that you can go back to the year 1863 and you will find that we commenced spending money building plants and building up this great industry; so that at the present time, or at least up to the time that they began to import these ores from Mexico, we were producing nearly all the lead used in the United States.

But as to these vested rights which the gentleman who preceded me refers to. Long before 1884, before the thought of introducing and importing lead ores free, more than a hundred times as much money had been expended in building up great plants in the West, in mining the silver-lead ore and in building refineries and furnaces, as have been expended since this recent interpretation of the law. Have these men who invested this money no vested rights? Are their interests not to be considered? If the question of vested rights has any weight whatever, certainly those who invested their money previous to that time under the law should be considered as well as those people from New Jersey and Texas, who have invested their money. I will refer to the statistics which I wish to read. In 1884 there was imported from Mexico 1,815 tons of silver-lead ore; in 1885, 8,403 tons.

Mr. LA FOLLETTE. When was this ruling made?

Mr. KEEN. In January, 1886, by Assistant Secretary French. There was no plant in Texas until some time subsequent to that.

Mr. HOLDEN (continuing). In 1885 there was 8,403; in 1886, 22,045 tons; in 1887, 44,773 tons; in 1888, 68,214 tons. In 1889, up to the time that the statistics were concluded, which was about the 4th of May, there had been imported about 29,000 tons. A total in five years of 91,832,075 pounds of lead were extracted by smelting those ores. Thus the Government is cheated out of revenue and our industries are jeopardized. Now, the point we make, gentlemen, is, this is a policy to protect American industries. It is the law of the land; we all understand it. Whatever the tariff may be on any one industry or product—that is protection. Thus 20 cents tariff is 20 cents protection. There is no question about that, as it is the truth. This is a mining industry, and it is a great user and consumer of the products of the East. Everything enters into our production. Everything we have to buy comes from high-priced labor. We all understand that we do not want to degrade American labor, but we want to elevate it. But we want to have the principle of protection applied equitably.

The CHAIRMAN. What would be the effect of free lead on your industry?

Mr. HOLDEN. I will tell you. We pay in wages \$3 a day for miners and \$2.50 for common laborers on the outside. Idaho pays \$2.50 for laborers and for miners \$3.50. For all this ore which comes in from Mexico the average price paid for labor is 54 cents. I got that from Mr. Cavanaugh, of Idaho, who has been the superintendent of mines there for years. He gave it to me about three weeks ago.

Mr. McMILLIN. If you will allow me to interrupt your remarks, have you any information as to the relative efficiency of the American laborer and the Mexican laborer in the production of the ore?

Mr. HOLDEN. I do not think I have any statistics which would shed any light upon that.

Mr. McMILLIN. But the Mexican labor is not so efficient generally?

Mr. HOLDEN. It is not so understood.

Mr. BAYNE. Do you think we can produce in this country a sufficient quantity of lead to supply the domestic need?

Mr. HOLDEN. Yes, sir; I know that we can.

Mr. BAYNE. Then there is an abundance of lead?

Mr. HOLDEN. There is an abundance of lead ores, and we would have a surplus which would not exceed 5,000 to 10,000 tons.

Mr. BAYNE. Then you are in favor of protecting this lead ore?

Mr. HOLDEN. I am in favor of applying the same principle to the protection of lead ore that is applied to iron ore, and everything else.

Mr. BAYNE. In other words, you are in favor of protecting the industries all along the lines, from raw materials up?

Mr. HOLDEN. I will state what I am in favor of. I want just so much protection as will protect our laborers against the labor of foreign countries that are in competition with us, and I want just so much protection on capital as will protect that capital against the cheaper capital of competing countries.

Mr. BAYNE. I agree with you exactly.

Mr. HOLDEN. That is my measure of protection. In regard to the policy which the gentleman who preceded me is advocating, he desires to have lead ores made an exception and let them come in free. In the first place, this attempt to make an exception of lead ores is unjust for many reasons; first, because it would kill one of the great—I might say *the* industry—that is building up the cities in the new West. To refer to what that industry means, I will just take the figures by Wells, Fargo & Co. I will take only a few years back, and I will begin in 1878. The total production of precious metals in the United States was \$81,000,000 in that year. In 1879 it was \$75,000,000. Then I will drop down to 1886. There was a gradual increase until in that year we had \$103,000,000 worth of precious metals produced. In 1887 we had \$104,000,000, and there was produced from argentiferous lead ores \$44,000,000 in 1888.

Mr. BAYNE. Of what?

Mr. HOLDEN. The value of gold, silver, and lead produced \$44,000,000 in 1888. That amount of gold and silver was added to the stock of gold and silver in the country, because it was possible for us to run these silver and lead mines in these mountains. In other words, the silver and lead produced was 43 per cent., in 1886, of all the gold and silver that was produced in the United States, and 39 per cent. in 1887. I simply quote these few figures to show you the value of this great industry. As I say, we buy steel from Ohio and Pennsylvania. We buy our machinery in the East. We have paid, perhaps, \$300,000 this year into Ohio and Pennsylvania for machinery for pumping out the mines, and for machinery for turning the wheels which will take out the ores that carry not over 10 per cent. of lead, and prepare them for the furnaces by means of concentration. And right here we should understand what constitutes lead ores. I do not care where it is found, whether in large or small quantities, it is lead when found. If there is an ore that carries a sufficient amount of lead to make it of commercial value, whether it is first class or any other, it is lead ore. The question of value does not enter into it at all. It has nothing to do with it, in my judgment, and should not have entered into the interpretation of the law by the Secretary of the Treasury; and in a new law to be formed this false interpretation should be guarded against by making all lead in ore pay duty.

I gave an affidavit before the Secretary of the Treasury at the hearing in May last, and I beg leave to read it.

AFFIDAVIT OF L. E. HOLDEN.

To the honorable the Secretary of the Treasury of the United States, in the matter set for hearing in regard to the importation of lead ores, May 15, 1889.

UTAH TERRITORY, *Salt Lake County*:

L. E. HOLDEN, of lawful age, being first duly sworn, deposes and says:

That he is a graduate of the University of Michigan; that he has given special study and attention to mining, reducing, and selling lead and silver ores for about twenty years, and is familiar with the terms used, the classifications of ores, and their commercial value and methods of reduction; that in the accurate use of the word ore it means "a metal chemically combined with some mineralizing substance which completely disguises its usually recognized and useful properties," as instance, hematite iron ore, carbonate of lead ore, and sulphuret copper ore, neither of which represent in appearance their respective metals.

(2) In miners' usage an ore consists of a mixture of rock or gangue and the metal which gives name to the ore. Thus, in Lake Superior, ore is worked in concentrating mills which carries three-fourths of 1 per cent. of copper, and is designated copper ore; so in Bingham Cañon, in Utah, ores are designated lead ores, and are concentrated from 3 per cent. lead ores, and then sent to the furnaces.

(3) There is another class of lead ore, known as silver-lead ore, which carries both silver and lead, and often gold, copper, and zinc.

(4) Whenever gold, silver, or lead are collected into bars by smelting in large quantities it is called base bullion, or lead bullion, and the value of the silver and gold does not change the nomenclature. For instance, if lead is worth \$70 per ton, and the gold and silver in that ton were worth \$1,000, it would be still lead bullion.

(5) In the reduction of ores the amount of lead in the ores does not determine whether they can be smelted at a profit or not. The gangue, as to whether it be lime or iron, and the silver, gold, and copper all enter into the question, and in Utah a 5 per cent. lead ore, with an iron and lime gangue carrying as much as 10 ounces of silver, is readily sold to the smelters; as an illustration, the ores from the Flagstaff and Vallejo mines, in Little Cottonwood. I am mining, concentrating, and selling to-day 500 tons per month of sulphuret lead ores that when mined carry 7 per cent. lead, 7 or 8 ounces of silver, and \$2 in gold, and about 20 per cent. iron.

This lead ore when concentrated gives two classes of ore. About one-tenth is first class, and carries 50 per cent. lead, 26 to 30 ounces of silver, and \$6 to \$20 in gold per

ton. The rest, which averages about 2 tons from 3 of crude ore, runs about 10 per cent. lead, 10 to 12 ounces of silver, and \$2.50 to \$6 in gold, and 30 per cent. iron. This ore has to be roasted and then smelted. It finds a ready sale to the smelters, and the lead, silver and gold and iron are paid for, every unit; but there is no profit when lead is under 4 cents per pound in New York. It is known as low-grade lead ore. It is an almost universal practice for furnace men to analyze ores before purchasing, so as to determine the iron, silica, lime, and zinc, as well as the lead, silver, and gold. The price for fuel and transportation are factors which decide whether most ores can be smelted or milled, as, for instance, with cheap coke, say at \$3.50 to \$5 per ton, a lead ore carrying 3 to 5 per cent. lead, with an iron gangue, and as low as 6 to 8 ounces of silver, could be smelted at a profit because of its lead and iron, whereas it could not be milled at all at a profit. Such an ore is never classified as a silver ore, but always as a low-grade lead ore, notwithstanding the silver is greater in value than the lead.

Take another example—an ore which carries 50 per cent. lead and 200 ounces of silver. Such an ore is not classified as silver ore. It is known as a silver-lead ore, and always as a smelting ore. It is usual where an ore which has been crushed, amalgamated, or leached carries, say, 5 per cent. and, in some instances, 3 per cent. of lead to concentrate the tailings and save both lead and silver, and thus make an ore which is smelted and which produces lead bullion. Thus it is manifest that, in the strict sense of the term, a lead ore is an ore which produces lead, and that in the arts and in the commerce of the country that is a lead ore which carries lead which may be wrought into metallic lead.

(6) I am familiar with the present tariff law pertaining to the importation of metals. I was present during the session of Congress in 1883, during the entire discussion of the law, and at the passage of the law that lead, in ores or in any other form, should be admitted free of duty, and in my opinion any construction of the law by which lead in ores, or lead ores, or any ores bearing lead which are converted or may be converted into lead, are admitted free of duty, is a forced and wrong construction of the law. The miner pays for steel, iron, candles, machinery, nails, and all clothing which he wears, prices enhanced by tariff and which go to promote the great industries of this country, and it was the intent of the law that the product of this labor should also be protected as against foreign labor and foreign capital. So long as this policy is the American policy it is but justice that the law should be so construed and so applied as to protect the miner in what he produces as it does the manufacturer of what he consumes. The great wrong is, that the lead in ores imported from Mexico under the present ruling lowers the price of all lead produced in this country below the actual cost of production. In short, we pay \$3 for the labor of a miner, in Utah, per day, while the wages for miners, as I am credibly informed, in Mexico, average less than \$1 per day.

Subscribed and sworn to before me, May 8th, 1889.

L. E. HOLDEN.

WM. M. BRADLEY,
Notary Public, Salt Lake County, Utah.

MR. FLOWER. They have made you say that you are in favor of protection, and Mr. Bayne finds that you agree with him exactly. Now, I want you to state whether you would collect a dollar more revenue than is needed for the support of the Government?

MR. HOLDEN. It will take something of a protection law to collect that revenue. We will not go into a discussion of politics, because this is a square matter of business. In regard to the miners of the Rocky Mountains, I might go on and tell you something of their lives there; it would be interesting to you. If I should tell you how they have gone out from the Eastern States—they have all come from there, and have built up the country—and how the source of all their lives and hopes centers in these mines, you would be interested.

I speak for them because I know them and live with them, and they work for me, and I know all their interests in and out. I know that without this protection the mines of the great West can not exist. I know that the silver and lead mines of Utah, Montana, Idaho, and Colorado can not stand by the side of Mexico and pay the wages they are now paying. The Mexicans peon themselves to the masters who work them. You know that and I know it. What we, representing the great interests of the West, want and ask you to recommend, is the present law as it now stands, modified, perhaps, with some such language as the Senate bill. I mean this, that if the principle of protection is to be applied to all other industries—to the things which enter into our mines—if we have to pay that enhanced price for what of materials and labor we use, we ask you to put the same protection on what we produce, and say that any ore carrying lead is lead ore, and that lead ore shall pay a duty of $1\frac{1}{2}$ cents a pound on all the lead contained. The interpretation of the Secretary of the Treasury I believe to be unjustifiable, for the case has been construed directly opposite all along its line. But we must prevent all doubt for the future.

The CHAIRMAN. Does the Senate bill make a correction?

Mr. HOLDEN. The Senate makes the correction which I read:

"*Provided*, That silver ore containing lead shall pay a duty of $1\frac{1}{2}$ per cent. per pound on the lead contained therein according to sample and assay at the port of entry."

This is the same principle that is applied to iron ore, copper, and all other things that are protected in this country. We ask nothing more than is common justice and common right.

I thank you for listening to me, and trust that this subject, as I know it will, may receive your favorable consideration.

ARGENTIFEROUS LEAD ORES.

STATEMENT OF HON. THOMAS H. CARTER.

Hon. T. H. CARTER, Representative from the State of Montana, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee: On the 10th day of next August tariff legislation on the subject of lead will have existed uninterruptedly in this Republic for one hundred years. On that day in 1790 Congress passed the first law, at that time relating exclusively to pig-lead and lead in bars. That tariff was continued until 1812 at 1 cent per pound. From 1812 to 1816 the tariff was 2 cents per pound. From 1816 to 1824 it was 1 cent per pound. From 1824 to 1828 the tariff was 2 cents per pound. From 1828 to 1846 it was 3 cents per pound. From 1846 to 1857 it was 20 cent. ad valorem in lieu of specific. From 1857 to 1861 the tariff was 15 per cent. ad valorem, still relating exclusively to pig-lead and lead in bars.

Mr. McMILLIN. Up to that time there was no tax on ore?

Mr. CARTER. There was no tax on ore. In 1861, from the 2d of March to the 5th of August the tariff was fixed at 1 cent per pound in lieu of the ad valorem duty theretofore existing. On the 6th of August, 1861, the tariff was raised to $1\frac{1}{2}$ cents a pound on the pig lead and lead in bars, and on June 30, 1864, it was placed at 2 cents per pound, where it has since continued. On the 11th of July, 1862, the first legislation was placed upon our statute-books relative to imported lead ores. That statute fixed the amount at 1 cent per pound and continued in force until the 30th of June, 1864. June 30, 1864, the tariff on lead ore was placed at $1\frac{1}{2}$ cents per pound. It has continued at that figure uninterruptedly from that day. In connection with this line of legislation, which is varied somewhat, the principle of protection in its beneficial operations is most thoroughly and clearly illustrated. In 1825 the first effort was made to collect data relative to the amount of lead produced in this country. We produced 1,500 net tons in that year. Under the tariff legislation which has been in force from that day to this the gratifying result of protection is shown in the fact that during the year 1888 this country produced 157,000 net tons, the production being only about 5,000 tons less than the total lead consumed in the United States last year.

Prior to 1867 this country depended for its whole production of lead on what is known as the non-argentiferous ores, the product of Virginia, Wisconsin, Illinois, and Missouri mines chiefly. At or about that time the first smelters were erected in the Rocky Mountain country for the purpose of reducing argentiferous lead ores. Our galena, as it is commonly called, contains some silver; but in Missouri, Wisconsin, Illinois, and Virginia the silver is found in insignificant quantities—what we would call a trace. In the Rocky Mountain country, however, it is found in conjunction with certain deposits of silver or what is there called lead-silver, or silver-lead ore, and it varies from 5 up to 80 per cent. to a ton of ore.

Mr. BAYNE. Is that in bulk or value?

Mr. CARTER. That is in bulk. The reduction of ore in that country commenced with experimental work in 1867. One small smelter was erected that year in the State of Nevada and one about that time in the Territory of Montana. The industry has continued to develop in such proportions that to-day 80 per cent. of the lead produced in the United States is produced in the argentiferous-ore districts. Last year the proportions were about 82 or 83 per cent. of lead thus produced from ore in which silver was found in quantities sufficient to be saved, and about 18 per cent. in Missouri, Illinois, Wisconsin, and Virginia. In connection with the production of lead in that country, and from the statement I have made, borne out as it is by the statistics, the fact of its importance, I think, is clearly shown. The lead is found in what is known as the low-grade ore in the mining country.

The silver mine which produces silver in large quantities per ton produces what

is commonly known as silver ore, and ore that will yield up its precious contents by what is known as the free milling process, that is, by the mere pounding of the ore into dust and then passing this dust through water over plates charged with various chemical compounds which take up the silver. This is comparatively an inexpensive process. The smelting process, however, which is the only one by which lead and silver can be saved when found in combination, is an expensive process. By this process the ore is reduced to the form of a liquid slag. This process, as I have said, is a very expensive one. Experiments in this line have been attended by great financial loss to those who have undertaken to pioneer the smelting of this ore in the Rocky Mountain region. I cannot, at this moment, recollect any of the smelting works that have started on what we call low-grade mines in that country that have paid a dividend outside of Leadville and the surrounding country where a remarkable deposit of carbonate ore was discovered. Notwithstanding this fact, efforts have been made for the last twenty-five years to improve the machinery and process until recently we have reached a point which has a reasonable amount of stability and fair prospects of returns to capital invested in the enterprise.

It must be borne in mind that the profit on the silver in these large mines is ordinarily insufficient in itself to justify continuance in business. The combination of profit on both silver and lead contained in the ore is absolutely essential to a profit-yielding basis; or, to be more explicit, if the lead does not pay a profit, the business must of necessity stop, because the returns of silver alone yielded by the ore will not pay the expenses of conducting the mining and smelting operation. While these conditions exist we are meeting with an inundation of Mexican lead and silver ore, produced by primitive processes, it may be, but most assuredly under labor conditions with which the people of this country can not, and I hope will never, be called on to compete. The miners of Montana, and I believe what I say of Montana is true of that entire region of country, receive from \$3 to \$5 per day.

Mr. GEAR. For eight hours' work?

Mr. CARTER. Yes, sir; in many cases for eight hours' work. I venture to say before this committee that there is not a man working in that country, who has a family, who has not a laudable ambition to see his home well kept, his wife neatly dressed, and his children provided with all the facilities for education and refinement that cluster about any home. These men, receiving \$3.50 per day (we will assume that average, which I believe is correct), are enabled at the wages thus furnished to indulge such ambitions. Butte City, Montana, is one of the most thriving communities on the face of the earth. You will find there a class of men as well fed, as well clothed, as well behaved, and as intelligent, on an average, as in any country in the world. Now we are asked by our worthy friend from New Jersey to subscribe to a theory or proposition through which the miners in that country will be brought in direct competition with men whose wants are supplied and whose ambitions are satisfied on 50 cents a day. The Republic of Mexico has a population of about 10,000,000, I believe. That population is divided into two distinct elements, blending here and there, it is true, but as a fact about 7,000,000 of the population of Mexico is of a half-breed or mongrel character. About 3,000,000 of the population of that country claims connection, without any pollution of blood, with the Latin race. These people seem well satisfied with the trifling compensation paid them, but our people can not assent to similar conditions.

But our friend suggests that it ill-becomes Montana to complain in view of the fact that only about 3 per cent. of her mineral product is bound up in lead. I do not know of any place in the world where a man can be mistaken as readily as in figures when he gets started wrong. The facts in reference to the computation leading to the result announced by the gentleman from New Jersey are these: In Alder gulch, Montana, where Virginia City now stands, in a valley about three times as wide as this room and a few miles long, a comparatively small number of men washed out something like \$100,000,000 in clear, pure gold in an incredibly short period of time. In Last Chance gulch, where the city of Helena now stands (and we have witnesses here to the fact that such a place exists), some \$60,000,000 were taken out in a very brief time. At Confederate gulch three men scraped up some \$6,000,000 in ninety days, picked up the nuggets and filled wash basins daily, hired ox-teams and took it away. The Granite Mountain mine yields an average of \$200,000 per month in net profits, the gross output being about \$250,000 per month. From the Drumlumon, at Marysville, near Helena, they take out about \$200,000 a month and pay a net profit of about \$150,000 monthly.

Mr. McMILLAN. Are you afraid that these folks will destroy this industry?

Mr. CARTER. Not at all; but permit me to say that the worthy gentleman takes up all this aggregate out-put and says that after a lapse of twenty-seven years the lead there as compared with other metals is only 3 per cent. of our entire metallic production. Now, the facts are that we have been smelting for a long time in Montana, but for over a quarter of a century silver and gold have been taken out without touching the low grade lead mines at all. Placer mining has ceased to be an important factor in the mining industry of that country. We are, therefore, at the

present time using the smelting process of reducing ores. The Granite Mountain mine is an exception. The Last Chance and Alder gulches were remarkable exceptions. Other gulches can not be found now to yield as those yielded, and I insist that figures based on exceptions are not reliable. The low grade mines of Montana are numerous. Starting at a point 100 miles south of the Canadian border on the main ridge of the Rocky Mountains, in every township in Montana you will find promising low grade prospects. Mines are being opened all over that region of country, and labor conditions in these mines are not identical with the placer mines, because the peon labor of Mexico comes in direct competition with their lead product.

Now, our worthy friend has suggested that we are in need of this Mexican lead ore to which he refers. Let me call attention to this fact in that connection without taking up the time of the committee. Before the hearing on the 15th day of last May, before the Secretary of the Treasury, which resulted in the ruling in October, the Bunkerhill and Sullivan and other western mines had by virtue of this identical competition ceased operations and were idle at that time. In the West we can furnish an abundance of lead ore of a very high grade. Within a radius of 25 miles in Shoshone County, Idaho, enough lead to supply this country for ten centuries to come exists. Much of it is in sight to-day. At Cooke City and Castle Mountain, in Montana, we have an inexhaustible supply of lead ore, and I can state to Messrs. Balbach & Bros., of Newark, that if they need this lead we can furnish it in Montana until they are fairly satisfied. The people of Utah can do the same. The Treasury rulings of which we complain originated through error in following an inapplicable former ruling. In 1880 there was submitted to Acting Secretary French a proposition relating to the importation of certain ore containing iron and silver in combination, and that ruling read as follows:

"The samples forwarded by you have been submitted for assay to the Superintendent of the Mint at Philadelphia, and he reports that the ore is iron ore (hematite), containing 54 ounces of silver and a slight amount of copper to a ton of 2,000 pounds. The value of the silver contained in the ore being largely in excess of the value of the iron, the Department is of the opinion that the ore is entitled to entry free of duty as silver ore."

Now, there was a duty at that time upon iron ore. The proposition submitted to acting Secretary French was, should this iron ore, carrying fifty-four ounces of silver, pay a duty or come in free. His ruling was it should come in free, because the silver predominated in value over the iron contained in the ore. This ruling was made as a basis for the ruling in 1883, and the subsequent rulings that have obtained. But mark this well to understand the difference. In the ore referred to in the ruling of 1880, the iron as a component was of no value at all if it was desired to save the silver in the ore. That it was the intention to save the silver was borne out by the fact that the silver was of more value than the iron. It is a fact known to smelters that where silver is saved in treating iron ore the iron can not be saved, and that where iron is saved the silver can not be, by the present smelting methods. Therefore, the fact was that the iron in that ore cut no more figure than did slate, rock, or granite that might have been mixed up to some extent in the ore as waste. Thereafter, the same principle was, inadvertently, no doubt, applied to lead ore; Secretary French, doubtless failing to comprehend the fact that the silver as an element of value could be saved, and the lead as an element could be saved as well. The lead ruling assumed parallel cases, but overlooked the modifying facts, and the ruling of 1883, which has formed the basis of all the rulings subsequent to that time relating to lead ore, has practically abolished the protection on that commodity.

Now, we claim that it has been the policy of this government through all the changes consequent upon the working of the tariff for a period of one hundred years, to protect the lead-producing industry in this country by an adequate tariff. Up to 1883 no complaint as to the working of the tariff law was made, for the reason that prior to that year the lead ore of Mexico could not under existing conditions have been imported into this country successfully. The committee will take notice that about 1883 railroad communication was completed pretty thoroughly with the Republic of Mexico, and these communications were driven up to the mining sections of that country. When transportation was thus afforded, the iron-ore rulings having been placed on file in the Treasury Department, it was very apparent to Messrs. Balbach & Bros., and other parties, that they could evade the payment of duty on lead by taking advantage of that class of ruling if applied to lead ore. They could buy lead ore in the Republic of Mexico produced by wages at 60 cents a day, and get the advantage of Montana where we are paying \$3.50 a day, and the profits would be correspondingly better. That is all there is about that proposition.

The CHAIRMAN. Does the Senate proposition correct the evil you complain of?

Mr. CARTER. The Senate bill is defective in this. It does not settle the question of fact as to what is and what is not lead ore. That question would still be left as an open question under this Senate bill. The Senate bill reads as follows:

"Lead ore and lead dross, 1½ cent per pound provided that silver ore containing

lead shall pay a duty of $1\frac{1}{2}$ cents per pound on the lead contained therein, according to sample and assay at the port of entry."

Now, the difficulty with that section is shown by the question, what constitutes a silver ore? How much lead must exist in a given ore to redeem it from the characteristics of lead and stamp it as silver ore? Under present Treasury rulings market value is erroneously made the test, with the result that nearly all ore imported from Mexico is called silver ore.

The CHAIRMAN. That provision does not fix any amount?

Mr. CARTER. No, sir.

Mr. BRECKINRIDGE. Does it not provide that it shall pay a duty of $1\frac{1}{2}$ cents?

Mr. CARTER. On lead contained in silver ore.

Mr. BRECKINRIDGE. Whether it is large or small?

Mr. CARTER. It is immaterial as to that. Ore containing 50 per cent. of lead, or 1,000 pounds to the ton, would be at present worth about \$36 a ton; and containing 40 ounces of silver, the silver value would be \$37.60, making the commodity silver ore, under Treasury construction. Mexican importers would, under this provision of the tariff, only pay duty on the 1,000 pounds of lead and nothing upon other elements in the ore. Whereas if that ore contained only \$30 or \$35 worth of silver, under the present ruling the duty would then be imposed upon 2,000 pounds. To put the matter differently, if lead is to be assessed it should be assessed when subtracted from all other components of the ore, as pig-lead when brought into this country.

Mr. BAYNE. Is not that the meaning of it?

Mr. CARTER. No, sir. The duty on pig-lead is 2 cents a pound.

Mr. BAYNE. Is it not the meaning that the lead shall be assayed and the quantity of lead ascertained and duty paid on that lead?

Mr. CARTER. On lead ore $1\frac{1}{2}$ cents per pound on the entire ton, including waste, and the same amount only upon the pure lead which is found in silver ore.

The CHAIRMAN. Your point is that it should bear the same rate of duty as pig-lead?

Mr. CARTER. Yes, sir; you would be assessing lead and not lead ore, under the proviso, whenever the Treasury officers choose to say that any given ore was silver ore containing lead.

Mr. McKENNA. Has it to go through a process?

Mr. CARTER. Yes, sir; a process of extraction.

Mr. McKENNA. You would not leave as high a duty in that case as where it has not to go through a process?

Mr. CARTER. I think the fairer proposition would be to impose a duty upon all ore containing over 5 per cent. of lead. It is a fact demonstrated that where ore contains 5 per cent. of lead or over that, it is known to the smelters as a smelting ore and can not be passed through any other process for extracting the lead and precious metal. That would relieve the law of all ambiguity of construction.

Mr. McMILLIN. Do I understand you to say that it is ambiguous to provide $1\frac{1}{2}$ cents as the rate for lead ore and 2 cents as the rate for pig-lead—do you make that complaint?

Mr. CARTER. No, sir; but I apprehend that much difficulty would arise from the enforcement of the Senate proviso that silver ore containing lead should be assessed upon the lead contained in the ore at a cent and a half a pound instead of assessing the ore at $1\frac{1}{2}$ cents a pound with unvarying uniformity. If it is the intention of Congress to assess $1\frac{1}{2}$ cents per pound on lead ore, and I suppose, according to the theory of legislation that has heretofore existed and now obtains, such is the intention, it can be best carried out by defining the terms "lead ore" by law, thus preventing defeat of the law by executive construction.

Mr. McMILLIN. You are proposing to put a duty on the merchantable silver ore that has any lead in it, a thing that has not been heretofore done, and I would not think your State, owing to its prominence in the production of precious metals in our midst, would be damaged by silver's free entry.

Mr. CARTER. Protecting lead will increase our silver production.

Mr. BAYNE. Is lead associated with copper?

Mr. CARTER. Sometimes there is a trifling amount of copper.

Mr. BAYNE. Is there any provision in the Senate bill with reference to the association of copper?

Mr. CARTER. No, sir.

Mr. BAYNE. It is simply in regard to its association with silver.

Mr. CARTER. Yes, sir.

Mr. BAYNE. I understand the better plan would be to make lead associated with any other metal pay a duty on the proportion of lead imported.

Mr. CARTER. If I have not made myself sufficiently clear in reference to this distinction—

The CHAIRMAN. You would not maintain that lead in the silver ore was dutiable at the same rate as the duty on pig-lead?

Mr. CARTER. I do maintain this, that with this provision of the Senate bill added

to the law as it is, the question would exist whether in a given ore the solid contents of a ton should be assessed \$30, or whether importers should pay only upon such percentage of the weight as represented by the lead.

Mr. BRECKINRIDGE. Bearing upon the question I want to ask you whether under the present law the rate on lead ore is fixed at $1\frac{1}{2}$ cents per pound?

Mr. CARTER. Yes, sir.

Mr. BRECKINRIDGE. I understand that it is fixed upon the ore by gross weight, and therefore your position is that this ore containing silver should be taxed by Congress altogether, or else, if the lead is to be separated from it, it should be the same rate as a pound of pure lead? In other words, you do not believe in treating this ore differently from any other ore containing lead?

Mr. CARTER. My suggestion related to the assessment of 2 cents per pound on lead contained in ore called silver ore, in the line of an argumentative proposition merely, not in consequence of a settled conviction. Such proposition would be proper and just. If the lead contained in a given ore is to be assessed so as to make the tariff equal to $1\frac{1}{2}$ cents per pound on the lead ore it would then be proper to assess the lead in silver ore higher than $1\frac{1}{2}$ cents.

Mr. BAYNE. How much does it take to reduce a pound of lead ore?

Mr. CARTER. That has been variable. In Leadville, in the early days, when transportation facilities were meager and imperfect, smelting cost about \$20 per ton. In that country, under the improved processes and with better transportation facilities, they have reduced the smelting charges to less than \$3.50 per ton in some cases. In the Territory of Utah charges average \$5.50 per ton. It is \$10 on what is known as refractory ore. The cost of treatment is modified by the character of other metallic substances found in the ore in combination with lead. Antimony and arsenic are sometimes found in connection with silver-lead ores, which render those ores refractory and more costly to treat.

The CHAIRMAN. Please furnish to the committee later on the amendment to the Senate bill which you desire, and we will be much obliged to you.

Mr. CARTER. I will do so with pleasure. I believe I have said all that I desire, and thank the committee for their courtesy in hearing me.

Later, Mr. Carter delivered to the committee resolutions and briefs from the Utah Ore Producers' Association, and the following substitute for the Senate lead ore clause, namely:

"Lead ore and lead dross, $1\frac{1}{2}$ cents per pound: *Provided*, That all ore in which lead is of greater weight than any other metal contained therein shall be classified and assessed as lead ore."

In support of the foregoing provision I call the attention of the committee to the general principle so often applied, that where the rates of duty on two given articles differ, and such articles are presented at the custom-house inseparably combined, both must pay the highest rate of duty assessable on either of the components found in the combination. Again, where an article dutiable on gross weight is imported in combination with a non-dutiable article both should pay duty. It may be suggested that as silver usually accompanies lead as a component in ore the provision would, in effect, levy a duty on the silver contained in the ore. Such would be the fact undoubtedly, but this would not be of material consequence. The average silver contents of imported lead ore, or so-called silver ore, containing lead, will not equal 3 pounds per ton, hence to do full justice to lead producers and relieve Treasury officials of all latitude for construction, would only burden the average silver contents of a ton of ore $4\frac{1}{2}$ cents. But if it be insisted that the so-called silver ore imported will average twice the amount in silver I have stated, then the 6 pounds of pure silver happening to displace an equal weight of waste in the ton of ore, would only pay 9 cents duty, which is less per ton, I venture to say, than would be the cost to the importers and the Government of the sampling and calculations which would attend the enforcement of the Senate proviso, to say nothing of the annoyance, expense, and uncertainty avoided.

The Senate provision is but a slight improvement on the law as it is. Where the value of silver is greater than the value of lead in ore the Secretary of the Treasury announces his Department bound by the force of precedent to classify the ore as silver ore and free from duty. This will continue to be the ruling unless Congress makes the law so explicit that such rulings can no longer apply. The Senate provision would leave the Treasury Department as free from restraint in classification as it now is. Commercially and scientifically a ton of ore containing 1,000 pounds of lead and only 40 ounces of silver is certainly known as lead ore, but the Treasury Department insists that inasmuch as the silver in such ore is of greater market value than the lead, it is silver ore and entitled to entry duty free. Now the Senate provision allows the Treasury Department to continue to call that ton of ore silver ore on condition that it shall pay $1\frac{1}{2}$ cents per pound on half its weight. This reduces the duty on the entire ton of undoubted lead ore to \$15, or three-fourths of one cent per pound. In view of the established ruling of the Treasury Department

and the necessity for secure protection to the lead ore miners, I respectfully and earnestly recommend the adoption of the unvarying standard of weight fixed in the cause I have the honor to present.

STATEMENT OF HON. H. F. BARTINE.

HON. H. F. BARTINE, a Representative from the State of Nevada, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee: There are several reasons why I should detain you but a very few moments. One is, the subject has been pretty thoroughly covered, and the other is I do not come from a section of the country which can be called a producer of lead ores. My home is in western Nevada, where the ores are exclusively free milling ores, and I am familiar with this question only in a very general way; but this I do know: The people of our district, comprising the whole great inter-mountain region between the Rocky Mountains and the Sierra Nevada, are a unit upon this question regardless of political proclivities. We have neither Republicans nor Democrats among us with reference to this question. We are all high-tariff men so far as the duty on lead is concerned. You can not find a Democrat between the Rocky Mountains and the Sierra Nevadas who will tell you he is in favor of free importation of Mexican lead. What I say shall be chiefly directed to a little resolution I introduced into the House a few days ago. This resolution recited the fact that under the tariff law of 1883, lead ore is made to pay a duty of $1\frac{1}{2}$ cents per pound; that in construing that law the Secretary of the Treasury and his predecessors have ruled that where the ore contains more in value of silver or gold than of lead it shall be deemed a gold or silver ore and not pay any duty. The final clause of that resolution declares it to be the sense of Congress that when ore contains lead in sufficient quantities to make it valuable for commercial and industrial purposes it is lead ore within the meaning of that law, and the Secretary of the Treasury is requested to modify his ruling accordingly.

Now, gentlemen, I introduced this resolution advisedly. I introduced it because I thought it was in accordance with the principles of eternal justice. It seems to me it is utterly absurd to say that a ton of ore which contains 500 pounds of metallic lead and a few ounces of silver is in any sense a silver ore containing lead. It is highly preposterous, to my mind, to speak of 25 ounces of silver containing 500 pounds of lead. The lesser never contains the greater. It is not in accordance with the eternal fitness of things at all, and is perfectly ridiculous. The ruling complained of involves just this absurdity. Now, nature knows nothing about values. Value is a thing purely artificial. It is something that arises out of the wants and necessities of mankind. There is no doubt in my mind that the law contemplates ore, that is lead ore *per se*, in which lead is the great and predominating metal, and which gives to the ore its distinctive character. The fact that it contains a little bit of silver makes no difference. I think the resolution which I introduced should be acted upon, and acted upon at once. It has been suggested that we ought not to place an embargo upon the importation of silver, but no one proposes to do so. It is true the law provides that gold and silver ores shall pay no duty. It is also true that if a ton of lead ore containing a few ounces of silver is imported and pays a duty of $1\frac{1}{2}$ cents per pound, the gold or silver contained in that ore will bear that rate of duty, but the duty would be almost infinitesimal in amount, and it is a principle of the law that it does not cure infinitely small things. But it would not be imposing a duty upon silver or gold as such if we should make the silver and gold contained in this ore bear the duty. In this case the gold or silver would be just the same as so much barren rock and other substances which would not be regarded in the computation except as it helped make up the aggregate mass of ore. I think you ought to act upon this resolution and act favorably, because it is of the most infinite importance that our people should be relieved, and speedily, from these importations of which they complain and which are continuing from day to day. There are thousands of tons of this ore—more than one thousand—being imported every week.

I stopped at Salt Lake City on my way East, and in consultation with prominent men of that place I learned that a great many of the mines there are just hanging on "by the skin of their teeth," or "their eye-lids," as some expressed it, and would be compelled to close down if the importation of this lead continued; and the opinion was universal that if this ruling was to be maintained for any length of time it would practically destroy the silver-lead mines in that great region. If this ruling is wrong it ought to be rectified without delay. We should not be compelled to wait for a regularly formulated tariff bill, because such a bill might never become a law. We know the long-winded debates which take place over these tariff bills. Congress might get into a deadlock over it, no tariff law be enacted, and our relief postponed indefinitely.

The CHAIRMAN. I will be glad to submit your resolution to the committee at an early day.

Mr. BARTINE. It seems to me that resolution can do no possible harm, and it will give us immediate relief. I think a precedent for it was made during the last administration, if my memory serves me right. Mr. Cleveland was inaugurated, and after he was inaugurated his administration ran along possibly nine, ten, or eleven months without calling in any bonds for redemption. The reason that Secretary Manning gave was that under their interpretation of the law there were no funds available for the redemption of these bonds. He claimed that the provision which authorized them to redeem bonds at all was but a rider upon an appropriation bill, and it had expired by limitation of law, so a joint resolution was introduced declaring it to be the sense of Congress that that law was still in force, and in a very short time the administration did make a call, and for sometime thereafter called in, I believe, about ten millions monthly.

Mr. McKENNA. Do you think the miners at that meeting were as distressed as the Democratic party was at that time?

Mr. BARTINE. I am not prepared to say. One was a political distress; the other a financial one.

Mr. BRECKINRIDGE. How compared with last fall elections?

Mr. BARTINE. I am not here for the purpose of discussing elections. It seems to me that this resolution expresses the correct principle. It may not be out of place for me to say that I had an interview with President Harrison in regard to this matter, and he acknowledged very frankly the justice of our contention. He said that it was absurd that large quantities of lead should be imported into the country duty free merely because there happened to be a little silver mixed with it.

Mr. McMILLIN. Did you have a conversation with the Secretary of the Treasury?

Mr. BARTINE. No, sir; I did not. But the President said he did not feel at liberty to depart from the ruling of his predecessor. In other words, he invoked the doctrine of *stare decisis*. It seems to me that doctrine has nothing to do with this question. When an administration finds that a ruling has been made that is wrong it is the duty of that administration to reverse it just as speedily as possible. But his view was different. He said he did not feel at liberty to go behind the ruling of his predecessors. If Congress will pass this resolution I think it will settle the question.

The CHAIRMAN. You are sure he would sign it?

Mr. BARTINE. I do not say that. I know he conceded the justice of our claim and can see no reason why he should not sign it. I sincerely hope that the committee will take that view and report this resolution favorably at an early day. That will give us relief at once. Then, in the framing of a general tariff law you can guard against all such contingencies that may arise in the future. I think this is about all I care to say, and I thank the committee for their courtesy.

STATEMENT OF HON. FRED T. DUBOIS.

GENTLEMEN: I thank you very much for the courtesy you extend my Territory on asking me to present our wishes to you and our views with regard to proposed legislation relative to the lead industry of the United States. I shall occupy but a few moments of your valuable time; enough only to show you by statements of fact, without argument, that the law as it now stands has not been complied with. Idaho is more interested in having the lead industry properly protected than any other section of the United States, we producing about one-half of the entire consumption of the United States. From our best estimates Idaho produced last year 80,000 tons of lead.

By the tariff act, approved March 3, 1883, a duty of 1½ cents per pound was levied on imported lead ore. We ask that this duty be collected. The duty has not been collected and is not now being collected, owing to a confusion in the interpretation of the term "lead ore." Silver and gold ores are exempt from duty. Nearly all lead ore in the United States and Mexico is argentiferous; that is, silver-bearing. Various Secretaries of the Treasury have ruled that "the component of chief value in the ore should determine the classification of the ore." This ruling virtually admits free of duty all Mexican lead, as the value of the silver in the ore is greater than the value of the lead. We contend that Congress did not intend to admit lead free of duty, and that the ruling of the Secretaries is contrary to law.

It is the common and accepted definition that "lead ore" is an ore containing lead and silver, which, treated by a smelting process, will produce lead bullion. Any ore containing sufficient lead to be merchantable is lead ore. If there is 5 per cent. of lead in an ore the lead is merchantable, and such ore is considered and known as lead ore among smelters, assayers, superintendents, and miners. The tariff act of 1883 seems to be plain enough, yet the interpretation given to lead ore makes it necessary

for us to ask Congress to specifically define the term, and we shall ask that the duty of 1½ cents per pound be collected on all imported lead ore, no matter whether gold, silver, or lead be the component of chief value in the ore compared with the other metallic components of the ore. A silver ore is an ore producing silver. It does not contain lead. There are but few silver mines in Idaho. Lead ore always contains silver in the Rocky Mountain region.

Idaho ranks among the first as a silver producing territory, yet we must receive a fair price for our lead in order to produce silver at all. The value of the lead in our ores will average twice the value of the silver. We cannot compete with Mexican lead. A Mexican miner is content to receive less than \$1 per day. Our miners expect, should get, and do receive from \$3 to \$5 per day. Mexico sent to the United States last year about one-fifth as much lead as was produced in this country free of duty, and if the law is not so defined as to exclude Mexican lead unless it pays duty, most of our lead-silver mines will have to close, as we cannot reduce the compensation of our miners to a level with the Mexican peons.

Idaho produced nearly \$8,000,000 of silver last year. You can say that all of this silver came from lead-silver mines, and would not have been dug out and given to the world had not a fair price been given to the lead. As I said, we can not compete with the peon labor of Mexico; nor should we be asked to. We are practically as far from the market as Mexico, and transportation is so high that it costs us as much to get our lead to market. Some of our best mines were compelled to close down last year owing to low price of lead and high transportation rates; mines, too, producing from \$25 to \$50 in silver per ton. Many mines are not running now owing to the fluctuations and uncertainty in the price of lead, brought about by the looseness of the interpretation of the tariff law relating to "lead ore." A great many mines bearing silver and lead would immediately spring into active producing operation if this vexed question were settled so as to protect us against the cheap labor of Mexico.

You should consider that when you destroy our lead industry you also destroy our silver industry. This is true of Idaho and Utah, almost literally. You should consider that it is not the mine owners alone, but the entire country who are the direct beneficiaries of the silver production. Our country is new and struggling. This is our chief industry. It aids the most to build up other industries. Give us the protection which Pennsylvania and the New England States have enjoyed, and we will soon grow and prosper in a manner to make you all proud of your young sister Commonwealth. We ask only that the law of Congress in relation to the tariff on "lead ore" be so defined as to compel foreign lead ore to pay duty.

Mr. LA FOLLETTE. What portion of your Territory produces the most lead?

Mr. DUBOIS. The north, in Cœur d'Alene, which alone produced about 60,000 tons last year.

Mr. LA FOLLETTE. Is development still going on there?

Mr. DUBOIS. Rapidly, but the mines are compelled to close down when lead is much less than four cents per pound.

Mr. LA FOLLETTE. What do you pay your miners?

Mr. DUBOIS. On an average about \$4 per day.

The Committee of Ways and Means, House of Representatives:

GENTLEMEN: The undersigned, on behalf of the lead producers of Missouri, desires to present his objections to any change, or, if any, a very slight one, in the tariff on lead ores. He would remind the committee that the growth of the lead industry in this country has been carried on amid trials, and would never have been where it is except for its protection.

To-day the country is producing pig-lead to the value of \$12,000,000 per annum, and silver, incidental thereto, for as much more. In addition to this many million dollars are expended in labor and freight, and it is one of the few industries which absolutely increases the metallic wealth of the country.

For a few years, so far back as 1855-'60, considerable lead was made in the rich Galena district of Illinois, but since 1860 the main reliance has been upon the low-grade limestone formation of disseminated ores of southeast Missouri and the richer but mined-with-more-difficulty ores of southwest Missouri and the argentiferous ores of Idaho, Nevada, Utah, and Colorado. This industry, under the fostering care of a wise Government, has risen from 90,000 tons in 1877 to 157,000 tons in 1888, or enough for most years to supply the United States with all its increasing wants and at a price but little above the cost of foreign lead, and this is likely to continue under wise protection.

To accomplish this very heavy amounts have been expended in lands, opening mines, mills, machinery, etc., in States above named, which, if any reduction should become a law and free ores be permitted, would become almost valueless. During these years domestic lead has been once sold as low as 2½ cents in New York (during the year 1878), and the average price for 1878 was even lower than in London. For the ten the years from 1878 to 1887 the average price in New York was but 1.1 cents

above London prices. To show that the lead produced in the United States has lowered the price over the world, it is sufficient to give you these facts. During the years to 1867 to 1876, when our productions did not suffice for the wants of the country, we imported at various periods altogether 216,399 tons of lead, at an average of £209 10s., or 4.77 cents per pound in London or 6.77 duty paid at New York, and meanwhile domestic lead cost about 6½ cents in New York on the average. In the years, 1877-1887 we imported a total of but 35,814 tons, average £149 3s., or 3½ cents per pound in London, or 5½ cents duty paid in New York, and meanwhile the average price was 4.45 cents New York for domestic. Here we show that where much is drawn from Europe, prices advance very largely and with small imports prices are low.

The deductions we draw from this is, that if you should so legislate as to close even 50 per cent. of our mines and draw from Europe 50 per cent. of our wants, or say 80,000 tons a year, within a year or two prices would advance to even a higher price than has prevailed in the United States for ten years past, because our mines would meanwhile close down.

Now we think we have shown that a reduction in duty (while it might add 1½ cents per duty, \$1,775,000 to our revenue which we do not want) would give our people their lead no cheaper than now, and in all probability within one or two years would make them pay more than they have paid for the past ten years.

We desire to call to mind that lead is essentially an article of which labor forms at least 95 per cent. of its cost. The ore in the mines is almost worthless; while prospecting for it, blasting, mining, raising the ore to the surface, grinding, washing, roasting, smelting, refining, and getting it to market, forms at least 95 per cent. of its cost. It gives employment to at least 15,000 men and supports at least 60,000 people, and gives value to thousands of acres of land worthless but for this.

It may be asked, how Spain can sell lead at 1 cent and 1½ cents lower than the United States? and we make answer, "because labor is the main cost of the article."

We pay from \$1.25 to \$2 per day for a man's wages, while Spain pays 30 to 40 cents per day. Again, the ores of Spain are much richer than ours; the former containing from 40 to 70 per cent. of lead, while ours run but from 5 to 30 per cent. The ores of southeast Missouri contain but 5 to 8 per cent., an average of 6 to 6½ per cent.

Again, the product of all the German and Spanish mines can be laid down at London and New York at an expense by sailing vessels of \$2 to \$3 per ton, whereas the cost from our Missouri mines to New York is \$8 per ton, and the average cost from the Far West producing-regions to New York is not less than \$25 per ton, and often \$30. This is one of the fundamental features of the situation which can never vary materially. Railroad transportation is down very close to cost, and lead can never be transported 3,000 miles by rail to compete with sailing vessels traversing the free ocean highways. Thus the duty of 2 cents per pound does but little more than compensate for this fixed charge of transportation to the sea-board, leaving out of consideration the added expense of labor, etc., above named.

Just here it is to be especially noted that the importation of free ore has checked the production of the country, not in actual figures but in its proportional increase; for while the total consumption has increased since 1855 from 146,000 to 170,000 tons, or nearly 25,000 tons, the production has increased only from 135,000 to 157,000 tons, and would have been even less had it not been for an accidental speculation last year which carried the price above 5 cents, and so stimulated the output. During the past year the 30,000 tons of lead imported free from Mexico has dragged down the value of the entire 160,000 tons produced in the States, making the average price at New York about 3.80. If we deduct from this 1½ cents freight to the sea-board it leaves the price at the mines 2.3 cents per pound, which is confessedly lower than any mines in Europe can live at, for it is the parity of £10 10s. at which price even European mines are shut down, and is a limit which has been reached in the old country only twice, and for a short period, after which there was a speedy reaction to £15 or £17 which is equivalent to 3.80 per pound, and is a living price for them.

Touching the silver-lead ruling, which in a round-about way permits the free importation of ores from British Columbia, Mexico, and other points, we would say that lead ores are more to be feared than lead itself, because almost all the foreign ores contain a little silver, enough to cover freight and cost of smelting; hence, at \$30 a ton for ores in Spain, or even \$40, or 2 cents a pound for 60 per cent. ores, lead could be made on our sea-board with a duty of three-fourths cents per pound, at 2½ cents to 3 cents per pound. We believe we state a fact beyond dispute, in saying that no lead can be produced in this country for less than 3½ to 3¾ cents a pound in New York.

What we demand is the fair and just protection which shall pay American labor and develop American resources, and render reasonably profitable the capital we have invested under promise of such policy.

We ask that a reasonable duty (say from 1½ to 2 cents per pound) be imposed on pig-lead, and we especially urge that the tariff on ores may be more consistent, and that all lead in ore shall pay a fair duty (say from 1 to 1½ cents per pound). The

law on this metal would then be consistent with the law in copper, antimony, and all other metals, and would not present the glaring absurdity which it now does of taxing lead in one form and allowing it to come in free under another form, which is practically identical with the form in which it is taxed.

The increasing importation of these silver ores from Mexico and other countries containing from 20 per cent. to 60 per cent. of lead (which enters free of duty) has alarmed and discouraged the lead producers of the country. In the year 1886 5,000 tons were imported; in 1887, 15,000 tons; in 1888, 30,000 tons, and in 1889, about 30,000 tons.

Should our lead mines be closed by reason of low prices, caused by large importations, and then prices did rally to a paying figure again, our capital would be loath to enter the field again, knowing that the same cause still existed to depress prices below our cost. It is always difficult to resuscitate a closed business in a factory or mine. Once closed the chances are that they remain closed for years.

HUGH N. CAMP,

For ST. JOSEPH LEAD COMPANY and DOE RUN LEAD COMPANY, of Missouri.

WASHINGTON, D. C., December 27, 1889.

Production of lead in the United States.

Year.	Arizona and California.	Colorado.	Idaho and Montana.	Missouri, Kansas, Illinois, and Wisconsin.	Nevada.	Utah.	Other States.	Total production.
1873.....		56		22,381		15,000	5,103	42,540
1874.....		312				20,000	31,768	52,080
1875.....		818		24,699		19,000	15,123	59,640
1876.....		667		26,421		25,000	11,982	64,070
1877.....		897		31,152	19,724	27,000	3,127	81,900
1878.....		6,369		26,770	31,063	21,000	5,858	91,060
1879.....		23,674		28,130	22,805	14,000	4,171	92,780
1880.....		35,674		27,690	16,669	15,000	2,802	97,825
1881.....		40,547		30,770	12,826	24,000	8,942	117,085
1882.....		55,000		29,015	8,590	30,000	10,285	132,890
1883.....	3,200	70,557	11,000	21,600	6,000	29,000	2,600	143,957
1884.....	4,300	63,165	14,500	19,676	4,000	28,000	6,256	139,897
1885.....					3,500	26,000		129,412
1886.....		59,000	17,000	22,000	3,400	24,000	14,229	135,629
1887.....	1,000	63,000	27,000	28,000	3,400	22,000	16,300	160,700
1888.....	1,000	65,442	34,875	30,000	2,400	22,283	*30,000	186,000
1889.....	1,500	70,000	30,000	34,000	1,500	22,000	†31,000	190,000

* Including 28,636 tons from Mexico.

† Including 19,000 tons imported in Mexican ores.

Average monthly prices of lead in New York, in cents per pound.

Year.	Jan.	Feb.	Mar.	Apr.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Year.
1870..	6.25	6.21	6.15	6.20	6.22	6.22	6.25	6.35	6.33	6.31	6.30	6.30	6.25
1871..	6.22	6.22	6.17	6.15	6.14	6.13	6.12	6.06	6.05	5.93	5.95	5.87	6.08
1872..	5.95	5.93	5.93	6.00	6.43	6.50	6.50	6.45	6.40	6.51	6.55	6.51	6.30
1873..	6.32	6.45	6.37	6.37	6.50	6.33	6.05	6.12	6.50	6.50	6.25	6.06	6.32
1874..	5.95	6.12	6.18	6.07	5.87	5.81	5.71	5.72	5.87	6.22	6.37	6.26	6.01
1875..	6.10	5.87	5.68	5.83	5.93	5.82	5.97	5.91	5.78	5.62	5.76	5.90	5.85
1876..	5.93	6.17	6.45	6.26	6.30	6.37	6.27	6.32	6.12	5.90	5.75	5.67	6.13
1877..	6.12	6.30	6.62	6.37	5.77	5.65	5.50	5.00	4.80	4.55	4.62	4.55	5.49
1878..	4.17	3.75	3.75	3.62	3.37	3.30	3.43	3.35	3.35	3.48	3.77	3.95	3.61
1879..	4.25	4.50	3.87	3.06	3.00	3.46	4.00	4.02	3.87	4.75	5.30	5.55	4.14
1880..	5.80	5.93	5.62	5.57	4.82	4.62	4.50	4.65	4.85	4.76	4.80	4.50	5.04
1881..	4.65	4.95	4.75	4.60	4.47	4.37	4.70	4.85	5.16	5.06	5.07	5.12	4.81
1882..	5.05	5.10	5.00	4.95	4.72	4.72	5.02	5.02	5.05	5.00	4.70	4.62	4.91
1883..	4.65	4.55	4.57	4.50	4.47	4.42	4.35	4.25	4.31	4.22	3.85	3.67	4.32
1884..	4.12	3.90	4.12	3.84	3.63	3.61	3.62	3.61	3.65	3.67	3.46	3.62	3.74
1885..	3.65	3.65	3.65	3.65	3.65	3.75	4.00	4.25	4.25	4.20	4.10	4.55	3.95
1886..	4.55	4.75	4.90	4.78	4.70	4.75	4.87	4.75	4.65	4.22	4.35	4.32	4.63
1887..	4.31	4.37	4.32	4.27	4.52	4.65	4.55	4.58	4.50	4.25	4.40	5.12	4.50
1888..	4.90	4.95	5.15	4.75	4.25	3.90	3.97	4.45	5.00	4.50	3.67	3.75	4.42
1889..	4.84	3.73	3.72	3.68	3.78	3.96	3.68	3.86	4.00	3.86	3.89	3.89	3.93

United States imports and exports of lead.

Fiscal years ending June 30—	Imports.								Total imports.	Total exp'ts.
	Pigs and bars.		Sheets, pipe and shot.		Old and scrap.		Not speci- fied.			
	<i>Pounds.</i>		<i>Pounds.</i>		<i>Pounds.</i>					
1867	65,322,923	\$2,312,668	185,825	\$9,560	1,256,233	\$53,202	\$6,247	\$2,881,677	\$32,859	
1868	63,254,677	2,668,915	142,136	7,229	2,465,575	101,586	6,843	2,784,573	71,329	
1869	87,865,471	3,653,481	307,424	15,531	2,983,272	123,068	18,885	3,810,965	17,240	
1870	85,895,724	3,530,837	141,681	6,879	3,756,785	150,379	10,620	3,698,715	28,315	
1871	91,496,715	3,721,096	86,712	4,209	2,289,688	94,467	8,740	3,828,512	78,880	
1872	73,086,657	2,929,623	12,518	859	4,237,778	171,324	21,616	3,123,422	48,132	
1873	72,423,641	3,233,011	105	12	3,545,098	151,756	21,553	3,406,332	13,392	
1874	46,205,104	2,231,817			395,516	13,897	37,833	2,283,547	302,044	
1875	32,770,712	1,559,017			382,150	13,964	26,098	1,599,079	429,309	
1876	14,329,366	682,132			265,860	9,534	28,310	719,976	102,726	
1877	14,583,845	671,482			219,645	8,383	2,303	682,168	49,835	
1878	6,717,052	294,233			106,342	3,756	1,076	299,065	314,904	
1879	1,216,500	42,983			42,283	1,153	1,139	45,275	280,771	
1880	6,723,706	246,015			213,063	5,262	425	251,702	49,899	
1881	4,322,068	189,129			123,018	2,729	1,605	163,463	39,710	
1882	6,079,304	202,603			220,702	5,949	3,048	211,500	178,779	
1883	4,037,867	130,108			1,094,132	31,724	8,126	169,958	43,108	
1884	3,072,738	85,395	15,040	630	160,356	4,830	2,005	92,860	135,156	
1885	5,862,474	143,103	971,951	22,217	4,866	166	1,429	166,855	123,466	
1886	11,005,083	294,856	24,087	1,023	17,943	667	1,698	298,243	114,098	
1887	11,148,211	323,256	19,260	950	35,081	1,452	360	345,171	141,154	
1888	7,035,625	189,989	26,959	1,268	122,055	3,529	13,441	208,227	129,558	
1889	2,554,729	71,449	43,251	1,793	73,522	2,015	5,498	80,702	199,802	

CUTLERY AND FIRE-ARMS.

STATEMENT OF W. F. ROCKWELL.

Mr. W. F. Rockwell, of Meridian, Conn., next addressed the committee. He said: I have printed what I wish to say. We have a table here, and in addition to that we have extracts from the English newspapers of recent date showing the prices they are paying in detail, and showing that their prices have been very much reduced.

Mr. BAYNE. Where is your establishment?

Mr. ROCKWELL. Meridian, Conn.

Mr. BAYNE. Where are the others?

Mr. ROCKWELL. In the statement which I have filed the whole business is shown,

Mr. McMILLIN. What per cent. of increase do you ask for? Just state it in round numbers; you need not go into details.

Mr. ROCKWELL. We make it 73 per cent.

Mr. McMILLIN. You increase it to the average of —

Mr. ROCKWELL. Seventy-three per cent. It is all figured out here in each classification:

To the honorable Ways and Means Committee, House of Representatives, Washington, D. C.:

GENTLEMEN: We respectfully suggest the following specific and ad valorem rates of duty on pocket cutlery in the schedules being prepared by your committee:

"Pen-knives or pocket-knives of all kinds, and erasers, or parts thereof, wholly or partly manufactured, valued at not more than fifty cents per dozen, twelve cents per dozen; valued at more than fifty cents per dozen and not exceeding one dollar and fifty cents per dozen, fifty cents per dozen; valued at more than one dollar and fifty cents per dozen, and not exceeding three dollars per dozen, one dollar per dozen; valued at more than three dollars per dozen, two dollars per dozen; and in addition thereto on all the above, fifty per cent. ad valorem."

Statement showing the average ad valorem duty under the specific and ad valorem rates above proposed.

	Foreign cost.	Specific duty.	Ad valorem duty.	Total cost.	Rate ad valorem.
					<i>Per cent.</i>
Valued at not more than 50 cents per dozen, 12 cents per dozen and 50 per cent. ad valorem ...	\$0.18 .24 .36 .50	\$0.12 .12 .12 .12	\$0.09 .12 .18 .25	\$0.39 .48 .66 .87	116 100 83 74
Average ad valorem rate on first classification, 87 per cent.	1.28	.48	.64	2.40	.....
Valued at more than 50 cents per dozen and not exceeding \$1.50 per dozen, 50 cents per dozen and 50 per cent. ad valorem. ....	.75 1.00 1.25 1.50	.50 .50 .50 .50	.37 .50 .63 .75	1.62 2.00 2.38 2.75	116 100 90 83
Average ad valorem rate on second classification, 94 per cent.	4.70	2.00	2.25	8.75	.....
Valued at more than \$1.50 per dozen and not exceeding \$3 per dozen, \$1 per dozen and 50 per cent. ad valorem.	1.75 2.00 2.50 3.00	1.00 1.00 1.00 1.00	.88 1.00 1.25 1.50	3.63 4.00 4.75 5.50	107 100 90 83
Average ad valorem rate on third classification, 93 per cent.	9.25	4.00	4.63	17.88	.....
Valued at more than \$3 per dozen, \$2 per dozen and 50 per cent. ad valorem.	4.00 6.00 9.00 12.00 15.00 18.00	2.00 2.00 2.00 2.00 2.00 2.00	2.00 3.00 4.50 6.00 7.50 9.00	8.00 11.00 15.50 20.00 24.50 29.00	100 83 72 68 63 61
Average ad valorem rate on fourth classification, 68 per cent.	64.00	12.00	32.00	108.00	.....
Average ad valorem rate on all classifications, 73 per cent. (sum total of all classifications)	79.03	18.48	39.52	137.03	.....

The estimated average duty is probably figured higher than actual importations would show, as foreign manufacturers would naturally adjust the kinds of cutlery sent here to conform as nearly as possible to the lowest duty in each classification.

W. F. ROCKWELL, Meriden, Conn.,
THOS. W. BRADLEY, Walden, N. Y.,
W. B. RUDD, Lakeville, Conn.,
W. P. DUSTIN, Turner's Falls, Mass.,

Committee representing American Pocket Cutlery Manufacturers.

To the honorable Ways and Means Committee, House of Representatives, Washington, D. C.

GENTLEMEN: Our statement of the "Relative cost prices of Foreign and American Pocket Cutlery," herewith submitted, shows the cost of the American product of lower priced knives 250 per cent. greater than the German, and to average over 200 per cent. above their whole line.

The schedules of specific and ad valorem rates of duty submitted for your approval, average 73 per cent. ad valorem.

The present average margin between cost of higher finished American pocket cutlery and the consumer is about 75 per cent., but very small on low-priced knives. The present margin between importers' cost of low grade foreign pocket knives, duty and expenses paid, and the consumer is about 175 per cent. The duty as herewith proposed will still leave a margin between importers' cost and price to consumer of about 139 per cent.

The effect of the proposed duty will not be to advance the price of knives to the final purchaser. It will simply reduce the large profit of premium, now divided between importers, jobbers, and retailers, to an amount nearer that afforded American

pocket cutlery, and lessen the two great inducements now offered for pushing poor goods upon the public.

WILLIAM F. ROCKWELL, Meriden, Conn.
 THOMAS W. BRADLEY, Walden, N. Y.
 W. B. RUDD, Lakeville, Conn.
 W. P. DUSTIN, Turner's Falls, Mass.

Committee representing American Pocket Cutlery Manufacturers.

*To the honorable Ways and Means Committee,
 House of Representatives, Washington, D. C.:*

GENTLEMEN: The committee of American Pocket Cutlery Manufacturers respectfully submit for your consideration the following extract from the "London Ironmonger" of April 2, 1889:

"SHEFFIELD CUTLERS' WAGES.

"To the Editor of the Ironmonger:

"SIR: From information received, I agree with your Sheffield representative that in many classes of cutlery wages are deplorably low—perhaps not lower than I have known them, but I should say about 25 per cent. less than a fair average. At the same time I must give a word of caution to the framers of the contemplated new price-lists.

"Although Solingen has long been a dangerous competitor in common and medium penknives with one to four blades, and in fancy cutlery, I have not hitherto thought there was much to fear in pocket or jack knives. I regret to say that even in these lines the German is now underselling Sheffield, even at present starvation figures. As you know, I have long ceased to have any personal interest in prices, yet I keep myself pretty well posted up with the course of events, and I can assure my old friends I could buy German boys' knives at 8s. per gross, and strongest 3½-inch pocket knives, with two blades, brass lining, and German-silver bolster, shield, and cap, at 4s. per dozen, which cannot be obtained in Sheffield under 10s. 6d. and 5s., respectively, even though the small manufacturer is content with 5 per cent. for his wages and profit. As an old hand I think the Sheffield knives a trifle better, but they have no pretension to good quality, and I must admit that, as far as the ordinary public go, the German knife is equally or more salable. I learn from New York that the old American preference for Sheffields, except for fine goods, is dying out, and that all the dealers in cheaper lines now keep the Solingen products when prices tempt. The real issue is, therefore, between Germany and Hallamshire to-day, though I believe in happier times I have paid as much as 6s. 6d. or 7s. and 10s. or 18s. for knives now made in Sheffield at 5s. and 10s. 6d.; but this is of no earthly consequence to-day compared to the fact that the Solingen productions are becoming equally acceptable, and are 20 to 30 per cent. lower than present 'sweated' Sheffield terms.

"It is a legitimate and laudible object to attempt to raise the wages of a very underpaid class of skilled artisans, for there is much manual dexterity and trained ingenuity in even the commonest cutlers, but it will task all the wisdom and tact of their leaders to avoid the risk of a majority finding out that no bread is even worse than half a loaf.

"Yours truly,

* * *

Also extract from "London Ironmonger" of October 26, 1889:

"EFFECT OF FOREIGN COMPETITION ON SHEFFIELD CUTLERY.

"The first result of the combination of spring-knife cutlers in Sheffield has been the discovery that foreign competition is to blame for the low wages earned by many men in this trade. The extent of the trade may be gathered from the fact that seventeen hundred members have already joined the Spring-knife Cutlers' Union. In considering this statement and the facts I mention below it must be borne in mind that the cutler is only one of several trades engaged in the manufacture of a knife. The grinders and forgers, for instance, are distinct trades. The cutler is the man who puts the parts of the knife together and finishes it. The union alleges that there are hundreds of these men working from seventy-two to eighty-four hours per week at an average of 2½d. per hour. In all those cases where the employers are approached for an advance they reply that they cannot give it because of foreign competition. From facts which are within my knowledge I believe this is quite true. I have been assured by manufacturers that they have been ashamed to give out work to men at the prices they could offer. But they have added, 'What can we do? We have either to let the order pass us or take them at their low prices.' The following are

some of the prices paid: For a $3\frac{1}{2}$ peach-pruner, square joint, extra strong, 1s. per dozen. A quick man, working twelve hours a day, can make 18 dozen. When his expenses for files, rasps, wire, oil, etc. are deducted, he has earned net about 15s. 9d. for seventy-two hours work. Metal jacks are now paid 5s. a gross, which includes an advance of 6d. But, as there are fourteen to the dozen, the net price is a fraction over $4\frac{1}{2}$ d. per dozen. Six dozen (fourteen) can be made in a day of fourteen hours. The expenses are 1s. 6d., and the workmen receive 2s. net for a day of fourteen hours. Ninepence a dozen of fourteen is paid for $3\frac{1}{2}$ gray buffalo. There is extra work in this class of goods. The horn has to be roasted, creating a horrid smell, and then has to be pressed and rasped. The working expenses for 18 dozen in a week of seventy-two hours are 2s., and the net week's wage is 11s. 6d. Three-inch Barlows at 3s. 9d. per gross are equal to $3\frac{1}{2}$ d. per dozen of twelve. The working expenses are 1s. 6d. per week, and working fourteen hours a day 6 dozen a day can be made, or 1s. $10\frac{1}{2}$ d. a day gross, equal to 9s. 6d. a week net. White bone $3\frac{1}{2}$ pocket-knives have been raised 1s., and are now 6s. 6d. per gross, not quite 6d. per dozen of twelve. Five dozen can be made in a working day of fourteen hours, and the net week's wage for 34 hours, deducting 2s. working expenses, is 13s. It is admitted that these are the very worst cases the men can bring forward, and they are bad enough if they are literally true."

*To the honorable Ways and Means Committee,
House of Representatives, Washington, D. C.:*

GENTLEMEN: We respectfully submit for your consideration the following extract from the "Sheffield Independent" of March 30, 1889:

"THE WORLD'S TRADE.

"There are movements of importance going on in the cutlery trade. The demand for the best line of goods has undoubtedly improved for the home, the American, and other distant markets. More men are finding employment at better wages. One large house has this week put on thirty additional hands in the spring-knife department. There are manufacturers who believe that in the better demand for higher class goods, and the employing of men to produce them, will be found the best solution of the difficulty about 'sweating.' The trade has been overstocked with workmen, and when it has not been possible to obtain the remunerative work they would have liked they have taken what they could get. In other words, they have gone in for producing at low wages the cheap goods to run in competition with the German lines. The local cutlery manufacturer who recently returned from a visit to the United States, where his house does a large business in higher class goods, informs us that he found the market literally drugged with cheap German stuff, and in such ill odor are their productions now held there that they have taken to stamping them with English and American names in order to find a sale for them. The American cutlery manufacturers declare themselves utterly unable at present to compete with the foreign made cheap goods, and allege that unless they can obtain an increase in the tariff American made cheap cutlery will become a thing of the past. The tariff bill now before the American Senate is declared to be aimed against cheap German cutlery, the duty on which will be, if it should become a law, something like 300 per cent. The increase is not aimed against best spring and table cutlery, scissors, and razors, such as are sent by leading Sheffield houses. They are growing in favor and a larger trade is now being done than for some years past.

"We have had from several quarters words of warning with respect to the efforts to raise the wages and to generally improve the position of spring-knife cutlers. By the adoption of the interchangeable system, the free use of machinery, and cutting things very fine all round it has been found possible to compete successfully with the German manufacturers, and it is averred that any increase in the cost of making will put local firms out of the market. They ask that this side of the question should also be considered. So long as there is not much difference in price between German and Sheffield goods preference is given to the latter; but the scale might easily be turned in the other direction."

Also extract from the "London Ironmoger," of November 9th, 1889:

"THE MERCHANDISE MARKS ACT.

"The response of our colonies to the invitation of the home Government to legislate on the lines of the merchandise marks act, has been extremely satisfactory. Up to date many of the principal colonies, including Canada and the Cape, as well as India, have virtually adopted the imperial act, while in almost all the other colo-

nies legislation is either promised, or has been already taken in hand. In the crown colonies the provisions of the act have been adopted, as a matter of course. In two of the colonies, Bermuda and Cyprus, legislation on the subject has been rejected; indeed, the legislative council of Cyprus appear to feel so strongly about the matter that they have twice defeated the measure. With these two not very important exceptions, however, the principles of the primary measure have been adopted, or are likely to be adopted, throughout the whole of the British empire; consequently to that extent honest trading has received a well-deserved impetus and fraudulent marking an equally well-merited check. This is a matter for sincere congratulation all around, and if the various Australian colonies and New Zealand can see their way to pushing forward rapidly their proposed enactments the results will be all the more satisfactory to all concerned."

The above are a fair specimen of the opinions of English trade journals on German cutlery and fraudulent marks.

WILLIAM F. ROCKWELL, Meridian, Conn.,

THOMAS W. BRADLEY, Walden, N. Y.,

W. B. RUDD, Lakeville, Conn.,

W. P. DUSTIN, Turner's Falls, Mass.

Committee American Pocket Cutlery Manufacturers.

*To the honorable Ways and Means Committee,
House of Representatives, Washington, D. C:*

GENTLEMEN: We respectfully submit for your consideration a statement of the "relative cost of German, English, and American pocket cutlery," together with the number of dozens of pocket-knives made in this country in 1887, and the average cost of same; also the number of dozens of foreign pocket-knives imported in same year and their average invoice value, as compiled from consular invoices at the United States custom houses.

We also include, as confirmatory, a foreign manufacturer's statement of average costs of German pocket-knives.

The custom house records indicate that less than one-sixth of the number of pocket-knives used in this country are manufactured here, and more than five-sixths are made abroad.

As compared with the accurate statement of the business of 1887, herewith appended, the years 1888 and 1889 show even less production of American pocket cutlery and a considerable increase in the amount imported.

The list of manufacturers of American pocket cutlery is the same, with an addition of one in Ohio.

The earlier representatives of the pocket cutlery industry in this country must have greatly underestimated foreign competition, or lacked the necessary information to properly present their case to the framers of tariff legislation, otherwise they would have secured a specific and ad valorem duty approximating the difference in prices paid for labor here and in Europe.

Not in one single instance has the manufacture and sale of American pocket cutlery by itself, unsupported by auxiliary business, been a financial success in this country.

The great majority of the manufacturers have sold their products to the retail trade, and by constituting themselves jobbers of a variety of other goods, the value of which exceeded the amount of their own manufacture, a fair profit on their business has sometimes been realized.

Of the twenty-five concerns making pocket cutlery in 1882, eleven have either failed or been reorganized.

Foreign cutlery has afforded a large profit to the foreign manufacturers, through their resident agents, also to both jobbers and retailers, the consumers paying the same average prices as for American goods.

The manufacture of small jack-knives and penknives has steadily decreased in this country, until now it is but a small percentage of the output.

American manufacturers are confined almost exclusively to jack-knives of medium and large sizes, in which good steel is more remarked, than in boys' knives and penknives.

Notwithstanding the enormous profits which have been realized from foreign cutlery, and the small relative cost of steel used in its manufacture, instead of diminishing their large profits a trifle, by using a good quality of steel, for the benefit of their generous American customers, the Germans especially have been despicable enough to place American names upon their wares, which of itself is ample evidence that American manufacturers, however slender their profits, have carefully guarded American names and reputation for good quality.

If it is desirable that the manufacture of pocket cutlery should continue and increase in this country, and that it should not be circumscribed to a few staple patterns as an unprofitable auxiliary of some other business, a mixed duty, "specific and ad valorem" should be imposed equal to the difference in cost between labor and material here and in Europe.

We submit the list of American manufacturers of pocket cutlery, and present a synopsis of their business, showing their available capital.

First. To emphasize the fact that nearly one-half of them had no auxiliary business, and without a single exception failed during the past five years, involving a loss of nearly half a million dollars.

Second. To show the committee there is ample capital, sufficient capacity, large manufacturing experience, and presumably intelligence enough left unimpaired to manufacture all of the pocket cutlery which the people of the United States can consume.

About one thousand persons were employed in the United States in 1887, at an average of \$2 per day, to manufacture 271,500 dozen pocket-knives.

Employment could be given to six thousand persons at an average of \$2 per day, if the proportion of 1,721,150 dozen pocket-knives used in this country and sold to consumers as American knives, at the price of American knives, could be made in and under the suitable protection of the country whose name and imprint they bear.

WILLIAM F. ROCKWELL, Meriden, Conn.,

THOMAS W. BRADLEY, Walden, N. Y.,

W. B. RUDD, Lakeville, Conn.,

W. P. DUSTIN, Turner's Falls, Mass.

Committee American Pocket Cutlery Manufacturers.

EXHIBIT B.—*Statement of foreign manufacturers in regard to the cost of German pocket knives in 1882.*

[See report Tariff Commission, page 1939.]

Description.	Prices.	
	Marks.	
One blade:		
Lowest .....	.93	\$0.22
Average	1.25	.30
Two blades:		
Lowest	1.75	.43 $\frac{3}{4}$
Average	4.25	1.06 $\frac{1}{2}$
Three blades:		
Lowest	4.50	1.12 $\frac{3}{4}$
Average	6.50	1.62 $\frac{1}{2}$
Four blades:		
Lowest	4.75	1.19
Average	7.00	1.75

The above demonstrates they figure cost of labor and material in Germany even lower than we do.

Relative cost prices of German, English, and American pocket cutlery.

Description.	German.			English.			American.			
	Material.	Labor.	Total cost.	Material.	Labor.	Total cost.	Material.	Labor.	Supplies.	Total cost.
Iron lined:										
4-inch jackknife, one blade, wood covering	\$0.21	\$0.35	\$0.56	\$0.21	\$0.70	\$0.91	\$0.29	\$1.42	\$0.19	\$1.90
4-inch jackknife, two blades, wood covering	.30	.50	.80	.30	1.00	1.30	.41	2.02	.27	2.70
3½-inch jackknife, one blade, wood covering	.19	.24	.53	.19	.67	.86	.25	1.33	.17	1.75
3½-inch jackknife, two blades, wood covering	.26	.48	.74	.26	.95	1.21	.35	1.90	.25	2.50
3½-inch jackknife, one blade, wood covering	.16	.28	.44	.16	.56	.72	.22	1.12	.14	1.48
3½-inch jackknife, two blades, wood covering	.22	.41	.63	.22	.83	1.05	.30	1.65	.21	2.16
3½-inch jackknife, one blade, wood covering	.10	.28	.38	.10	.56	.66	.14	1.12	.13	1.39
3½-inch jackknife, two blades, wood covering	.16	.42	.58	.16	.83	.99	.21	1.66	.20	2.07
Brass lined:										
2½-inch penknife, two blades, ivory or stag covering	.24	.57	.81	.24	1.15	1.39	.33	2.30	.29	2.92
2½-inch penknife, three blades, ivory or stag covering	.25	.80	1.05	.25	1.61	1.86	.35	3.22	.39	3.96
2½-inch penknife, four blades, ivory or stag covering	.25	.95	1.21	.26	1.90	2.16	.36	3.80	.46	4.62
3-inch penknife, two blades, ivory or stag covering	.39	.62	1.01	.39	1.25	1.64	.53	2.49	.33	3.35
3-inch penknife, three blades, ivory or stag covering	.43	.86	1.39	.43	1.72	2.15	.58	3.44	.44	4.46
3-inch penknife, four blades, ivory or stag covering	.42	1.02	1.44	.42	2.03	2.45	.57	4.07	.51	5.15
3½-inch penknife, two blades, ivory or stag covering	.47	.65	1.12	.47	1.29	1.76	.64	2.59	.34	3.58
3½-inch penknife, three blades, ivory or stag covering	.49	.90	1.29	.49	1.83	2.30	.67	3.62	.47	4.76
3½-inch penknife, four blades, ivory or stag covering	.50	1.06	1.56	.50	2.12	2.62	.68	4.23	.54	5.45
3½-inch penknife, three blades, pearl or shell covering	2.60	1.82	4.42	2.60	3.65	6.25	3.50	7.30	1.20	12.00
3½-inch penknife, four blades, pearl or shell covering	2.70	1.90	4.60	2.70	3.80	6.50	3.65	7.60	1.25	12.50
3½-inch penknife, three blades, pearl or shell covering	3.40	2.11	5.51	3.40	4.23	7.63	4.60	8.45	1.45	14.50
3½-inch penknife, four blades, pearl or shell covering	3.52	2.19	5.71	3.52	4.38	7.90	4.75	8.75	1.50	15.00

In considering the above tabulated facts, and not including pearl and shell knives, the material of which is much more expensive and of which but few are made in this country, the average cost of material and supplies in American pocket-knives is 20 per cent. The average cost of labor is 80 per cent.

It will also be seen that labor in Germany is not more than one-fourth the American prices, and English wages not over one-half the average amount paid here.

A comparison of our figures and costs of German knives with Exhibit B shows foreign estimates are below ours for that line of goods.

To further substantiate our statement, consular invoices show an importation in 1887 of 1,450,000 dozen knives at the low average valuation of 83 cents per dozen, \$1,200,000. Exhibit A submitted shows but 271,500 dozen American knives made and sold in 1887 at an average of \$3 per dozen, \$815,000.

One million one hundred and seventy-eight thousand, five hundred dozen more knives were imported than manufactured here in 1887, and a large number of them were sold to consumers as American knives and at the prices of American knives.

While the foreigners have almost the entire trade in two, three, and four blade penknives, the larger importations of worthless one-blade small knives bring the custom house average of 83 cents, a little lower than the table given by us of relative costs.

That table furnishes sufficient classification of relative costs of low and high priced knives to base a specific and ad valorem duty, approximating the difference in costs of material and wages.

EXHIBIT A.—*List of manufacturers of American pocket cutlery in 1882.*

[Available capital investment—Auxiliary business and changes to 1887.]

Name.	Location.	Nature of business.	Total busi- ness invest- ment, 1882.	Total busi- ness invest- ment, 1887.	Dozens made, 1882.	Value, 1888.	Dozens made, 1887.	Value, 1887.
American Knife Company.....	Thomaston, Conn.....	Manufacturers of pocket cutlery and job- bers of notions.	\$75,000	\$75,000	20,000	\$70,000	19,000	\$60,000
American Shear Company.....	Hochkissville, Conn.....	Manufacturers of pocket cutlery, shears and scissors, and jobbers of hardware.	100,000	100,000	20,000	70,000	19,500	65,000
Canastota Knife Company.....	Canastota, N. Y.....	Manufacturers of pocket cutlery (failed and reorganized).	40,000	20,000	11,400	40,000	7,000	20,000
Canton Cutlery Company.....	Canton, Ohio.....	Manufacturers of pocket cutlery (failed).. Manufacturers of pocket cutlery (reorgan- ized).	30,000 20,000	..... 20,000	8,000 6,000	30,000 20,000	..... 5,000	..... 15,000
Central City Knife Company.....	Phoenix, N. Y.....	Manufacturers of pocket cutlery (failed).. Manufacturers of pocket cutlery and nov- elties, and jobbers.	20,000 200,000	..... 200,000	6,500 11,000	20,000 40,000	7,000	20,000
Carter & Johnson.....	Akron, Ohio.....	Manufacturers of pocket cutlery (failed).. Manufacturers of pocket cutlery and nov- elties, and jobbers.	20,000 30,000	..... 30,000	10,500 11,000	30,000 20,000	..... 8,000	..... 15,000
Excelsior Knife Company.....	Torrington, Conn.....	Manufacturers of pocket cutlery (failed).. Manufacturers of pocket cutlery (failed and reorganized).	20,000 150,000	..... 50,000	..... 16,500	..... 100,000	..... 50,000	..........
Fayetteville Knife Company.....	Fayetteville, N. Y.....	Manufacturers of pocket cutlery (failed).. do	20,000	20,000	11,000	20,000	8,000	15,000
Frary Cutlery Company.....	Bridgeport, Conn.....	Manufacturers of pocket cutlery (failed).. do	50,000	.....	16,500	50,000	.....	.....
Gardner Manufacturing Company.....	Sherburne Falls, Mass.....	Manufacturers of pocket cutlery (failed).. Manufacturers of pocket cutlery and job- bers of a variety of goods.	75,000	75,000	13,000	50,000	13,000	50,000
Holly Manufacturing Company.....	Lakeville, Conn.....	Manufacturers of pocket cutlery and gen- eral hardware.	200,000	200,000	6,000	25,000	5,000	20,000
Hunson & Beckley Manufacturing Company.....	New Britain, Conn.....	Manufacturers of pocket cutlery and gen- eral hardware.	750,000	750,000	30,000	60,000	28,000	60,000
John Russell Cutlery Company.....	Turner's Falls, Mass.....	Manufacturers of pocket cutlery and table cutlery.	200,000	200,000	30,000	120,000	36,500	110,000
Miller Brothers Cutlery Company.....	Meriden, Conn.....	Manufacturers pocket cutlery, scissors, and steel pens, and jobbers of stationers' goods.	40,000 100,000	..... 100,000	15,000 27,500	30,000 90,000	38,000	115,000
Naugatuck Cutlery Company.....	Naugatuck, Conn.....	Manufacturers of pocket cutlery (failed).. Manufacturers of pocket cutlery and table cutlery.	60,000	60,000	15,000	60,000	13,500	50,000
New York Knife Company.....	Walden, N. Y.....	Manufacturers of pocket cutlery and job- bers of small wares.	300,000	300,000	40,000	120,000	28,500	75,000
Northfield Knife Company.....	Northfield, Conn.....	Manufacturers of pocket cutlery and job- bers of small wares.	50,000	50,000	15,000	50,000	18,500	55,000
Southington Cutlery Company.....	Southington, Conn.....	Manufacturers of pocket cutlery, silver plated goods, and hardware.	50,000	50,000	14,500	55,000	.....	.....
Ulster Knife Company.....	Ellenville, N. Y.....	Manufacturers of pocket cutlery and small hardware.	50,000	50,000	23,000	70,000	17,000	50,000
Union Knife Company.....	Naugatuck, Conn.....	Manufacturers of pocket cutlery (failed).. Manufacturers of pocket cutlery and spec- ialties.	50,000	50,000	9,000	40,000	8,000	35,000
Walden Knife Company.....	Walden, N. Y.....	Manufacturers of pocket cutlery and job- bers of small wares.	50,000	50,000	9,000	40,000	8,000	35,000
Waterville Cutlery Company.....	Waterville, Conn.....	Manufacturers of pocket cutlery and job- bers of small wares.	50,000	50,000	9,000	40,000	8,000	35,000

Waterbury Knife Company.....	Waterbury, Conn.....	Manufacturers of pocket cutlery (shut down).	40,000	.....	10,500	40,000	.....
Wofertz & Co., C. F.	Allentown, Pa.	Manufacturers of pocket cutlery (failed) ..	20,000	.....	8,000	20,000	.....
		Total capital available, dozens manufactured and value of production in 1882	2,720,000	2,720,000	418,000	1,520,000	271,500
		Loss in capital, dozens manufactured, and value of production from 1882 to 1887.	.....	450,000	.....	.....	146,500
							505,000

Average price per dozen, 1882.....\$3.15
 Average price per dozen, 1887.....3.00

STATEMENT OF THOMAS W. BRADLEY.

Mr. THOMAS W. BRADLEY, of Walden, Orange County, N. Y., president and treasurer of the New York Knife Company, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I assume that in a revision of the tariff by the present Congress that revision will be laid down on the strict lines of protection to industry, to say nothing of protection to American capital. I speak from the stand-point of an American cutler, from the fact that I am president and treasurer of a cutlery works employing three hundred men.

The CHAIRMAN. Where are your works?

Mr. BRADLEY. The firm name is the New York Knife Company, and they are located at Walden, Orange County, N. Y. The greater part of my life has been spent as an apprentice and practical workman. Prior to 1861 the tariff on cutlery was about 30 per cent., varying, I think, to 40. In 1861 it was made 50 per cent., which would require an ad valorem duty to-day of just 150 per cent. to cover the difference between the labor price of Germany and the labor price of America.

The CHAIRMAN. You mean the labor price you have to pay in this business?

Mr. BRADLEY. Yes, sir. It is \$2 in Orange County, N. Y., and it is 25 cents in Solingen, Germany, which is a great cutlery district in Germany. In Joseph Rodgers & Sons' works at Sheffield it is 60 cents; in George Wostenholme's it is 65 cents, and in the general run of Sheffield labor it is about 48 cents to \$1. Cutlery began in this country about 1840 by Governor Holly, of Connecticut. This firm is in existence to-day. This product is placed through the small trade chiefly to the retailers in New England in the jobbing business, with other articles. There was in the country prior to 1861 about five concerns in New York; one in Pennsylvania, and none in Ohio, and none in any other State in the Union. Fifty per cent. it has always been claimed has built up the American pocket-knife industry of the country. That is not so. It was the great gold premium in the days of the war, from 1861 to 1865, which built it up. Some who got down in 1861 built up again and were all right in 1866 and 1867. In 1870 there were three pocket-knife manufacturers in the State of New Jersey, five in the State of New York, double in Connecticut.

Mr. GEAR. I think one in my State failed.

Mr. BRADLEY. There were two in Ohio and Pennsylvania. There were none in New Jersey, unless one employing about six hands. It is the same thing with Connecticut and the same thing with New York, and it has continued. Just about one-half of these firms have failed or reorganized in the last seven years.

The CHAIRMAN. Where is your principal competition?

Mr. BRADLEY. From Germany.

The CHAIRMAN. When did you first feel it?

Mr. BRADLEY. For the last fifteen years. It has crowded us to the wall for the last five years, and was particularly hard in the latter part of 1884 and 1885.

Mr. BAYNE. What is the duty now?

Mr. BRADLEY. Fifty per cent. ad valorem.

Mr. BAYNE. Is the Senate bill satisfactory to you?

Mr. BRADLEY. It is in regard to the basis, but it is not carried out properly. For instance, the first clause of the provision is satisfactory. That is just as much as we can expect to get; but beginning with the second clause, for some reason or other they reduced it down to nothing. If carried out on the basis of the first clause we would not be enabled to enhance the price to consumers in this country at all, but we would be enabled to reclaim the market for the five years we have lost it. In 1883 we made in this country \$1,350,000 worth of pocket-knives and imported \$1,000,000; duty paid, \$1,500. We had nearly one-half the trade of the country. In 1887 we produced \$15,000 as against about \$1,200,000; duty paid, \$1,800. We had less than one-third. We have gone down in five years from one-half to nearly one-fourth.

The CHAIRMAN. The Senate provision: "Pen-knives or pocket-knives of all kinds or parts thereof, wholly or partly manufactured, valued at not more than 50 cents per dozen, 12 cents per dozen." That is what you mean is satisfactory?

Mr. BRADLEY. Yes, sir; that is satisfactory. That is all we hope to get.

The CHAIRMAN. "Valued at more than 50 cents per dozen and not exceeding \$2 per dozen, 36 cents per dozen." Can you suggest a change from that?

Mr. BRADLEY. Yes, sir.

The CHAIRMAN. What is it?

Mr. BRADLEY. To make it the same average as the first clause make it 50 cents instead of 36 cents. Make it in the same ratio.

The CHAIRMAN. "Valued at more than \$2 per dozen, 60 cents per dozen." What is your suggestion in regard to that?

Mr. BRADLEY. I would make that \$1, which would be less than the ratio of the other two.

The CHAIRMAN. "In addition thereto on all the above 50 per centum ad valorem." You would let that remain?

Mr. BRADLEY. Yes, sir.

The CHAIRMAN. That is what you think you ought to have?

Mr. BRADLEY. That is what we must have or quit. We are not asking for anything more than the difference between the labor of Germany and the labor of America.

Mr. McMILLIN. What would the combined duty amount to—ad valorem and specific—on an average?

Mr. BRADLEY. On the range of cutlery from the minimum would be from 18 cents up to \$18 per dozen, the average ad valorem would be 73 per cent.

Mr. McMILLIN. What was the highest rate on any class?

Mr. BRADLEY. It would be 116, and on the lowest it would be 74 per cent.

Mr. BAYNE. Would it not be more in harmony to bring that down somewhat?

Mr. BRADLEY. You could hardly do it without making some special provision. When it was under consideration by the Finance Committee of the Senate it was found extremely difficult to make tariff provisions apply to pocket cutlery. In the Senate bill as printed we had 50 cents specific duty. It is almost impossible to correct this. There may be coming from Germany three thousand patterns of pocket cutlery, and there is nobody in the custom-house at New York who is expert enough to understand the question.

Mr. BRECKINRIDGE. What kind of cutlery do we export Germany?

Mr. BRADLEY. Axes, I presume; not pocket cutlery.

Mr. BRECKINRIDGE. I see in the table of exports axes are not classed as cutlery.

Mr. BRADLEY. Yes, sir; I think you will find they are by large dealers. In the custom-house they are classed as cutlery. I think edge tools of all characters are classed as cutlery.

Mr. BRECKINRIDGE. I observe under the head of cutlery the only exports we send are to Brazil, and a little to England—about \$15,000 worth to England, which is not much. I may be mistaken, perhaps, in regard to sending it to Germany, but we sent \$15,000 worth to England, \$20,000 worth to Brazil, etc.

Mr. BRADLEY. You will find American hatchets sell in England, and axes, too.

Mr. BRECKINRIDGE. You think it relates more to edge tools than to pocket cutlery?

Mr. BRADLEY. It does not relate at all to edge tools, as that is utterly impossible. I wish to impress upon the committee this fact in regard to what we ask. It is impossible for us to enhance the value of cutlery to the consumer. This exhibit practically illustrates it (showing knife). This is a one-bladed, three-and-a-quarter knife. That knife cost a little over \$1 per dozen to make—call it \$1 for illustration. The labor cost of that is a fraction over 79 cents—call it 80 cents for illustration. The material cost 20 cents. In Germany the labor for making that knife would be a little less than one reichmark.

Mr. BRECKINRIDGE. How much is it of our money?

Mr. BRADLEY. About 22 cents. Adding the cost of material, 20 cents, and the duty, it would make it about 60 cents, which would require a duty of 141½ per cent. on that knife in regard to the labor item alone.

Mr. BAYNE. This is the cheapest sort of knife?

Mr. BRADLEY. This is a good knife, made of the finest quality of Sheffield steel, which an American boy can buy for 15 cents, and never in the history of America before could an American boy buy a knife like that for 15 cents. It is a class of goods on which we make no profit.

Mr. BRECKINRIDGE. What is to keep you from putting up the prices if the duties are increased on foreign manufactures?

Mr. BRADLEY. I will illustrate. That knife costs 40 cents a dozen on the other side. In the specific provision we ask for the duty would be 80 per cent.; that is, 30 per cent. more than we now have. That costs in Germany 40 cents, material and labor. Fifty per cent. duty is 20 cents, and if it was 80 per cent. it would be 32, which would be 72 cents, the cost in this market. Now, we can not put up the prices when our German competitors can furnish the same at 72 cents.

Mr. BRECKINRIDGE. What you mean is, the proposed increase would not make it higher?

Mr. BRADLEY. No, sir.

Mr. BRECKINRIDGE. If that knife is made so cheaply in Germany and can be brought in here for so much less than you can make it, how does it happen that you are able to sell it now?

Mr. BRADLEY. We are not able to sell it. We are simply obliged to give it away.

Mr. BRECKINRIDGE. The Germans, as I understand it, can now put this knife here for something like 60 cents. How can you get \$1 a dozen for them?

Mr. BRADLEY. Allowing the profit represented on this side, it would be sold for 66 or probably 70 cents. In the first place, it is a better knife. In the second place, every American with sufficient patriotism ought to buy an American knife if it does

cost 2 cents more than the German. That knife we use to fill in orders. If they sell it at 80 cents, we do the same thing.

Mr. GEAR. Is the German manufacture as good as that?

Mr. BRADLEY. No; but when the German knife has the stamp of the Granite City Cutlery Company, or the stamp of the New York Cutlery Company, or of the Meridan Company, or any other stamp on it, or anything else, say the Star Spangled Banner Company, or any other workshop, even if they never thought of making a knife, it will bring the same price as we could get by selling it ourselves.

Mr. GEAR. Do you suggest a remedy for that?

Mr. BRADLEY. The only remedy I suggest is that the American Congress protect the manufacturers, and take that same pride in our cutlery manufacture that the Government of Great Britain does in theirs. You take an Englishman. He may be in South Africa or the Indies, and if he takes up a knife and reads, "Joseph Rodgers & Sons, cutlery to Her Majesty," his heart thrills with pride. Do you think our American hearts thrill with pride when we take up a knife? No; because we have not controlled our markets yet sufficiently for that; but we hope the time will come when we will strike upon our goods, "Cutlery to the American people." We want you to be proud of that fact, and there is no reason why you should not be. Now, England some forty years ago passed an act of Parliament to protect their manufactures against the impositions of "outside barbarians," and it stands so to-day. You can not send American materials which do not bear the stamp of the place of manufacture. Germany can not send anything unless it bears the stamp that it was made in Germany. In short, whatever articles enter Great Britain from any place must bear a stamp upon it containing the name of the country where manufactured. England has good reason for that law.

Mr. BRECKINRIDGE. Do you buy Sheffield steel?

Mr. BRADLEY. Yes, sir.

Mr. BRECKINRIDGE. Do you have to go abroad to buy cutlery steel?

Mr. BRADLEY. No, sir.

Mr. BRECKINRIDGE. Why can not we supply that steel?

Mr. BRADLEY. You can not.

Mr. BRECKINRIDGE. Where is your patriotism when you buy your steel of Sheffield?

Mr. BRADLEY. To meet American prejudices, which is "English, you know."

Mr. BRECKINRIDGE. So you commit a fraud on the public by not letting them know is an English blade?

Mr. BRADLEY. The finest grade of steel is that, of course, which goes into a good pocket-knife. The Americans have not yet attained to that degree of perfection in the manufacture of steel of that quality. Every now and then we make an attempt at it. But we dare not label our knives that these goods are made of American steel, as this is just about the turning-point. The time is coming when we are going to use American steel for pocket-knives. In the manufacture of table cutlery we use American steel. The backspring is American steel. That label is used simply to cater to the prejudices and tastes of the American people.

I want to say one thing about the English law. In England three years ago the Sheffield cutlery trade was at its lowest water-mark. Hundreds of thousands of pounds of cutlery came into Sheffield in boxes from Germany, and were reboxed in Sheffield and sent over here as Sheffield goods. Parliament enacted a law thoroughly stopping it by placing this item upon the statute-books, that everything entering that country must bear the name of the place where it is manufactured. That is why to-day the cutlery industry in Sheffield is better than it has been for fifteen years. Those goods are made in Germany, sent to Sheffield, stamped there, and sent here. Here is an article from the London Ironmonger, in which it displays no fear and expresses the hope it will shut out German competition.

Mr. BRECKINRIDGE. In what shape do they import this?

Mr. BRADLEY. In a rod of steel.

Mr. BRECKINRIDGE. Is it worked up here?

Mr. BRADLEY. Yes, sir; these goods can be made in this country. Take cutlery as a rule, it is made by the second generation of Englishmen who came over between 1440 and 1850. I am one of them myself, and the best of my workmen are the second generation of Englishmen, and of the 300 men employed in our establishment, nearly all of them are American-born, and have grown up in the village where the manufacture is carried on. Of a village of 2,000 inhabitants, 415 are cutlery workers. In 1854 it was a little hamlet of 250 people. Our mill started with about 30, on the co-operative principle. Every man put in whatever capital he could raise, and from time to time added to the capital of the institution, and so it grew up. It is water-power, and the whole sides of that river are covered with cottages belonging to the people who work in that industry. They are bright and well adapted for the people. I could name a German factory employing 1,200 men the machinery of which is made in America.

I know these people; I have lived among them. We were boys together, and I

have grown up with them. Now, of these 300 people, I know the name of every family. I have grown up from childhood in that village. It has grown from a little hamlet of 250 people into a thriving village of 2300. I simply say this, that unless about in the light of the last five years, where eleven out of twenty-five firms in this country have gone to the wall, where their production of \$1,350,000 in 1882 was reduced to \$815,000 in 1887—unless you give some relief, you simply in five years destroy utterly the pocket-knife manufacture in this country. As I have said before, and as I will say again, the thing which we ask will not enhance the price of goods to the American consumer, because the two articles sell for about the same thing, as what the retailer sells to the consumer he gets about 200 per cent. on the German goods. We merely ask you to give us the difference between 50 and 73 and take away the 200 per cent. profit which the dealers in German goods make, and we will not ask for any more.

FRIDAY, December 27, 1889.

The committee met pursuant to adjournment, Mr. MCKINLEY in the chair.

STATEMENT OF MR. CHARLES S. LANDERS.

MR. CHARLES S. LANDERS, of the firm of Landers, Frary & Clark, of New Britain, Conn., addressed the Committee. He said:

Mr. Chairman and gentlemen of the committee: I am a manufacturer of table cutlery at New Britain, Conn., and represent before this committee what is left of that industry in the United States. The condition and history of the industry is well known to trade. In 1885 the concern at Bridgeport, Conn., was sold at auction and realized to the creditors 20 cents on the dollar, I think, sacrificing about \$450,000, I think. In 1869 the Economic Society, of Beaver County, Pa., with almost unlimited resources, took up the manufacture of cutlery, and, after five years, it was in the hands of the creditors. In the last ten years there has been more than half the investment sacrificed. In regard to the concerns which have existed, there is not one single case where any concern, even supported by auxiliary business, has paid an average of 6 per cent. on the capital. The average interest paid probably does not exceed 3 per cent.

This is wholly a question of labor. The mills and improvements can be put in this country as cheaply as abroad, with the exception, possibly, of a very small amount of bone, wood, ivory, and pearl not made in this country; but it can be purchased by our manufacturers as cheaply as by the manufacturers of Sheffield. The price for labor is very large, but not quite as large as for pocket cutlery. These are statements which I feel can not be regarded as extravagant. We must have a protection for this labor or go out of the business. I do not propose to argue the case at all, but simply to submit the facts upon the matter and stand upon them.

The CHAIRMAN. How does the Senate provision suit you?

MR. LANDERS. We had an extended hearing on this question before the Senate committee. We are satisfied with the provision, with the exception of a slight difference in one respect, the exact nature of which I will state in a moment. The question will probably be asked as to the matter of duty. If I am asked what is the highest rate of duty under the Senate bill—there are very few knives which amount to anything which come in at 25 cents a dozen, between 25 cents and \$3—the average of the Senate bill is 52 per cent., and a slight change in one respect changes it to an average of 56½. If you make it 21 and 20 it makes 41 per cent. The highest single possible duty under the correction which I make in the Senate bill is 71 per cent. By one of the errors which creeps into a bill at the last moment, table cutlery in the Mills bill is put at 35, while pocket cutlery is put at 50, and this difference between 35 and 50 in the last year has been a great drawback. With this change we are satisfied with the Senate bill, with the exception that we strike out “carving and cooks’ knives” and make it a separate class for business reasons. It is unnecessary to state in regard to the labor, except that our labor is mostly skilled. The Germans have driven out England on pocket cutlery. They have cut them in two. As stated here last night by Colonel Bradley, in the Solinger district the Germans manufacture very cheaply, and unless we are protected they will drive us out.

MR. BAYNE. Have you made provision for carving knives?

MR. LANDERS. Yes, sir. The two words “carving” and “cooks” should be stricken out and an addition put in covering those grades. There is nothing in regard to the

whole matter of this industry and wages and in regard to the price that I am not willing to answer. I do not come here to argue the question but to give facts to the committee, and I do not think you could ask me a question in any shape or form the answer to which will be "I do not know." We have got to have this protection or be driven out. I have given the facts and I do not propose to argue the question.

Mr. McMILLIN. I understood you to say that with the exception of ivory, wood, and some articles not produced in this country, you get your materials as cheaply as they do in England.

Mr. LANDERS. Yes, sir.

Mr. McMILLIN. What are your materials, with this exception?

Mr. LANDERS. Probably steel.

Mr. McMILLIN. Do you use American steel?

Mr. LANDERS. Wholly. We have not used the English steel for a long time.

Mr. McMILLIN. Is it your opinion that American steel manufacturers, notwithstanding the difference between wages paid here and wages paid in England, produce steel as cheaply as England?

Mr. LANDERS. I do not know what it costs to produce, but I know I can buy as good American as English.

Mr. CARLISLE. Your experience is that the steel is as cheap as in England?

Mr. LANDERS. Yes, sir.

Mr. MCKENNA. Do you exactly understand that?

Mr. LANDERS. I am taking the prices here and the prices in Sheffield, and I would rather have American steel at 5 per cent. difference.

Mr. CARLISLE. Can you get American steel here as cheaply as you can buy English steel?

Mr. LANDERS. I do not know the English price on steel now. We used it up to ten years ago, and now we use exclusively American steel.

Mr. CARLISLE. Do you think the American steel is of a better quality?

Mr. LANDERS. For table cutlery, unquestionably.

Mr. CARLISLE. Is the difference paid in our steel works here and the wages paid in the steel works of England greater?

Mr. LANDERS. I do not know the wages the steel-workers in England get. I know about the wages of the cutlers, but I know nothing about the other.

Mr. MCKENNA. How do your cutlers' wages compare with the wages in England?

Mr. LANDERS. I have an extract from a Sheffield paper, where a plant is, which states that the grinders get wages of 14 shillings a week. We have not a grinder that gets below \$1.85 a day, and skilled grinders make from \$2.50 to \$3 a day. We have grinders sitting side by side, one of whom will make \$2.50 a day, and the other, being more skilled, will make \$5 a day.

The CHAIRMAN. Do these things appear in the statements you file?

Mr. LANDERS. I put the wages for the English cutler at 70 per cent. lower than in this country, as I do not propose to be brought up on any charges of exaggeration at all.

To the honorable Committee on Ways and Means :

GENTLEMEN: The manufacturers of table cutlery, employing some two thousand men, respectfully submit that the industry has been notoriously and increasingly unprofitable for the past fifteen years.

Investments to the amount of \$1,500,000 have been utterly wiped out, and in no case has the manufacture of this line of goods been able to sustain itself, save when associated with some other industry.

This state of affairs has been brought about by the continually increased importations of the foreign undervalued product.

We call special attention to the fact that the competition is entirely one of labor, as the materials of all kinds used in the production of this line of goods are obtainable in this country at fully as low rates as in England or Germany.

The situation can be summed up in the fact that the average wages of the American cutler are at least 70 per cent. more than those of the English, and the difference in Germany is much greater.

Unless this difference can be equalized by a proper tariff, the wages of the American cutler must be made the same as those of his foreign competitor, or the production of this line of goods must pass wholly into foreign hands.

We further submit and are prepared to prove that a reasonable protection, as proposed in what is known as the Senate tariff bill, will not enhance the cost to the consumer, as the difference in question has been almost wholly absorbed by the importers and middle men.

We therefore ask the adoption of the clause 172, of the Senate tariff bill, with the following correction, viz:

"Carving and cooks' knives and forks should be separated from what is known as regular table cutlery."

As proof of this, the importation of this class has nearly doubled in the past twelve months, and is to-day almost entirely in the hands of foreign manufacturers.

Senate clause corrected—correction and additions in *italic* :

172. Table knives, forks, steels, and all butchers', hunting, kitchen, bread, butter, vegetable, fruit, cheese, plumbers', painters', palette, and artists' knives of all sizes, finished or unfinished, valued at not more than \$1 per dozen pieces, 15 cents per dozen; valued at more than \$1 and not more than \$3, 50 cents per dozen; valued at more than \$3 and not more than \$8, \$1 per dozen; valued at more than \$8, \$2 per dozen; and, in addition, upon all the above-named articles, 30 per centum *ad valorem*. *All carving and cooks' knives and forks of all sizes, finished or unfinished, valued at not more than \$4 per dozen pieces, \$1 per dozen; valued at more than \$4 and not more than \$8, \$2 per dozen pieces; valued at more than \$8 and not more than \$12, \$3 per dozen pieces; valued at more than \$12, \$5 per dozen pieces; and in addition upon all the above-named articles, 30 per centum ad valorem.*

Respectfully submitted,

CHARLES S. LANDERS, New Britain, Conn.

WARREN P. DUSTIN, Turners Falls, Mass.

I. HIRSCH, Chicago, Ill.

Committee of Table Cutlery Manufacturers.

December 26, 1889.

FROM WHOLESALE HARDWARE ASSOCIATION.

Hon. WILLIAM MCKINLEY, Jr.,

Chairman Committee on Ways and Means :

DEAR SIR: A delegation of representative merchants from the Wholesale Hardware Association were granted a hearing by the subcommittee on the tariff of the Senate Committee on Finance on the evening of December 12, 1888, and in response to their question as to what representations or arguments had been used to influence the large proposed increase of duties on cutlery and guns. The chairman of that committee, Mr. Allison, stated that it was based on the supposition of undervaluations. We made a statement to the committee showing that this charge came from interested persons, who desired to prevent all importations of these goods, and that a disreputable scheme had been set in motion to this end, and that substantially there was no foundation in fact for such charges, and that such charges against reputable merchants could not possibly be proved or substantiated by any credible evidence.

We discovered later on that the real argument on which was based the enormous increase proposed was a comparative table of costs of pocket-knives in the countries of Germany, England, and America. This table is printed in the Tariff Reports, Fiftieth Congress, first session, report 2332, part 3, and may also be found in the Congressional Record of January 20, 1889, page 1022.

This table was not submitted to us for reply when before the Senate committee, and we had no suspicion of its existence, yet it appears it was at that time in print, and in the custody of the committee. Considering we had specially asked the committee for any such information as they had, and their omission to favor us with this table, it seems unfair to us that Senator Platt, of Connecticut (who was in the committee-room during all the time we were there), in the Senate discussion (Congressional Record, January 20, 1889, page 1028) should make the point against us that "it has not been questioned by any importer," referring to the very table.

The reason we did not question it was because we did not know of its existence, but we propose to question it now, with a good deal of emphasis, and show it up as notorious for lamentable ignorance or deliberate falsification on the part of the men who concocted it.

The table is as follows, omitting the separation of the cost of material and labor and only giving the total costs, the only items which are germane to the argument:

American manufacturer's table.—Relative cost of German, English, and American pocket cutlery per dozen.

Description.	No. of blades.	German cost.	English cost.	American cost.
Iron-lined Jack knife, wood covering:				
4 inches	1	\$0. 56	\$0. 91	\$1. 90
4 inches	2	. 80	1. 30	2. 70
3½ inches	1	. 53	. 86	1. 75
3½ inches	2	. 74	1. 21	2. 50
3½ inches	1	. 44	. 72	1. 48
3½ inches	2	. 63	1. 05	2. 16
3½ inches	1	. 38	. 66	1. 39
3½ inches	2	. 58	. 99	2. 07
Brass-lined penknife, ivory or stag covering:				
2½ inches	2	. 81	1. 39	2. 92
2½ inches	3	1. 05	1. 86	3. 96
2½ inches	4	1. 21	2. 16	4. 62
3 inches	2	1. 01	1. 64	3. 35
3 inches	3	1. 29	2. 15	4. 46
3 inches	4	1. 44	2. 45	5. 15
3½ inches	2	1. 12	1. 76	3. 38
3½ inches	3	1. 39	2. 30	4. 76
3½ inches	4	1. 56	2. 62	5. 45
Brass-lined penknife, pearl or shell covering:				
3½ inches	3	4. 42	6. 25	12. 00
3½ inches	4	4. 60	6. 50	12. 50
3½ inches	3	5. 51	7. 63	14. 50
3½ inches	4	5. 71	7. 90	15. 00

The above table of comparative cost, of pocket-knives submitted by the American manufacturers, was, as we understand it, the basis on which the so-called "Senate substitute" tariff on cutlery was built. This table was a gross misrepresentation of facts, and it is very difficult to realize how such absurd statements could possibly gain credence with the Senate committee. Admitting this statement to be correct (for argument's sake), it would seem that the point would have suggested itself to the Senate committee as to how it was possible for American manufacturers, under such conditions as they name, to have prospered and assumed the proportions they have, for with the 50 per cent. ad valorem duty now exacted added, the prices they name as their costs are in some cases over three times the cost of the foreign goods, and yet, according to the statement of the domestic manufacturers, the capital employed in making pocket-knives was in 1887 nearly \$2,300,000. (See Senate Report 12332, part 3, page 685.)

Below we give a table marked A, which is an actual comparison supported by affidavits of the same knives in the three markets already named, showing the manufacturer's selling price in these different markets. This table covers the descriptions given by the domestic manufacturers in their table and can be readily substantiated by any honest seeker after facts.

TABLE A.

Sample No.	Description.	1			2			3	4	5
		German cost as per affidavit A. H. Saxton.			English cost as per affidavit A. H. Saxton.			Selling price, American make.		
		German cost, marks.	German cost, American currency.	German cost, duty and charges added.	English cost, sterling.	English cost, American currency.	English cost, duty and charges added.	As per affidavit I. W. Morton, vice-president Simmons Hardware Company.	As per affidavit E. B. Sears, president The Henry Sears Company.	As per affidavit J. B. F. Champlin, president Cattaraugus Cutlery Company.
				<i>s. d.</i>						
109	3½-inch 1 blade, iron lined *	2.50	\$0.60	\$0.95	2 1	\$0.51	\$0.83	\$0.95	\$0.90	.....
22522	3½-inch 2 blades, iron lined	3.04	.72	1.16	.....	.....	.....	1.50	.....	.....
5008	3½-inch 2 blades, iron lined	3.04	.72	1.16	.....	.....	.....	1.25	.....	.....
5005	3½-inch 1 blade, iron lined	3.41	.82	1.31	.....	.....	.....	1.70	.....	.....
1256	3½-inch 1 blade, iron lined *	3.50	.83	1.33	3 4	.81	1.32	1.15	1.10	.....
209	3½-inch 2 blades, iron lined *	3.60	.86	1.37	3 6	.85	1.40	1.50	1.40	.....
222c	3½-inch 1 blade, iron lined	3.80	.90	1.45	.....	.....	.....	1.45	.....	.....
22553	3½-inch 2 blades, iron lined	3.92	.92	1.49	.....	.....	.....	1.90	.....	.....
1002	4-inch 1 blade, iron lined *	4.25	1.01	1.62	4 2	1.01	1.66	.....	.....	1.60
14051	3½-inch 2 blades, iron lined*	4.30	1.02	1.64	4 0	.97	1.60	1.65	1.65	.....
252c	4-inch 1 blade, iron lined	4.60	1.10	1.75	.....	.....	.....	1.50	.....	.....
222c	3½-inch 2 blades, iron lined	5.60	1.33	2.13	.....	.....	.....	2.05	.....	.....
265	4-inch 2 blades, iron lined *	5.89	1.38	2.20	5 0	1.22	2.00	2.00	2.00	.....
2254	3½-inch 2 blades, iron lined*	6.10	1.45	2.32	6 3	1.52	2.50	.....	.....	2.40
2065	3½-inch 2 blades, brass lined*	6.30	1.50	2.40	6 3	1.52	2.50	.....	.....	2.35
253c	4-inch 2 blades, iron lined	6.40	1.52	2.44	.....	.....	.....	2.60	.....	.....
2136	3-inch 2 blades, brass lined, ivory*	7.00	1.70	2.66	7 0	1.70	2.80	2.25	2.60	.....
3114	3½-inch 3 blades, brass lined pearl*	18.50	4.40	7.03	18 0	4.38	7.20	7.50	7.90	.....
3053	3½-inch 3 blades, g. s. lined, pearl *	19.50	4.64	7.41	25 6	6.20	10.20	.....	.....	9.00

Column No. 1 represents the actual manufacturers' selling prices in Germany, its equivalent in American currency, and the cost of same laid down in the United States, duty and other expenses added.

Column No. 2 represents the actual manufacturers' selling prices in England, its equivalent in American currency, and the cost of same laid down in the United States, duty and other expenses added.

Column No. 3 represents the price the various samples are being regularly sold for of American make as per affidavit I. W. Morton.

Column No. 4 represents the price the various samples are being regularly sold for of American make, as per affidavit E. B. Sears.

Column No. 5 represents the price the various samples are being regularly sold for of American make, as per affidavit J. B. F. Champlin.

The German mark is reckoned at 23.80 cents. The English shilling at 24.33 cents, both being custom-house values. Those marked * are American-made knives. All the others are German make.

It must be borne in mind that the foreign cost, with duty and charges added, represents the cost of the goods laid down at the port of New York, and that the importer must add his profit to such cost before they can come into competition with the domestic article. It will be observed that out of nineteen samples corresponding with the descriptions named in the American manufacturers' table, that without adding anything for importers' commission or profit nine patterns figure out a higher cost than the American selling price; eight patterns figure slightly lower, and two patterns figure substantially the same. It will therefore be readily seen that if the importer should add 10 per cent. to his cost for profit, it would bring an average price considerably higher than the domestic makers are asking for their goods.

It must be understood we are simply now combatting the erroneous statements made by the domestic manufacturers on which they claimed an advance of duties.

Take Senator Platt's argument from this manufacturers' table of relative cost (Congressional Record, January 20, 1888, page 1022) and see how it works out with actual facts, facts that can not be controverted. He takes a 4-inch iron-lined jack-

knife, wood covering, one blade, and says (quoting from the table in question): "This knife costs in Germany 56 cents, in England 91 cents, and in America \$1.90," and then quotes the labor cost in Germany "at 35 cents, in England at 70 cents, and in America at \$1.42." Now turn to Table A, and take knife 253c, which is the exact description as the above knife referred to, and it is found that this knife costs in Germany \$1.10 instead of 56 cents, and that this knife in like quality and description can be purchased from the American manufacturers at \$1.50, though the manufacturers' table makes it cost to produce \$1.90, and further, that after this same knife has become subject to the present duty of 50 per cent. ad valorem and other usual charges necessary to land it in this country, it costs the importer \$1.75, or nearly 17 per cent. more than the selling price of the American knife of same grade, so that the importer to compete with the American manufacturer on this knife must sell it at 20 per cent. less than cost. This showing makes it quite unnecessary to comment on the labor argument of Senator Platt in this connection. There are plenty of other cases in this table in the same boat.

The following Table B is a comparison of the American manufacturers' table with Table A, the latter being supported with actual samples and affidavits of the prices at which they can be purchased for abroad, and also affidavits of the prices at which they are being sold for by American manufacturers in the open market to well known houses in the trade:

TABLE B.

Description.	Number of blades.	German cost as per American manufacturers.	Same laid down in New York, duty and expense added and 10 per cent. for importer's profit.	Sheffield cost per American manufacturers.	Same laid down in New York, duty and expense added and 10 per cent. for importer's profit.	American cost, per manufacturers' statement.
		German cost per affidavits.		Sheffield cost per affidavits.		American selling price, per affidavits.
Iron-lined jack-knife, wood covering, 4 inches:						
Sample 253 C:						
Per manufacturers' price.	1	\$0.56	\$1.92	\$0.91		Cost \$1.90 per American manufacturers.
Per actual price, Table A.		1.10				Selling \$1.50 per affidavits well-known buyers.
Per manufacturers' price.	2	.80	2.68	1.30		Cost \$2.70 per American manufacturers.
Per actual price, Table A.		1.52				Selling \$2.60 per affidavits well-known buyers.
As above, but 3½ inches:						
Sample 1256:						
Per manufacturers' price.	1	.44	1.46	.72	\$1.45	Cost \$1.48 per American manufacturers.
Per actual price, Table A.		.83		.81		Selling \$1.10 per affidavits well-known buyers.
Sample 14051:						
Per manufacturers' price.	2	.63	1.80	1.05	1.76	Cost \$2.16 per American manufacturers.
Per actual price, Table A.		1.02		.97		Selling \$1.65 per affidavits well-known buyers.
Same as above, but 3¼ inches:						
Sample 109:						
Per manufacturers' price.	1	.38	1.05	.66	.91	Cost \$1.39 per American manufacturers.
Per actual price, Table A.		.60		.51		Selling 90 cents per affidavits well-known buyers.
Sample 209:						
Per manufacturers' price.	2	.58	1.50	.99	1.54	Cost \$2.07 per American manufacturers.
Per actual price, Table A.		.86		.85		Selling \$1.40 per affidavits well-known buyers.
3-inch brass-lined pen-knife, ivory handle:						
Sample 2135:						
Per manufacturers' price.	2	1.01	2.92	1.64	3.08	Cost \$3.35 per American manufacturers.
Per actual price, Table A.		1.70		1.70		Selling \$2.60 per affidavits well-known buyers.
3½-inch brass-lined, pearl handle:						
Sample 3114:*						
Per manufacturers' price.	3	4.42	7.73	6.25	7.91	Cost \$12 per American manufacturers.
Per actual price, Table A.		4.40		4.38		Selling \$7.90 per affidavits well-known buyers.

The following are copies of the affidavits referred to in this communication :

Affidavit of Alanson H. Saxton.

I, Alanson H. Saxton, do solemnly and truly swear that the following are the lowest prices at which I can purchase in Solingen, Germany, and Sheffield, England, the following numbers, patterns, and quality of pocket knives, viz :

	In Solingen, in marks per dozen.	In Sheffield, per dozen sterling.
No. 109.....	2.50	s. d. 2 1
No. 1254.....	3.50	3 4
No. 209.....	3.60	3 6
No. 14051.....	4.30	4 0
No. 265.....	5.80	5 0
No. 2136.....	7.00	7 0
No. 3114 N.....	18.50	18 0
No. 233 C 2 blades.....	6.40	.....
No. 233 1 blade.....	4.60	.....
No. 222 C 2 blades.....	5.60	.....
No. 222 1 blade.....	3.80	.....
No. 22522.....	3.04	.....
No. 5008.....	3.04	.....
No. 5005.....	3.44	.....
No. 22553.....	3.92	.....
No. 3053.....	19.50	25 6
No. 1002.....	4.25	4 2
No. 2254.....	6.10	6 3
No. 2065.....	6.30	6 3

The pocket-knives are the same knives as enumerated in Table A, and which are submitted with that table.

A. H. SAXTON.

Sworn to before me this 6th day of April, 1889.

JAS. H. GOLDEY,

Notary Public, Kings County ; certificate filed in New York County.

Affidavit of Edmund B. Sears, of the Henry Sears Company, of Chicago, Ill.

STATE OF ILLINOIS,

County of Cook, City of Chicago :

Edmund B. Sears, of the city of Chicago, being duly sworn, upon oath deposes and says, he can buy of American manufacturers pocket-knives as per samples submitted under the following numbers, as marked on the blade of each sample, at the following prices :

No. 109.....	\$0.90	No. 14051.....	\$1.67
No. 209.....	1.40	No. 3114x.....	7.90
No. 1256.....	1.10		

Nos. 265 and 2136 are too common to price, but outside valuation as they are made would be—

No. 265.....	\$2.00	No. 2136.....	\$2.60
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EDMUND B. SEARS.

Subscribed and sworn to before me this 22d day of February, A. D. 1889.

[SEAL.]

P. WANDERWICKER.

Mr. Sears is the head of the firm The Henry Sears Company, of Chicago.

Affidavit of J. B. F. Champlin, of Cattaraugus Cutlery Company, Little Valley, N. Y.

Personally appeared before me, Josephus Michell, a notary public in and for the county of Cattaraugus, State of New York, J. B. F. Champlin, who being duly sworn according to law states that he is president of the Cattaraugus Cutlery Company, a corporation organized under the laws of the State of New York, and carrying

on business at Little Valley, Cattaraugus County, N. Y. The deponent further states that the said Cattaraugus Cutlery Company has bought and can buy the same knives of American makers at prices as follows:

Exhibit A (No. 1002), large one-blade iron-lined knife, at \$1.60 per dozen.

Exhibit B (No. 2254), large-two blade iron-lined knife, at \$2.40 per dozen.

Exhibit C (No. 2065), medium brass-lined two-blade knives, at \$2.35 per dozen.

Exhibit D (No. 3053), large three-blade pearl knife, at \$9 per dozen. Said knives are American make. Further the deponent saith not.

J. B. F. CHAMPLIN.

Subscribed and sworn to before me this 4th day of March, 1889.

JOSEPHUS MICHELL,
Notary Public.

Affidavit of Isaac W. Morton, vice-president of the Simmons Hardware Company, St. Louis.

STATE OF MISSOURI,
City of St. Louis:

Personally appeared before me, Frank Wyman, a notary public in and for the city of St. Louis, Mo., Isaac W. Morton, who being duly sworn according to law, states that he is the vice-president and buyer of the Simmons Hardware Company, a corporation organized under the laws of the State of Missouri and carrying on business in the city of St. Louis, Mo. The deponent further states that the said Simmons Hardware Company can buy of American manufacturers at this date the same knives of American make at prices as follows:

Exhibit A, No. 14051, \$1.65; Exhibit B, No. 109, \$1.09; Exhibit C, No. 1256, \$1.15; Exhibit D, No. 265, \$2; Exhibit E, No. 22522, \$1.50; Exhibit F, No. 5008, \$1.25; Exhibit G, No. 3114X, \$7.50, in first quality pearl, sample is second quality; Exhibit H, No. 5005, \$1.70; Exhibit I, No. 22553, \$1.90; Exhibit K, No. 209, \$1.50; Exhibit L, No. 2136, \$2.25, in ivory handle.

Said knives of American make being equal in quality, finish, size, and all other particulars to the samples herewith submitted, and by the notary marked Exhibit A, B, C, etc.; and furthermore deponent saith not.

ISAAC W. MORTON.

Subscribed and sworn to before me this, the second day of April, 1889; and I further certify that I am personally acquainted with the said I. W. Morton, and know him to be the officer he represents himself to be, and that the samples of pocket knives referred to above were by me duly marked Exhibit A, B, C.

FRANK WYMAN,
Notary Public.

We send with this communication a sample of each knife on Table A. We are prepared to furnish, if wanted, the original affidavits of which the preceding are copies, and also the identical knives, that are covered by each affidavit.

It is perfectly clear from this exposition that the "Senate substitute" and amendment thereto was based on gross misrepresentations, and that the "shoe is on the other foot," and if anybody is entitled to protection it is somebody besides the American manufacturers of cutlery.

We therefore assert that the move to advance the tariff on cutlery was based on a fraudulent misrepresentation of facts.

We assert that there is no good reason why there should be any advance in the duty on cutlery, both pocket and table, and we are of the opinion there is good reason for a reduction of the already excessive duty on these goods.

The claim for an advance of duty on guns was prosecuted with the same disregard for facts, and at the present time we think we need only insert the following letter from Messrs. Herman Boker & Co., in reference to some of the testimony given on these goods:

NEW YORK, January 4, 1889.

Hon. Z. B. VANCE,
Washington, D. C.:

DEAR SIR: We are to-day in receipt of the printed arguments of the American manufacturers of shot-guns and revolvers, under date of December 3, 1888, and on page 3Q there is a statement as follows:

"Mr. LOVELL. I showed Mr. Parker a gun that cost us \$8.83. I bought two hundred and fifty guns in the New York market, and had them go to Boston for \$7. We can not compete with a competition of that sort. It costs \$8.83 to import the gun; I bought it at \$7.

"The CHAIRMAN. Where did you buy it?

"Mr. LOVELL. In the New York market.

"Senator HOAR. The difficulty is occasioned by undervaluation in the New York custom-house, is it not?

"Mr. LOVELL. I suppose so.

"The CHAIRMAN. Was it precisely the same gun?

"Mr. LOVELL. Exactly.

"Senator HOAR. Are you both an importer and manufacturer?

"Mr. LOVELL. Yes."

We do not know whether Mr. Lovell, in making this statement, referred to the purchase he made of us, but presume he did, as we sold his firm in Boston on October 6, 1888, sixty-three guns at \$7 each, which cost us to import, not \$3.83, but \$10.20, thereby leaving us a loss of \$3.20 per gun, and the reason of our accepting so low an offer as \$7 was for the purpose of getting rid of this, as we considered it, job lot, and which Mr. Lovell, at the time he purchased it, knew to be the case. He did not purchase two hundred and fifty guns from us, as he has it. He furthermore does not mention that he very much hesitated about taking them at \$7, as they were all 10 Ga heavy guns, which at this present moment are very undesirable owing to their heavy caliber and heavy weights, and Mr. Lovell well knew that if they were 12 Ga guns that he would never have bought them at the price he did; we did, however, put in two 12 Ga guns at the same price, and this cleaned out all we had of the so-called back-action side-snap breech-loaders.

If Mr. Lovell can import that gun into Boston at \$3.83 he certainly can do what we can not, and when he states, in answer to the question of Senator Hoar if the difficulty is occasioned by undervaluation of the New York custom-house, "I suppose so," he states something that he knows not to be true.

As stated above, we do not know that Mr. Lovell directly referred to us in this purchase, as the quantity he states does not correspond with the quantity we shipped him, but we, in justice to ourselves, take pleasure in advising you of the above facts.

There were a great many base assertions made by the American manufacturers at that hearing, which are simply monstrous, and we are bold enough to state that the gentlemen forming that committee would not dare to make any such assertions to parties who imported guns, well knowing that they would not (to use a common phrase) "hold water."

We should not take any exception to Mr. Lovell's remarks were it not that he knew better, and knows better, and that the guns we sold him at this low price were a job lot that we wished to get rid of, or, in other words, guns which virtually had become obsolete in this market, principally owing to the heavy caliber and weight, and furthermore to the cheaper article that is imported from the other side, which takes its place.

Very respectfully,

HERMANN BOKER & Co.

We understand when Mr. Lovell was confronted with this testimony he acknowledged that the guns referred to in his testimony were the lot purchased from Messrs. Boker.

We give below protests against any advance in the duties on cutlery and guns from the leading wholesale hardware houses in the United States. Many more names could have been obtained if it had been thought necessary.

[Copy of telegram.]

CHICAGO, December 11th, 1888.

To the Finance Committee, Washington, D. C.:

We comprise the wholesale dealers of Chicago in guns and cutlery, and desire to enter our protest against the proposed change in the tariff on these items.

Markley, Aling & Co.; Wells & Nellegar Co.; Horton, Gilmore, McWilliams & Co.; Randall, Hall & Co.; Hibbard, Spencer, Bartlett & Co.; A. S. Seeburger & Co.; Henry Sears & Co.

[Copy.]

CHICAGO, ILL., December 10, 1888.

To the Senate Finance Committee, Washington, D. C.:

GENTLEMEN: We herewith earnestly enter our protest against any increase in the tariff on pocket cutlery, razors, scissors, table cutlery, and fire-arms, regarding any

increase of tariff on above-named items as a serious injury to the business industries of the country.

The Henry Sears Co., wholesale cutlery; Markley, Alling & Co., 53 and 55 Lake street, wholesale hardware and cutlery; Chicago Gun and Cutlery Co., 60 and 62 State street, wholesale guns and cutlery; Wells & Nellegar Co., 72, 74, and 76 Lake street, wholesale guns and cutlery; Randall, Hall & Co., 104 Lake street, wholesale cutlery; A. F. Seeberger & Co., wholesale hardware and cutlery; Horton, Gilmore, McWilliams & Co., James M. Horton president, wholesale dealers in hardware and all descriptions of cutlery; Butler Brothers, wholesalers of cutlery and thoroughbred Republicans.

[Copy.]

PHILADELPHIA, December 10, 1888.

Hon. JUSTIN A. MORRELL,

Chairman Senate Finance Committee, Washington, D. C.:

DEAR SIR: Permit us to call your attention to the articles of pocket and table cutlery in the Senate tariff bill, now under consideration and, we understand, before your committee. The proposed change in duty on both these articles, especially on pocket cutlery, will change the duty from 50 per cent. ad valorem to 50 cents per dozen blades, and an additional 25 per cent. ad valorem. Upon examination you will find that this is a decline upon some of the higher grades and fancy styles of George Wostenholm & Son, Sheffield, England, and Joseph Rodgers & Sons, Sheffield, England, of their make of three and four blade knives; consequently discrimination in favor of the class of trade who can afford and are quite willing to pay for a luxurious style and grade of pocket-knives; but it discriminates vastly against the poorer class of citizens, who, from a matter of necessity, buy the cheaper grade of goods, many of them in order to pursue their own daily work. You will find upon examination that this change will make an average of from 50 to 100 per cent. advance upon the present cost, and in some cases over 300 per cent. on the original cost of the cheap one and two blade pocket-knives.

We feel to overcome this inequality an ad valorem duty will better cover all grades of pocket-knives, and, with due respect, we respectfully suggest that the present rate of duty, 50 per cent. ad valorem, will not be objectionable to the consumer, and is sufficient protection to the American manufacturer.

We respectfully ask your careful attention to this particular portion of the Senate tariff bill. Will you not kindly give it more careful consideration?

Very respectfully,

Newlin, Knight & Co., 337 Market street; Biddle Hardware Company, 509, 511, and 513 Commerce street, Philadelphia; Edw. K. Tryon, jr., & Co., 10 and 12 North Sixth street; W. H. & G. W. Allan, 113 and 115 Market street; R. W. Truitt & Co., 16 North Fourth street; Smith-Seltzer Hardware Company, 535 Market street, Philadelphia, Pa.; Buehler, Bonbright & Co., 427 Market street, Philadelphia; Lloyd & Supplee Hardware Company, 503 Market and 4 and 6 North Fifth street; Shields & Brother, 119 North Third street; Jas. M. Vance & Co., 211 and 213 Market street.

To the Senate Finance Committee, Washington:

The undersigned, embracing all the wholesale hardware houses of the city of New Orleans, beg leave to present to your honorable body a most solemn protest against so much of what is known as the "Senate tariff bill," now before you for discussion, as increases the duty on cutlery and guns.

No citizens of this great Republic have a greater regard for the welfare of the workman than we. We have in our employ a very large number dependent for their daily subsistence on their labor, and to them and all others similarly situated we would be the last to do or conceive an injury; but the duty on cutlery as given in the pending bill will be of benefit to none. The manufacture of cutlery in this country is insufficient to wholly supply its needs, and therefore the purchase of foreign goods is an absolute necessity.

In the bill the rate of duty on the lower class of goods, that which the workman is compelled to use, is practically prohibitive, and as the value of the articles decrease so does the pro rata of duty largely increase.

With guns, a similar state of affairs exists. The guns manufactured in the United States have nothing to fear from foreign rivals, but certainly if a purchaser should prefer one made elsewhere to one made in this country, the law should not attempt to interfere with his preference.

In other words, we may say that any attempt by duties so large as to practically prevent the importation of certain articles into this country will not benefit the persons employed in the manufacture of them here, but will have the effect of increasing

the price of such articles to the poor consumer. To those people who purchase the finest quality of guns and cutlery the pending bill affords no obstacle, as the duty on these is comparatively so light as to be almost insignificant.

We trust, therefore, that your honorable body may reform the schedule affecting cutlery and guns in such a manner as to prevent the duty being what it now appears to be, not only prohibitive but likewise illogical and inconsistent.

New Orleans, December 26, 1888.

Respectfully submitted.

A. Baldwin & Co., Limited, A. Baldwin, President; Stauffer, Eshleman & Co.; Rice, Born & Co.; Haolloway & Gardes; The H. Haller Mfg Co., H. Haller, Pres.; T. Generelly; The H. & D. Folsom Arms Co., Geo. Folsom, Mgr.; G. Pitard & Bro.

ST. LOUIS, December 10, 1888.

To the Senate Finance Committee, Washington, D. C. :

The undersigned, among whom are probably the largest importers of foreign pocket and table cutlery and foreign breech-loading shot-guns, enter this as their earnest protest against the passage of the Senate tariff bill, by which the increase of the duties of this class of goods is contemplated to an extent that is extreme, that is unreasonably large, that is, in fact, so entirely out of line as to be unworthy of consideration for a moment. This paper represents the signatures of every wholesale dealer in the city of St. Louis, and is their most earnest protest against the passage of the bill. We sincerely trust that you will use your best efforts to defeat the same.

Simmons Hardware Company, per E. C. Simmons, President; Hilger Hardware Company, per E. Hilger, President; A. F. Shapleigh Hardware Company, per A. F. Shapleigh, President; Witte Hardware Company, per Otto H. White, President; E. C. Meacham Arms Company, per E. C. Meacham, President; C. O. B. McClane; Caruth & Byrnes Hardware Company, per Daniel W. Caruth, President.

To the Honorable ———, Washington, D. C.:

The undersigned, importers and traders in pocket and table cutlery and guns, would most respectfully urge upon your honorable board that the proposed tariff bill levies a duty on pocket and table cutlery and guns, so exorbitant that in its effects it will amount to an absolute prohibition on all lower and medium grades, admitting only the higher grades, of which there is but a limited demand, and this exclusively from the wealthy classes only.

The inclosed schedule, showing the actual duty levied by the proposed Senate tariff bill, will clearly show that the duty on pocket cutlery would be advanced from its present duty of 50 per cent. to an average duty of say 125 per cent., and on some grades as high as 330 per cent. The duty on table cutlery will be advanced from 35 per cent. at present, to an average of 75 per cent.; the duty on breech-loading guns, from the present duty of 35 per cent. to an average of 175 per cent.; while the duty on cheap guns would be advanced over and above 300 per cent.

The American manufacturers of pocket cutlery and table cutlery have, under the prevailing tariff, made such great progress that of pocket cutlery but a very limited amount can profitably be imported now; and in table cutlery, the American manufacturers control almost exclusively the entire American market, inasmuch as only the higher grades, such as ivory and pearl handle knives, can be imported under the tariff of 35 per cent.

Of guns, there are comparatively but few manufacturers in this country, and these import the most valuable part of the gun—the barrels—in the rough from abroad. A higher and exorbitant duty will not enable them to produce here the most essential part of the gun—the barrels.

The effect of the tariff, according to the Senate bill, on the items named, is clearly to either to prohibit importation of these goods, of grades used by the great mass of citizens, or, in some cases, to admit them only at an exorbitant cost, while the finer grades, a luxury for the wealthy only, would be admitted as low, and in some cases, at a lower cost than under the present duty.

While we consider the American manufacturer entitled to a fair protection, we deny their claim to an unreasonable or prohibitive tariff; and, in accordance with this sentiment, we must respectfully protest against the passage of the tariff on the items as proposed, and express the honestly-felt opinion that the tariff on these articles, as now levied, does amply protect the interests of the manufacturer.

Very respectfully,

A. A. Bennett; Powell Clement; The Pickering Hardware Company; Bandle Arms Company, per Alex. Bandle; Johnson Brothers; Kruser Bahlmann; B. Kittridge; The Pappenheimer Hardware Company, L. Pappenheimer, President.

The foregoing protests were sent as soon as it was known what the "Senate substitute" proposed to do with guns and cutlery, and after the visit of the delegation from the Wholesale Hardware Association, who left with the Senate committee an analysis of the proposed rates. It seems a revision was made lowering the rates somewhat, but leaving them quite as obnoxious as before, and this revision of rates was not announced until a day or two before the discussion in the Senate took place (January 20, 1889), so that no one outside the committee had any information as to what changes had been made. Senator Platt, of Connecticut, stated on the floor of the Senate chamber during the discussion (Congressional Record, January 20, 1889, page 1022):

"There was great objection made to the duty as proposed originally in the Senate bill. It was made by jobbers; it was made by merchants as well as importers; but I understand that except at the hands of importers there is no serious objection on the part of American merchants and jobbers to the present proposed amendment of the Committee on Finance."

It will be understood that the merchants and jobbers had not been given a chance to know what the amendment was, and it will also be seen that their protests covered the point against any increase of duties on cutlery and guns over the present law. We do not know if it is in contemplation to advance the duties on these goods, but we have thought it desirable to place a few facts before your honorable committee bearing on this matter. If it is contemplated to advance these goods, we shall ask the privilege of a hearing before your honorable committee.

Very respectfully, yours,

A. H. SAXTON,
President Wholesale Hardware Association.

NEW YORK, December 26, 1889.

ANVILS.

STATEMENT OF CLARKE FISHER.

MR. CLARKE FISHER, of Trenton, N. J., manufacturer of anvils, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I appear here to defend an article of manufacture which has never been submitted to Congress during the whole time of Government. It is the first implement known to mankind; it is the anvil. Although it is a very common article, it is very little known how it is manufactured and how the necessity which requires protection originated. First it was composed of a block of wood, which was used to hammer something out on. From that it came to the simple block of iron. Now, to meet the requirements of the age, it should have a hard steel surface, tempered, with as good steel as is required for a razor and as hard as a file. The anvils used in this country have always been made until recent years in Germany and England.

MR. GEAR. Made by Peter Wright?

MR. FISHER. Peter Wright. The anvil it is made by first taking a large lump of iron and forging it under a trip-hammer. Afterward it is taken to the forge, and a piece of fine steel is heated in one forge and this mass of metal is heated in another, and then the two metals are placed together and four strikers work the two together by pounding on it with sledge-hammers. This has to be ground and reheated until hard, and if the job has been a perfect one in this work the steel remains and it is a complete tool. On account of the high cost of labor of this manufacture in our country as compared with England and Germany there has never been any duty sufficient to establish the manufacture here. The duty on anvils, which is a piece of complicated work, has been the same as on nuts and washers, 2½ cents a pound up to 1883. In that year the duty was reduced to 2 cents a pound and the importation increased correspondingly, while these crowbars which are a single piece of iron rolled and hammered, with very little labor, remained at the same duty. \$500,000 worth of crowbars, nuts and washers were imported in 1887 and \$1,500,000 worth of anvils were imported at 2 cents a pound. The only thing to prevent their being imported altogether was one or two small manufacturers. Before these American manufacturers attempted to make them the entire importation was made abroad, and anvils sold at 18 and 20 cents per pound. Now we have reduced the selling price of anvils until the blacksmith gets his anvil at from 9 to 12 cents a pound. In the Senate bill the tariff is left at 2 cents, but directly afterwards you find a provision in which iron and steel combined—which is certainly an anvil—shall receive 23 cents per pound protection. But the anvil, which is that identical thing has only 2 cents protection. This is evidently an inadvertence.

MR. CARLISLE. Anvils are mentioned and they are covered under a specific clause.

MR. FISHER. Precisely. But they are identically the same thing, as the provision which provides that forged iron and steel combined shall receive 23 cents per pound protection.

Mr. BAYNE. The anvil is the highest representative of that class of work.

Mr. FISHER. An anvil comes under the head of "steel and iron forged and tempered" also, like a piece of cutlery. All this work on cutlery is forged on the anvil, and that anvil must be of equal value. Yet it is put down at the same rates as nuts and washers, which are turned out by the thousand tons with little or no manual labor, whereas the anvil is almost all labor.

Mr. GEAR. Do you import the materials to make the steel?

Mr. FISHER. No, sir. We formerly imported the best steel, but we are using now on the smaller and also on the larger sizes American steel. Steel costs 13 cents a pound to put in that anvil. It is a higher grade of steel than that used in cutlery, because, as any gentlemen can see, on account of the excessive striking of the blacksmith on the face of the anvil it must be able to stand that. The blacksmith's size is about 150 pounds, and the steel on that is about that thick [illustrating].

Mr. CARLISLE. About how many pounds of steel will that be?

Mr. FISHER. About 16 or 18 pounds; 10 per cent.

Mr. CARLISLE. Ten per cent. of 150 pounds would be steel?

Mr. FISHER. In the manufacture of these, unless the welding is perfect when the final result of hardening takes place, on account of the difference in expansion between the two metals, unless the temper of it is perfect, this anvil cracks straight through and all your labor is lost, and it becomes scrap-iron.

Mr. BAYNE. What portion of the anvils in this country are imported, and what manufactured here?

Mr. FISHER. About two-thirds of the anvils are imported.

Mr. BAYNE. About one-third of the anvils are made here.

Mr. FISHER. Yes, sir; made here?

Mr. BURNOWS. Do you claim that we import a third and that two-thirds were made here?

Mr. FISHER. No two-thirds were imported and one-third made here.

Mr. BAYNE. What does a good anvil sell for?

Mr. FISHER. The price in England for Peter Wright's anvils is about 6½ cents. But you can buy German anvils for 3 or 4 cents.

Mr. BAYNE. You mean in this country?

Mr. FISHER. In this country an American anvil sells for about 8 cents and the English anvil sells for about 10 or 11 cents.

Mr. BAYNE. We consume many in this country?

Mr. FISHER. Yes, sir.

Mr. BAYNE. How does it happen that you get a smaller price than the English anvils bring?

Mr. FISHER. Because there is an old idea that no anvil is good except an English anvil. The English anvils ring and the American ones do not; and the ringing has been considered a test in buying an anvil.

Mr. BAYNE. From your statement is it necessary to increase the duty?

Mr. FISHER. Yes, sir; because it will enable us to manufacture the same kind of anvil in this country.

Mr. BAYNE. Yours are different from the English?

Mr. FISHER. Yes, sir. We make that request because the labor is so high it requires a vast capital to go into it. But if we knew the duty was to be continued we could get the whole manufacturing done here.

Mr. BAYNE. What duty would you suggest?

Mr. FISHER. If you put anvils among the forgings which pay a duty of 2.3 cents that would be satisfactory. It is identically the same thing and certainly it is consistent to put them among forgings of iron and steel.

Mr. McMILLIN. How much will it enhance the cost to the consumer?

Mr. FISHER. It will reduce it.

Mr. McMILLIN. How do you get at that?

Mr. FISHER. We will make a larger quantity and we will make it cheaper in large quantities than in small.

Mr. McMILLIN. If it reduces the price of the anvil, I do not see how it enables you to manufacture more.

Mr. FISHER. Because we make more of them. We do not expect a great reduction.

Mr. CARLISLE. The difference is the price paid for the steel put in your anvils and what the English manufacturer pays for the steel he uses.

Mr. FISHER. He gets it cheaper over there.

Mr. CARLISLE. Your experience is, then, that the English steel sells cheaper than American steel in England as well as in America?

Mr. FISHER. It sells cheaper over there. If we buy the best English steel we have to pay a little more than for American. We can get that for half a cent a pound less.

Mr. CARLISLE. You are speaking of imported steel; but my question is this: The English manufacturer of anvils gets his steel cheaper in England than you get American steel in America?

Mr. FISHER. I do not know about that. I do not know what they pay; I only know about the labor.

Mr. CARLISLE. But you have bought English steel.

Mr. FISHER. I bought it here, not there.

Mr. CARLISLE. After taking the duty from it would not the price be lower than American steel?

Mr. FISHER. Perhaps a little. I think the duty is only 2 cents.

Mr. CARLISLE. How long have you been in this business?

Mr. FISHER. This business was originally started in 1847—forty years ago.

Mr. CARLISLE. By you?

Mr. FISHER. By my father.

Mr. CARLISLE. But you have been connected with it?

Mr. FISHER. Yes, sir.

Mr. CARLISLE. How many other establishments are there in this country making anvils now as far as you know?

Mr. FISHER. I think there is a small one now in Illinois and there is one somewhere in Connecticut.

Mr. CARLISLE. Making three? What causes the English anvil to ring and the American anvil not to ring?

Mr. FISHER. Because it is made of a very low grade of iron—fibrous iron—and that ringing of the anvil has been the ruling test with the blacksmiths.

Mr. CARLISLE. Does it require any more labor to make an anvil which rings than it requires to make one which does not ring?

Mr. FISHER. No; it is the labor in both cases.

Mr. CARLISLE. There is no greater labor required in one case than in the other?

Mr. FISHER. I think I should say it is a higher grade of labor.

Mr. CARLISLE. Which?

Mr. FISHER. The ringing iron. That is to say, it requires men who have had longer experience—the men who do that work.

Mr. CARLISLE. Would a person acquire that experience in a period from 1847 up to this time?

Mr. FISHER. He would have died before this time.

Mr. CARLISLE. It is a mere matter of experience.

Mr. FISHER. No, sir; it is a matter of wages. We can not get these men, because the men in this country would want such excessive wages that we could not keep in business. This business has come from one generation to the other. A man does the work his father did before him.

Mr. CARLISLE. Do you think you could take a man and teach him to make them?

Mr. FISHER. Yes, sir.

Mr. CARLISLE. How long would it take a man to learn to make them?

Mr. FISHER. I think they serve an apprenticeship of six or seven years.

Mr. GEAR. What is the difference in wages?

Mr. FISHER. In England they get 90 cents to \$1.10; here they want \$2.50 to \$2.75.

Mr. CARLISLE. That same English labor which is requisite to make an anvil which rings gets 90 cents to \$1.10?

Mr. FISHER. And the same men here want \$2.50 to \$3.

Mr. CARLISLE. Suppose you manufactured that kind of an anvil. Do you think you could get some of that skilled labor at the price you pay?

Mr. FISHER. We would try to apply machinery.

Mr. CARLISLE. You do not want the labor, but you want the machinery.

Mr. FISHER. We want to pay the laborer wages to do the same work with the aid of machinery.

Mr. CARLISLE. If you do your work by machinery and they do theirs by hand, can you make a percentage of difference between the cost of the labor in one case and the cost of pure manual labor in the other?

Mr. FISHER. Yes, sir. We hope to do this if we have encouragement to go into this work. Then we will try to supersede, if possible, cheap labor, skilled labor, with the aid of machinery. At present all we ask for is to give us the tariff as it was before the reduction in 1883, or, which is pretty nearly the same thing, to include anvils in that paragraph of forgings of steel and iron combined. If you will do that we will ask nothing better, although it is a low duty. Here is a common nut [exhibiting it] which is nothing but a piece of iron, and on that piece of iron the same duty as on this anvil. The duty has been sufficient to keep them out.

Mr. McMILLIN. It is prohibitory.

Mr. FISHER. Yes, sir; we can make nuts cheaper than they can in Europe.

Mr. CARLISLE. There must be an unjust discrimination between the anvil and the steel of which it is made in the matter of duty.

Mr. FISHER. I think so; and if you make it what we think is just we will be entirely satisfied.

Mr. BAYNE. Do I understand you to say that there is a prohibitory duty on nuts

and that we make them cheaper in the United States than they do in England to-day?

Mr. FISHER. Yes, sir. I bought nuts last year by the car load lots at 2½ cents a pound, and the iron alone was worth 1.9 cent. The same goods in England could not be had for less than 3 cents. Thousands of tons of these nuts are made in this country and none are imported here. You will find in every iron locality manufactories of nuts, spikes, and washers. By looking at the list of importations you will find that the importation of last year is something like a few thousand dollars.

Mr. BURROWS. How many establishments do you say manufacture or have been manufacturing anvils?

Mr. FISHER. There have been about twenty to twenty-five.

Mr. BURROWS. How many are left now?

Mr. FISHER. Probably none except our own. There may be some small ones which make anvils for the miners of Colorado, which are made of poor material.

Mr. BURROWS. How do you account for this falling off?

Mr. FISHER. There is no money in it.

Mr. BURROWS. What do you mean?

Mr. FISHER. I mean to say they can not get a price high enough to pay for the labor expended in making the anvils and for the material.

Mr. BURROWS. What would be the effect of lowering the duty?

Mr. FISHER. That would be to get out of the business.

Mr. BURROWS. Why?

Mr. FISHER. Because we would be losing money, and the price of anvils would go right up. That would bring the price right up again.

Mr. BURROWS. Since you commenced the manufacture in this country the price has gone to the lowest point?

Mr. FISHER. It was 18 to 20 cents, and it has gone down until now the retail price for our anvils is 8 cents and the wholesale about 5½.

Mr. BURROWS. Suppose the duty is increased so that the manufacture of them in this country would be fostered; would it change the price?

Mr. FISHER. It would not change the price; but would simply make a greater market. If anything the price would go down; it would never go up.

Mr. GEAR. That would employ more labor?

Mr. FISHER. Yes, sir; it would, and give them good wages.

Mr. CARLISLE. If other people went into the business here on account of the increased duty why would not the effect of the competition upon you be just the same as the effect of the competition you now have?

Mr. FISHER. Because they are among our own people. It is like any other business here. We have been in the business and understand the making of it, and our experience counts for something.

Mr. CARLISLE. How would this continued competition among your own people prevent its having the same effect as the foreign competition?

Mr. FISHER. I do not know how it is; but it is so. In one respect we have an advantage in our experience over a new business.

Mr. CARLISLE. It might help you individually and the manufacturers of anvils in this country generally—that kind of legislation which benefits you individually to the exclusion of all others.

Mr. FISHER. We do not ask that.

Mr. MCKENNA. The reason is it makes it a more prosperous country and increases the demand for the article.

Mr. FISHER. It is better to have a hundred in the business than one.

Mr. CARLISLE. But people going into the manufacture of anvils do not make more sale for the anvils.

Mr. FISHER. There are a great many anvils required and there are now shipped a low grade of German anvils. It is of more interest to have a good anvil made here than to buy a bad one from abroad.

Mr. McMILLIN. You speak of the diminution of the price of anvils in the experience you have in the business from 18 cents down to 8 or 9. Is it not a fact that by the Bessemer process there has been a cheaper production of steel?

Mr. FISHER. No, sir. We have to use the very best of steel.

Mr. McMILLIN. But the cost of making steel and iron has vastly diminished from what it was at the time you speak of?

Mr. FISHER. No, sir; the cost of crucible steel, which we use now, has not varied over 2 or 3 cents a pound in twenty-five years.

Mr. McMILLIN. But there has been a reduction?

Mr. FISHER. The reduction has been very slight, but still it is one.

Mr. McMILLIN. Then you say you have introduced machinery into the anvil manufacture instead of making them by hand?

Mr. FISHER. No, sir; we make them all by hand. I said that in case we had sufficient business to go into the manufacture by machinery we would do so.

Mr. GEAR. The reduction in the price of steel is between 2 and 3 cents a pound.

Mr. FISHER. I do not think it is over 2 cents.

Mr. GEAR. That will be 30 cents on an anvil.

Mr. FISHER. But our reduction on anvils has been nearly 150 per cent.

Mr. McMILLIN. I embrace in my inquiry both iron and steel, and you say there has been no great reduction in the cost of iron.

Mr. FISHER. No, sir; I said in steel.

Mr. McMILLIN. Your anvil is made in a large degree of iron—nine-tenths of it. Has there not been a reduction of more than one-half in the cost of iron in the forge?

Mr. FISHER. No, sir; iron sells for about \$21 a ton.

Mr. McMILLIN. But you know there has been a reduction in iron in the last few years.

Mr. FISHER. Yes, sir; but the iron we use is an extra quality. It is not the common iron. The iron fluctuations have not been so great in our business. That is not all. The iron part is only a portion of the cost of the anvil. The great cost is for labor.

Mr. McMILLIN. I was asking mainly about the material. You sell it by the pound and I was proposing to show that there was a reduction in the cost of material of which you make it.

Mr. FISHER. The reduction in the cost of an anvil would be very slight.

Mr. GEAR. How much reduction in the price of refined iron has there been in the last twenty-five years—about how much?

Mr. FISHER. I suppose it is 30 per cent. cheaper than then. *

Mr. CARLISLE. Then you think the imposition of duty upon iron has not increased the price?

Mr. FISHER. We do not object to a duty on iron. I think without the duty you would not have any iron produced, because people would not embark in this iron business. I know I would not put in a blast-furnace.

Mr. McMILLIN. Have you any money in a blast-furnace?

Mr. FISHER. I have no interest.

The CHAIRMAN. You think if we were dependent upon foreign iron we would pay higher prices than now?

Mr. FISHER. I know I bought Scotch iron a good deal higher, and now American iron has come in and reduced the price to a great extent.

Mr. McMILLIN. I thought you said there was very little reduction?

Mr. FISHER. I said foreign iron. I said it was Scotch iron, and by the American manufacture of iron this Scotch iron is much lower.

Mr. BURROWS. You are inclined to think that if you increase the supply of any article, the demand being the same it reduces the price?

Mr. FISHER. Always.

Mr. GEAR. Do these foreign people counterfeit your anvils?

Mr. FISHER. The Germans send over the anvils marked "Trenton, New Jersey," and we frequently get complaints from our customers about the goods. They do not put our name on them, but they put "Trenton" on them, which is about the same thing because we are the only manufacturers. If we get the duty we ask we will want nothing more from you gentlemen.

Substitute for paragraph 429 in Senate bill the following—"Anvils or parts thereof, of iron or steel, or of iron and steel combined, by whatever process made, or in whatever stage of manufacture, 2.3 cents per pound.

TIN-PLATES.

STATEMENT OF WILLIAM C. CRONMEYER.

Mr. WILLIAM K. CRONMEYER, of Pittsburgh, Pa., next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee: I come here to represent the American Tin-Plate Association, the object of which is to try and foster the tin-plate industry, a thing which does not exist at the present time. The industry was killed right from its start by a decision made by Secretary Featherstone in 1864. At that time the laws imposed upon tin, or iron coated with tin, a duty of $2\frac{1}{4}$ cents a pound. It was decided by Secretary Featherstone that that did not mean iron plates coated with tin, but that tin-plates should be classified with tin in sheets and pay an ad valorem duty at that time of 15 per cent. An attempt was made several times to manufacture tin-plates but very unsuccessfully. The manufacturers who went into the business at that time were very much misled by the high prices we had to pay out for the English tin-plates, and they could figure it out at a very good profit at these

prices. Now, the firm with which I am connected is the United States Tin-Plate Company in Pittsburgh. There were two corporations there that went into the business of manufacturing tin-plates and were very successful for a year or two.

The CHAIRMAN. What year was this?

Mr. CRONEMEYER. 1873, 1874, and 1875. We were making a good profit.

Mr. GEAR. There was a premium on gold then?

Mr. CRONEMEYER. Yes sir. There was some premium on gold. At that time we were making some money out of the business, and when we had hardly got started the price came down till the price got to \$4.50 for some classes of goods, and that of course knocked us out of the market altogether and we had to give up.

Mr. BAYNE. Will you state what the tin-plates sold for?

Mr. CRONEMEYER. They sold for \$12 and they came down to \$4.50; besides our mill there were two other mills started simultaneously.

Mr. McMILLIN. In what year was this selling for \$12.

Mr. CRONEMEYER. In 1873. We gave up the business in 1876. We were forced out of it; and we then engaged in the manufacture of sheet-iron of various kinds. In 1879, when we were supposed to be entirely out, the price of tin went up to \$9 or \$10. We immediately started again, and we had only scarcely started in than the price went right down. Of course we investigated how that was shortly after we had started, and we found out the importers when they learned we were making tin-plates would put down their prices so as to kill us off; when they thought they had us dead they would put all the prices up again. It was always just this way.

Mr. BAYNE. Have the producers in England an association?

Mr. CRONEMEYER. A tin-plate association? I think they have. Yes, sir; I am sure they have.

Mr. BAYNE. They authorized that scale of prices?

Mr. CRONEMEYER. Yes, sir.

Mr. BURROWS. Have you been in the manufacture of this article since 1879?

Mr. CRONEMEYER. We have in a small way. This is what I came here to say: An argument has been made that we can not manufacture tin-plates—

The CHAIRMAN. Tell the committee what a tin-plate is.

Mr. CRONEMEYER. Yes, sir. I have samples here; and I would like to demonstrate just what a tin-plate is, and how it is made.

Mr. BURROWS. Are we manufacturing any in this country now?

Mr. CRONEMEYER. No, sir. There are no tin-plates manufactured in this country at present.

Mr. GEAR. How much did we use?

Mr. CRONEMEYER. The consumption during the last fiscal year ending June 30, 1889, was 360,000 net tons.

Mr. GEAR. Including terne-plates?

Mr. CRONEMEYER. And terne-plates. That is, we are consuming that amount of sheet-iron. We think this industry in this country is hampered and interfered with by this tin-plate tariff, so that sheet-iron manufacturers are really always in a quandary as to how to meet the competition on tin-plates.

Mr. CARLISLE. Please state the difference between a terne-plate and a tin plate.

Mr. BAYNE. I think it would be a good idea for you to begin at the lowest grade.

Mr. CRONEMEYER. Here, then, is a piece of common sheet-iron. Sheet-iron like this has a duty of 1.2 cents on the pound. This is wire gauge No. 26.

Mr. FLOWER. And the tin on it?

Mr. CRONEMEYER. It has not been prepared with tin. It is the common or black iron. Now, here is a piece of charcoal iron that is pickled. This is a better grade of iron. It is grade No. 23, pickled charcoal iron.

Mr. FLOWER. What is the duty on that?

Mr. CRONEMEYER. It is the same as the other.

Mr. CARLISLE. It is subject to the same duty when pickled.

Mr. CRONEMEYER. No, sir. That was the intention, as I understood, in the last bill. I must correct myself there. This is No. 26, and pays a duty of 1.2 cents instead of 1.1 cents. This is a piece of soft steel, cold-rolled, No. 25 gauge. This is iron that would come in at 45 per cent. ad valorem. It is identically the same article as this [illustrating] but it comes in under a different class simply because it is given another name.

Mr. McKENNA. Same as what?

Mr. CRONEMEYER. About the same as the charcoal iron. It looks the same and works the same, and it is the same.

Mr. CARLISLE. There is a difference between the duties all the way through between charcoal iron and other iron?

Mr. CRONEMEYER. I believe there may be some classed with heavy plates, but not on sheet-iron.

Mr. McMILLIN. There is a difference between steel and iron all the way through.

Mr. CRONEMEYER. Yes, sir. There is a difference there simply because sheet steel

has come into the market lately, and was not provided for especially under the last tariff act. Thirty-five per cent. ad valorem is the duty. Here is some iron made at our works. It is No. 34 cold-rolled tagger, seven one-thousandths of one inch thick. That is something that requires the most skilled labor to make. That piece there pays $1\frac{1}{2}$ cents. This is iron ore for which on the other side they probably pay 3 cents a pound, 30 per cent. ad valorem. That would be near nine-tenths of a cent.

Mr. McMILLIN. Is this iron or steel?

Mr. CRONEMEYER. This is a piece of steel.

Mr. FLOWER. How many do they require to the inch?

Mr. CRONEMEYER. Seven one-thousandths to each inch, that would be about 126 layers to 1 inch; 34-wire gauge, that is. Now, there is another anomaly there. When this comes in it is made out of steel that only pays 30 per cent. ad valorem. When this sheet-iron is made out of steel, as sheet-iron it would have the higher duty and it is brought in for 45 per cent. So while the duty is 45 per cent. on iron it is only 30 per cent. on steel. That is a thing that certainly should be changed.

Mr. CARLISLE. What kind of iron is this?

Mr. CRONEMEYER. This is an iron we can not get in the regular run of this business. There are several ingredients in this iron which fit it for this business.

The CHAIRMAN. Does the steel pay less duty than iron?

Mr. CRONEMEYER. It pays the higher duty simply because it was so decided. It is commercially known as tagger's iron, and it pays when made out of steel 30 per cent. There is a very large amount of this iron used in this country, and nearly all of it is imported from abroad.

The CHAIRMAN. What are they for?

Mr. CRONEMEYER. For photograph plates, signs, show plates, etc. These ordinary grades we can not make. If the tariff was properly adjusted it would come on the sheet-iron list at $1\frac{1}{2}$ cents, and if we could get $1\frac{1}{2}$ on these light sheets we could make the whole class and all this tagger's light iron.

Mr. McMILLIN. You are protected by a patent on this particular grade?

Mr. CRONEMEYER. It is not a patent. It is simply a secret we have got, which, of course, we will have to keep to ourselves.

Mr. McMILLIN. That is right.

Mr. McKENNA. Why do you call that tagger's iron?

Mr. CRONEMEYER. I really can not say. We have a supposition that the reason is because the word meaning to make tagger's is the German word which means beaten plate. So I suppose that has some relation to it, because it is used as a tag for certain things. After that iron has gone through these different processes it is pickled and cold rolled 32-gauge. Still that is classed as tagger's iron. It is sheet-iron in a finer form. This kind is put in at 30 per cent. ad valorem. This is iron as it is in condition for tin-plate. That iron has been first rolled in the common ordinary way. Then it is pickled with acid so as to take away all the iron oxide and to clean it.

Mr. McKENNA. This pays one-fourth of a cent more duty than common tagger's iron according to the law.

Mr. CRONEMEYER. Now, gentlemen, I believe that is the law, but I have not heard anything of the duty being imposed. It always comes as commercial black tagger's and pays 30 per cent. ad valorem. It is boxed up in boxes. This is the way it is boxed [illustrating]. It is then ready for dipping. After we clean it by acid we anneal it.

Mr. BAYNE. What do you mean by annealing?

Mr. CRONEMEYER. We put them in cast-iron boxes, air-tight boxes mostly, but we use wrought-iron boxes for it now. We leave it sitting in a glowing hot fire for about twenty-four hours, which makes it soft and pliable. When we get through with that process it is cold rolled. After that process we have to anneal it again a second time. That annealing generally forms a very slight coating on this iron, and this is taken off by dipping it in a bath of sulphuric acid. After it comes out of the bath it is then rubbed off with palm oil and tallow, so that any acid that may be upon it is taken off. Then it is dipped in a bath of molten tin and it gets covered with tin. We then go further with it and dip it in another bath of tin, which is called in the language of the workmen "second bath." This is best refined tin. It is dipped in that and brushed off with the end of a brush uniformly all over, and after that brushing it is again dipped in a bath of molten palm oil and it is there rolled. It is rolled on horizontal rolls which take the sheet down one way and up the other by the use of machinery. Two rolls take the sheet down and two bring it up. Then it is called finished tin-plate.

Mr. CARLISLE. Which of those processes do you call pickling?

Mr. CRONEMEYER. The cleaning of the plate by the use of acid.

Mr. BAYNE. They go through that process and the plate which you hold in your hand comes out?

Mr. CRONEMEYER. This is the plate produced. [See plate marked A. P.] This is IX tin. I believe I was asked if we have made any plates since that time I speak of.

We have made some little plates just for demonstrating and showing it could be made in this country, and because it has been said we could not make the iron, which certainly was not true.

Mr. FLOWER. What is the price of tin-plate? You say it sold for \$12; what is it to-day?

Mr. CRONEMEYER. That same plate would bring about \$7. It has gone up since from \$4.50 to \$7.

Mr. FLOWER. Do you mean \$7 in the foreign market?

Mr. CRONEMEYER. No; in New York, duty added.

Mr. GEAR. Is that IX?

Mr. CRONEMEYER. I am speaking of IC. This is only from \$5.40 to \$7.

Mr. GEAR. What is IX?

Mr. CRONEMEYER. One dollar to \$1.50 higher, according to the market.

Mr. GEAR. Where is this mill located?

Mr. CRONEMEYER. It is located in Allegheny County, in McKeesport. This mill we have has a capacity of 6,000 tons of iron per annum.

Mr. FLOWER. You said there were two others between 1873 and 1876?

Mr. CRONEMEYER. Since that time there have been established mills for the manufacture of various kinds of iron, and we have about twelve mills fit to manufacture iron for tin plates.

Mr. BAYNE. Where was the tin made which you hold in your hand?

Mr. CRONEMEYER. This was made in England. [See plate marked E.] This [illustrating] was made in Pittsburgh, in a little plant, just to demonstrate that we could make tin plates.

Mr. BAYNE. When was that made?

Mr. CRONEMEYER. In October of this year. If you gentlemen care to go to the trouble to examine this English plate you will see it is the best grade.

Mr. BAYNE. You are an expert in the business?

Mr. CRONEMEYER. I have had fifteen years' experience in the business.

Mr. BAYNE. Which is the better plate?

Mr. CRONEMEYER. I do not want to say, sir, as I am making the plate; but I will let any gentleman who understands tin plates give an estimate.

Mr. FLOWER. Why are the English plates of a lighter color than those you make?

Mr. CRONEMEYER. It is not a much lighter color.

Mr. FLOWER. It looks so from here.

Mr. CRONEMEYER. The difference in color is only the kind of grease we use.

Mr. BURROWS. Have you completed your description of the method of manufacture?

Mr. CRONEMEYER. I gave the last operation through which we put it, the rolling process, the polishing rolls. They are simply rolls 6 inches in diameter, three rolls on the top and three on the bottom. Three are horizontal above and three beneath. They are driven with gear, and they all run at the same speed.

Mr. BURROWS. This is after the tinning?

Mr. CRONEMEYER. Yes, sir; after the tinning. They are turned through palm-oil, and thus the tin gets the gloss. They would not be so glossy if they were not dipped in palm-oil. They would have a dull color if they were not covered with the palm-oil, which produces a gloss.

Mr. FLOWER. Would there be a profit in the business at \$7.50 in this country?

Mr. CRONEMEYER. Yes, sir; if we have a guarantee that the price would not go below \$6.50 we would manufacture it.

Mr. FLOWER. Where did you get your tin from?

Mr. CRONEMEYER. Block-tin?

Mr. FLOWER. Did you get it in this country?

Mr. CRONEMEYER. We import the tin for the present.

The CHAIRMAN. It is free of duty now?

Mr. CRONEMEYER. Yes, sir; and the price in New York for tin is always lower than at Liverpool.

Mr. FLOWER. Is there any kind of tin obtained in this country?

Mr. CRONEMEYER. Mines are now being developed which promise good results.

Mr. FLOWER. Why do you not buy it here?

Mr. CRONEMEYER. As soon as these mines are developed we will. As soon as you give us a tariff on tin-plates, and enable us to manufacture tin-plates, we will certainly be developing tin mines here.

Mr. FLOWER. You just said you had profit enough to make a profit on present prices.

Mr. CRONEMEYER. We could if you would guaranty the price. Since we have started in the business we are sure that just as soon as we do start the price will go down. They will put the price down a certain amount and throw on the market a lot of their tin. I will tell you how they did: When we attempted this business here before some importing houses sent their agents on the track of our agents. When our

agents went to a house to try and sell a lot of tin-plates, they would send their agent and make the price 25 cents less. In fact, they made the assertion that they would sell tin-plates for 25 cents less than ours, no matter what the price was. Gentlemen, this is the competition that this monopoly brought against us, and the competition we have to contend against is one of the greatest monopolies that ever existed.

Mr. FLOWER. Are you familiar with the tin mines in the Black Hills?

Mr. CRONEMEYER. Not very. But we have a little investigation going in regard to it.

Mr. FLOWER. Being such old mines can they mine tin cheaper in the Cornwall mines than in this country?

Mr. CRONEMEYER. I am sure tin in the Black Hills is much cheaper than in the Cornwall mines, and it is nearer to the surface. They do not have to go down so far to get the tin in the Black Hills.

Mr. BAYNE. The proportion of tin on that sheet is comparatively small.

Mr. CRONEMEYER. Yes, sir. On these sheets we put 6 pounds to the foot.

Mr. BAYNE. How will the relative value of the tin-plate compare with the price of the sheet before the tin is put on?

Mr. CRONEMEYER. We put on 6 pounds, 20 cents; and put 120 to the box. Then we put on, in addition to the amount of tin, about one dollar's worth of labor to bring that from the common sheet into a finished tin-plate.

Mr. BAYNE. Can we make as good sheet iron as England?

Mr. CRONEMEYER. Yes, sir.

Mr. BAYNE. We can do it as well as they can?

Mr. CRONEMEYER. Yes, sir.

Mr. BAYNE. And we can cold roll it and anneal it as well as they can?

Mr. CRONEMEYER. We have all the facilities.

Mr. BAYNE. We can import as good tin and make as good a product?

Mr. CRONEMEYER. Yes, sir.

Mr. GEAR. Can you make it as cheaply after you have fairly started?

Mr. CRONEMEYER. If we had the works running now we could.

Mr. FLOWER. Why don't you do it?

Mr. CRONEMEYER. We have done it twice, Mr. Flower, and we have twice lost our whole investments on it.

Mr. CARLISLE. Did not the price go down abroad when it went down here?

Mr. CRONEMEYER. To some extent; yes, sir. But the rule has been here that the price of tin-plates has been a quarter of a dollar below the price we could make them for.

Mr. CARLISLE. Now you say it is worth about \$7.50 per box, this certain quality, this is the best quality, and the other is worth about \$5.50?

Mr. CRONEMEYER. This is a special grade here, and the other has hardly any tin. It is made of a common material, of iron, and made in a very slipshod way.

Mr. CARLISLE. The best sells in the market, duty paid, at \$7.50 for one grade and \$5.50 for the other. Is not the present price higher than last year?

Mr. CRONEMEYER. Yes, sir.

Mr. CARLISLE. And for several years heretofore?

Mr. CRONEMEYER. Yes, sir; about 33 to 40 per cent.

Mr. CARLISLE. There is what is called a boom abroad in iron and ore, to a certain extent?

Mr. CRONEMEYER. Not so much here. We have to suffer on account of that boom.

Mr. CARLISLE. Therefore, when the price went down here and you went out of business the price did not rise immediately, did it?

Mr. CRONEMEYER. But very soon after it did go up.

Mr. CARLISLE. But it didn't go up until all the other prices were higher and its productions went up?

Mr. CRONEMEYER. To some extent.

Mr. CARLISLE. It just kept along with other things?

Mr. CRONEMEYER. It is more perceptible in tin-plates than in other commodities.

Mr. GEAR. How soon after you went out of the business did they put the prices up?

Mr. CRONEMEYER. About six months, I think.

Mr. CARLISLE. I presume you know the prices, as you are interested in this thing. I presume you have kept yourself acquainted somewhat with the run of prices. Can you get the prices from 1873 until the present time for tin-plates and furnish them to the committee?

Mr. CRONEMEYER. I have not got them in my pocket, but they can be produced here.

Mr. CARLISLE. The prices abroad and the prices here, duty paid?

Mr. CRONEMEYER. Yes, sir.

Mr. CARLISLE. I will be glad if you will do so; and also state the times when you went out of business—each time you commenced and each time you went out.

Mr. GEAR. Are not these tin-plates sold by agents in New York?

Mr. CRONEMEYER. Yes, sir.

Mr. BURROWS. I understood you to say the foreign producers, through their agents, followed your agents up and offered these tin-plates at 25 cents cheaper.

Mr. CRONEMEYER. Yes, sir.

Mr. BURROWS. And in that way closed your industry up?

Mr. CRONEMEYER. Yes, sir; it would not be a general decline, but they would manipulate against us in that way.

Mr. McKENNA. The price of tin-plates before the recent rise in prices was such that you could not manufacture and sell them and make a profit?

Mr. CRONEMEYER. We could make a small profit.

Mr. McKENNA. Such a profit as would justify you in engaging in the business?

Mr. CRONEMEYER. Yes; but not on the prices before they rose. I mean at the present state of the market. The market to-day is 33 per cent. higher than six or eight months ago.

Mr. McKENNA. In answer to Mr. Carlisle you said that the present prices are boom prices. If they should decline to what they were before, could you engage in the business and make a profit?

Mr. CRONEMEYER. No, we could not. It has always sold at about a quarter of a dollar below its cost to us.

Mr. McKENNA. Since when did you go out of this manufacture?

Mr. CRONEMEYER. Since 1879.

Mr. McKENNA. Then at the prices from 1879 up to the recent rise you could not make tin-plate at a profit?

Mr. CRONEMEYER. No, sir.

Mr. LA FOLLETTE. What was the price before this recent rise?

Mr. CRONEMEYER. It ran from \$12 to \$4.50, and then it fluctuated between \$4 and \$6 and \$7.50, and as high as \$9 in 1879.

Mr. GEAR. Could you make that I C tin at \$4.50?

Mr. CRONEMEYER. No, sir. The cost of making that tin-plate is about \$5.50, and that same tin they can make there for about \$2.25 less; in other words, the difference in labor they pay for the same work is \$2.25 to \$2.50 in the different districts.

Mr. CARLISLE. Will you state some uses to which tin-plate is applied?

Mr. CRONEMEYER. The uses are so varied and enormous that it would be difficult to state what all its purposes are. But it is used for kitchen purposes, dairy purposes, canning meats, etc. There is a portion of the plate which is roofing-tin and used for roofing houses.

The CHAIRMAN. What is the duty on the sheets which you use in making tin-plates? What is the present rate of duty?

Mr. CRONEMEYER. On common I C tin the duty is 30 per cent.

The CHAIRMAN. I mean the sheet out of which you make tin.

Mr. CRONEMEYER. Thirty per cent. ad valorem. And if they get heavier than 29 gauge, it is 1½ cents per pound.

The CHAIRMAN. What gauge do you use generally?

Mr. CRONEMEYER. Mostly 30 gauge.

The CHAIRMAN. That would be 30 per cent.?

Mr. CRONEMEYER. Yes, sir.

The CHAIRMAN. What is the duty on the tin-plate itself?

Mr. CRONEMEYER. It is 1 cent a pound, but if we take 28 gauge it is 1½ cents per pound; that is, on 28 gauge, the corresponding gauge of I X.

The CHAIRMAN. What would be the ad valorem equivalent on that tin.

Mr. CRONEMEYER. Twenty-five per cent.

The CHAIRMAN. Then the duty on the plate out of which the tin is made is higher than the duty on the tin-plate itself?

Mr. CRONEMEYER. Certainly.

The CHAIRMAN. There is no additional duty given for the additional labor in making it into the tin-plate?

Mr. CRONEMEYER. No, sir. When you go back to the raw material you will find it higher in comparison than the finished article.

Mr. CARLISLE. You made this one plate here?

Mr. CRONEMEYER. Yes, sir.

Mr. CARLISLE. You would not make any of these (referring to inferior plate)?

Mr. CRONEMEYER. No, sir.

Mr. BAYNE. How does the Senate bill suit you in regard to that industry?

Mr. CRONEMEYER. I think in the main it suits very nicely. I think those gentlemen there have investigated the thing very thoroughly.

Mr. BAYNE. What would be the average ad valorem of the Senate bill?

Mr. CRONEMEYER. It would be about 50 per cent. There are different thicknesses, from \$1.85 to \$2.15.

Mr. BAYNE. The bulk of the tin made is of what gauge?

Mr. CRONEMEYER. 28 or 30.

Mr. BAYNE. What would the duty be on these two according to the Senate bill?

Mr. CRONEMEYER. It would be \$2.15 on the 28 gauge and on the 30 gauge also.

Mr. BAYNE. So that the bulk of the tin would be \$2.15?

Mr. CRONEMEYER. The Senate bill includes the 30 gauge with the 28 gauge. All below 25 is 1.4 cents per pound.

Mr. McMILLAN. What do you say the duty is by the Senate bill as proposed?

Mr. CRONEMEYER. From \$1.85 to \$2.15.

Mr. McMILLAN. What would that be ad valorem?

Mr. CRONEMEYER. I can average that only about 50 per cent.

Mr. McMILLAN. It would be doubling the present duty?

Mr. CRONEMEYER. Yes, sir.

Mr. McMILLAN. And on the other grades it would be more than double?

Mr. CRONEMEYER. A little more than double. It would be an equitable duty so as to protect it as well as the crude material out of which the tin-plate is constructed.

Mr. BAYNE. Have you a statement of the comparative cost of a box of English plate as compared with a box of American plate?

Mr. CRONEMEYER. Yes.

Mr. BAYNE. Will you hand that to the stenographer so that he can have it printed with your notes?

Mr. CRONEMEYER. I have that, Colonel Bayne.

Mr. BAYNE. Will you furnish that to the stenographer if you can?

Mr. CRONEMEYER. Yes, sir. Will you allow me to state what an enormous industry this tin-plate would be if we ever have it at home? I think I have mentioned that there was during the last fiscal year some 360,000 tons of tin-plate manufactured. This means about 500,000 tons of pig metal, about 500,000 tons of limestone, about 1,000,000 tons of coke, about 36,000,000 pounds of lead, and perhaps 1,000,000 pounds of tin. So if this mine in Dakota or some other mine is developed we find the home material right here.

Mr. GEAR. How many men does it take to make this plate?

Mr. CRONEMEYER. I can describe it in this way: In a mill like ours—we have only working four mills, in which we can produce about 4,000 tons in a year of these light plates; with 360,000 tons consumed it would take ninety mills. In our mill we employ about 225 men, which would show that it would take only in the tin-mills about 23,000 people. Again we come to the extra labor required in manufacturing pig metal, getting the coal, getting the lead, tin, and lumber for boxing and the sulphuric acid, and the amount of capital involved would be about \$30,000,000. Of all these men about 50,000 will support families—say 200,000 people—and 200,000 people will supply money to other trades—the tailor, the shoe-maker, the butcher, and so on; and if all these people were together you would have a city nearly as big as New York City.

Mr. CARLISLE. Are the men employed in the mill now engaged in the finishing and manufacture of sheet-iron?

Mr. CRONEMEYER. Yes, sir; we are making sheet-iron.

Mr. CARLISLE. The labor in the manufacture of tin-plates is quite a disagreeable one on account of chemicals, I believe?

Mr. CRONEMEYER. No, sir; that is one of the things people are greatly mistaken about. It is the nicest kind of labor. You can go in any iron works and you will find disagreeable elements attached. I would not be ashamed to have a lady go into our tin works, and ladies would not be afraid to do some of the work assigned to the women in our works, which is in the finishing department. They rub these sheets off when they come from the bath, and they polish them with sheep-skins.

Mr. CARLISLE. But there are some parts of the work which are disagreeable to the laborer employed, on account of the various chemicals and acids?

Mr. CRONEMEYER. Not much so.

Mr. CARLISLE. Is it a healthy occupation?

Mr. CRONEMEYER. Just as much so and more so than a great many other industries. It is a great deal more so than making white lead and some other chemicals.

Mr. CARLISLE. That is not my question. Is it a healthy occupation?

Mr. CRONEMEYER. It is not injurious to them. They have to inhale a little sulphuric-acid fumes and the fumes of some palm-oil. They get used in a short time to the smell of the palm-oil.

Mr. BAYNE. You say you made a little tin-plate lately at the exposition at Pittsburgh?

Mr. CRONEMEYER. Yes, sir.

Mr. BAYNE. You had employed a number of skilled workmen and workwomen?

Mr. CRONEMEYER. Yes, sir.

Mr. BAYNE. Did ladies and others visit that establishment?

Mr. CRONEMEYER. Yes, sir.

Mr. BAYNE. Have they ever complained about the offensiveness or anything there?

Mr. CRONEMEYER. Some of them of course felt a little smoke in their throats, but the ladies were there for hours, because the process was so interesting.

Mr. BAYNE. If this industry were established in this country it would give employment to a great many men and women?

Mr. CRONEMEYER. Yes, sir. In England they have women to pickle the boxes. They get wet feet and their dresses get wet, and we never employ women except in the finishing process.

Mr. GEAR. How much would the increased duty affect the prices of the common household utensils?

Mr. CRONEMEYER. I cannot say how much.

Mr. GEAR. Take a dozen pint-cups. That is a more familiar illustration.

Mr. CRONEMEYER. I do not know about a pint-cup. These arguments have been made against us in former years by the canners. To-day the canners are on our side, because they realize that when we can employ 500,000 people among the iron works of Illinois, Pennsylvania, and in other States, the canners would have much better trade from 500,000 people in this country than they would get from 75,000,000 people in foreign countries, and that is the reason we are all on one side.

Mr. BRECKINRIDGE. What kind of ore do you use to make plates?

Mr. CRONEMEYER. We do not manipulate our own ores, and we use mostly Bessemer steel billets and charcoal iron. We can use very nicely a phosphorous ore. I might say right there the nicest tin-plates I have seen made yet were made in Germany from Bessemer steel.

Mr. BRECKINRIDGE. So far, what kind of pig have you used? Bessemer pig?

Mr. CRONEMEYER. We use regular forged iron—iron found right in the hills of Pennsylvania. It is not a specially selected iron. It is a hematite iron that is found in the Pennsylvania mountains, with a little Lake Superior ore, not necessarily Bessemer.

Mr. BRECKINRIDGE. You say it is a composite iron?

Mr. CRONEMEYER. Yes sir. We use iron of ordinary quality, and of course it is refined in a charcoal fire. It is reduced into a wrought-iron and run through a charcoal fire. Of course the process is rather expensive, and the steel-plate has taken the place of the charcoal-plate.

Mr. BRECKINRIDGE. In what form do you buy your iron?

Mr. CRONEMEYER. In the form of pig metal and steel billets.

Mr. BRECKINRIDGE. That is the basis of your industry.

Mr. CRONEMEYER. Yes, sir. This is the basis on which we started. There are some other manufacturers of sheet-iron who can manufacture tin-plates and probably the iron to make the billets themselves. They have the hearth furnaces to make the plates. In regard to your question about cans: One pound of tin-plate will make three ordinary one-quart fruit cans, and if this additional duty asked for was put on, it would not equal more than a third or half a cent a can on a fruit can or can of vegetables. On a dozen fruit cans of tomatoes, which sell on the market for probably \$1.25 a dozen, the difference would be only about 3 cents more, which would be about \$1.28 a dozen, and the consumer will never feel these three cents. We do not propose to add the duty if we can get a little more and get a guaranty.

Mr. BURROWS. You would expect the rate would be cheaper than now?

Mr. CRONEMEYER. I believe so.

Mr. McMILLIN. It would be held there for years?

Mr. CRONEMEYER. I do not know. It would be more than two years. After we get fifty mills in this country and exchange our ideas we can reduce the price by the use of improved machinery and methods which they never thought of in the other countries. You would be surprised to see some of the tin-workers who come over here. They know their business, but when you ask them why they do a thing in a certain way they say, "Because my father did it, and my grandfather before him," and therefore they think they have to do it the same way. I will offer here a piece which I clipped from the Ironmonger of August 10, to show you how they regard it over there.

Mr. CARLISLE. Where is that published?

Mr. CRONEMEYER. In London.

[From the London Ironmonger, August 10.]

"The efforts which are being made in the United States to familiarize the people of that country with the idea that tin-plates can and should be manufactured there are well worthy of the sustained attention of the manufacturers of South Wales and England. The promoters of the home-made plan are exceedingly pertinacious, and are leaving no effort untried in order to achieve success. At an exhibition to be held at Pittsburgh this autumn the process of manufacture is to be carried on in a practical manner, a sum of nearly £1,000 being expected to be laid out on the plant for the purpose. It is anticipated that by thus interesting the American public, and show-

ing "how simple the business is," the way will be made easier for pushing a bill through Congress next session, having for its object the imposition of much heavier duties upon imported tin-plates. Should this scheme succeed then there is no doubt that a great deal of American capital will be promptly embarked in the business, and, sooner or later, the tin-plate trade will cease to be a monopoly of South Wales and Monmouthshire. Nevertheless, we see no reason why the manufacturers of tin-plates in this country need grow disheartened or despondent. They have the advantages of possessions, position for shipment, trained labor, and all materials on the spot. These are very important points; but, in addition, the Welsh makers have strong allies in the United States, and, if the alliance is made the most of, we should have very considerable doubts of the success of any application to Congress to increase the present duties. But to insure that result the Welsh makers and their business connections must not only watch but work, and work hard, to checkmate the advances of the American ultra-protectionists."

The CHAIRMAN. Is there anything further?

Mr. CRONEMEYER. I believe I am about through, for my part.

Mr. CARLISLE. Does this manufacture of tin-plates require a high degree of skilled labor, or which any person of ordinary intelligence can perform?

Mr. CRONEMEYER. Any person of ordinary intelligence could be trained in that business in six months.

Mr. CARLISLE. In regard to dipping; do you use women and girls for that?

Mr. CRONEMEYER. No; I would not like to see them doing that.

Mr. CARLISLE. I am not speaking of proposing to see them do that. I am simply trying to ascertain the grade and skill requisite for the conduct of such a business.

Mr. CRONEMEYER. It requires for each tin stack, each tin hearth, several skilled men, and they must be very skilled men, and there is some kind of ordinary skilled labor which will be paid from about \$2.50 to \$5 a day.

Mr. CARLISLE. Is none of it less than \$2.50?

Mr. CRONEMEYER. There are some that get \$1.75. These are the men that keep the fires under the pits going and then watch it during the night. Of course they will be a little less.

TIN ORE IN DAKOTA.

WASHINGTON, D. C., *January 8, 1890.*

MY DEAR SIR: As your committee has under consideration the question of the tariff upon tin plates, one of the facts for consideration is as to whether or not this country is capable, in any considerable degree, of producing its own tin.

During the past summer I spent a short time in the tin regions of the Black Hills of South Dakota, visiting over a hundred mines and well developed prospects in the Harney Peak, or South Hills region, and in the "Nigger Hill," or North Hills region. My purpose was to satisfy myself as to whether or not there was a supply of any great quantity of tin in that country.

The geology of this region is peculiar, and the whole question of the quantity of ore and the cost of mining is an interesting one.

The fact that the tin deposits had been well known for several years and yet no tin had been produced for commercial use, except in small quantities, led me to incline to the opinion that the ore did not exist in paying quantities. I will not go into details, unless you should so request, but as the result of my personal examination of a large number of mines and prospect shafts I became fully convinced that tin exists in very great abundance in both regions of the Black Hills.

Stream tin abounds in the creeks and the ore deposits are plainly exposed and traceable upon the surface.

A want of adequate capital and lack of knowledge of the best methods of extracting the ore have prevented the successful operation of the mines heretofore, but money is now being freely invested in the Harney Peak region and an extensive output of cassiterite may soon be expected.

In considering the tin question, in my judgment, the committee will be safe in doing so upon the theory that the mines of South Dakota will be able to supply our wants in the near future, and, in time, contend with Malacca and Cornwall in the markets of the world.

Yours truly,

JOHN F. LACEY.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Ways and Means Committee.

VIEWS OF WM. H. MCFADDEN.

AMERICAN METER COMPANY,
Philadelphia, January 4, 1890.

To the Ways and Means Committee, House of Representatives, Washington, D. C. :

GENTLEMEN: An intelligent consideration of our interests as manufacturers, and the interests of those in our employ, demands that we should present the following :

Any duty on tin-plates, much more any increase of the same, makes it the harder for us to compete with foreign manufacturers not only in the markets of the world, but also in our own home market.

Yours truly,

WM. H. MCFADDEN,
Vice-President.

CRUCIBLE STEEL.

STATEMENT OF WILLIAM METCALF.

Mr. WILLIAM METCALF, of Pittsburgh, Pa., manufacturer of crucible steel, next addressed the committee. He said :

Mr. Chairman and gentlemen of the committee: I hardly know why I am here to-day, except we received notice in the public papers the committee wished to hear iron and steel men, and Mr. Swank, our representative, sent for us. So far as I am familiar with the working of the tariff in connection with the steel business, in which I have been engaged for twenty-one years, I can only repeat the well-known fact that the development of the steel industry in this country has reduced the price of steel to the consumer in all grades from 30 to 50 per cent. under our protective tariff; so that the consumer of steel, the farmer, the woodman, the carpenter, the mason and everybody who uses steel tools are getting their tools that much cheaper now than they did before we had the tariff on steel, so we could manufacture it in this country. The home competition has developed the steel plants and steel industry in this country to such a degree that we can make steel equal in quality and in many ways superior in finish to any that is imported. We do not ask any favor at all from anybody anywhere in the world in these matters, and the whole question is simply reduced to one of wages. There is no more to be said about it on our part so far as the manufacturers are concerned. If we had a prohibitory tariff the price of steel could not advance on account of exceedingly sharp competition among ourselves, and if we had no tariff at all we would not care about the competition of foreigners, except as to the question of wages we pay in this country. I can not give the committee any information on this point, because I know they are much more familiar with the labor of Europe than I am.

The CHAIRMAN. Do you happen to have any figures?

Mr. METCALF. I have the figures, but they are all in the consular reports sent me, which I have read with great interest for years, and we certainly know that wages are from 30 to 50 per cent. lower than they are here.

As to the quality of the work, I will just give you an illustration in regard to the iron which is used in Mr. Fisher's manufacture of anvils. They said it could not be made. We got him to try ours, and they are using our steel to-day, and they admit that it is as good as the best English steel. This is an illustration of mechanical work. We will not take a back seat for anybody in the world in regard to material used in steel. When we first began business in this country there was no suitable iron ore in the country to produce finished steel and for making iron. The finished steel was made exclusively from imported Swedish and Russian bars. To-day we are making iron in this country which is very close to the finest iron produced in the world, and it has advanced largely in regard to purity. Take the most perfect iron imported into this country and compare the difference in quality in steel made now entirely of American material and the finest imported Swedish material. To-day we are entirely independent of the foreign market. I do not know that I have anything more to say.

Mr. CARLISLE. You say you have been engaged in the manufacture of crucible steel for about twenty-one years?

Mr. METCALF. Yes, sir.

Mr. CARLISLE. I understood you to say that since you began the price had fallen from 30 to 40 per cent.?

Mr. METCALF. From 30 to 50 per cent.

Mr. CARLISLE. This is the price on the kind of steel you make?

Mr. METCALF. Yes, sir.

Mr. CARLISLE. And you make the kind of steel Mr. Fisher uses in the manufacture of anvils?

Mr. METCALF. Yes, sir.

Mr. CARLISLE. Did you hear his statement this morning that his father and himself (he succeeded his father) had been engaged in this business for forty-seven years, and there had been no material reduction in the price of steel he was compelled to use? Do you concur in that statement?

Mr. METCALF. I did not hear his statement; but he told me, and it still remains a fact, that the steel he is getting from us to-day is just as good as the best English steel imported into this country, and for less money.

Mr. CARLISLE. Which can make it the cheaper of the two?

Mr. METCALF. I believe they can.

Mr. CARLISLE. You stated this fact, that the character of steel he uses has fallen 30 to 50 per cent.

Mr. METCALF. In the general market, yes, sir.

Mr. BRECKINRIDGE. You spoke of the rate of wages there being 30 to 50 per cent. lower than here.

Mr. METCALF. It is somewhere about that average.

Mr. BRECKINRIDGE. Do you speak of the daily wage?

Mr. METCALF. I speak of the daily earnings, whether paid in daily wages or weekly.

Mr. BRECKINRIDGE. Have you figured upon that so as to show how many dollars you pay to turn out a ton of steel, and how many dollars they pay?

Mr. METCALF. I have in our own business; so far as I have been able to get the facts of the cost at Sheffield, and so far as I have gathered them from consular reports, the average difference in wages among the steel workers of Sheffield and this country is 30 to 50 per cent.

Mr. BRECKINRIDGE. That is not an answer to my question. My question was whether that related to the cost of the product and volume of the wage per unit of article.

Mr. METCALF. Of course, it affects the cost of production.

Mr. BRECKINRIDGE. I think it does, but I am trying to get some information from you on this subject.

Mr. METCALF. It affects it entirely, except in so far as the comparison of plant might come. If they have a superior organization and plant than ours in Sheffield, then with lower wages we would be beaten all the time. If our plant is superior to theirs, with even our wages we could beat. I think with the same wages they pay in Sheffield we could beat them.

Mr. BRECKINRIDGE. Then your statement is you pay 30 to 50 per cent. more on our wage account per ton than they do, also the same amount per day?

Mr. METCALF. Yes, sir.

Mr. BRECKINRIDGE. That distinction is not generally observed in the statement of wages.

Mr. METCALF. I know it to be so in our own particular business.

Mr. BRECKINRIDGE. Can you conveniently refer to these statements in the foreign reports or otherwise, showing the difference in the payment per ton, and furnish it to the committee?

Mr. METCALF. I can hunt it up. I do not know that I can give the exact authors now, as there have been several.

Mr. BRECKINRIDGE. I am not asking for it now; I am simply asking if you can find it.

Mr. METCALF. Yes, sir.

Mr. BRECKINRIDGE. I wish you would furnish it to the committee, and it will be incorporated in your remarks.

Mr. METCALF. Yes, sir.

Mr. BRECKINRIDGE. You spoke of reducing the price of steel to the consumers of this country. Has there been any corresponding decline in the price of steel in other countries?

Mr. METCALF. No, sir; I think not.

Mr. BRECKINRIDGE. Has the price been maintained in other countries?

Mr. METCALF. So far as I know the simple fact is, when the English had this market they kept up the price of best ax steel in this market, and it was not sold in this country in any quantity for less than 14 or 15 cents before 1860. Just as good steel sells to-day at 7 cents or less. This is one illustration. If we did not have the advantage of the tariff we would be paying from 14 to 20 cents to-day.

Mr. CARLISLE. What is it worth in New England?

Mr. METCALF. About 7 cents; but if we had no steel-works it would cost from 15 to 20 cents.

Mr. BAYNE. Will you state what has been the general trend of the market in ref-

erence to iron and steel? You have been in the business twenty-one years. What has been the trend of prices?

Mr. METCALF. It has been down all the time, and the quality has been improving when the trend of prices has been downward all the time.

Mr. GEAR. Thirty years ago I recollect paying \$16 a dozen for axes, and now you can buy these axes for \$6.50 to \$7, and you get a better ax. That is owing to the fact that in your market you have reduced the price for steel and thereby reduced the price to the consumer.

Mr. METCALF. Yes, sir; and largely to competition among the makers; so if there was a prohibitory tariff we could not give you higher prices in this country, owing to this competition.

Mr. BRECKINRIDGE. Do you make steel used in agricultural implements?

Mr. METCALF. Some, but not very largely. It is made in Pittsburgh and I think three, four, or five of the Eastern States; probably a dozen altogether.

Mr. BRECKINRIDGE. I have seen it stated upon the authority of some manufacturers of plows a year or two ago, and I think about St. Paul, that there was a pretty close agreement among the manufacturers of steel to move up the scale of prices. Is that true?

Mr. METCALF. As far as I know there is no association making steel that has gone into it, and has not been for years. I think it is a fallacy. The fact is to-day, although there is a boom in England and here, the price of steel has gone down in this country rather than up, because the competition is so sharp we are not able to maintain the prices.

Mr. MCKENNA. Has there been a corresponding decline in England?

Mr. METCALF. It has been going up there.

Mr. BRECKINRIDGE. Do you make steel directly from ore?

Mr. METCALF. We start with pig-iron.

Mr. BRECKINRIDGE. And what kind of pig-iron do you use? Bessemer?

Mr. METCALF. We usually consume the Bessemer grade and some finer grades. We grade ores according to the quality of the material we wish to produce in the end.

Mr. BRECKINRIDGE. Do you produce billet steel?

Mr. METCALF. Yes, sir. I should mention as a fact that there is a grade of steel in this country that is not protected by the tariff at all. There is a tariff on it, but it is not protected. It is not in any large bulk, so it is not so serious an amount, and that is fine drill rods and wire and fine wire steel used for making clock springs and watch springs. On this the tariff is no protection at all, and very little of that steel is made in this country now for this reason.

The CHAIRMAN. Is it almost wholly imported?

Mr. METCALF. Yes, sir. We have made some of it in a small way.

Mr. GEAR. How many workmen did you have in that plant?

Mr. METCALF. About thirty. It was especially fine work, and it is something in the nature of cold rolled work done on tin-plate, but only finer. There is a very large demand for it at every small manufacturer's, such as sewing-machine work and that sort of thing. That branch of the steel trade is not protected at all. When you get a tariff on it of $1\frac{1}{2}$ or $1\frac{1}{4}$ cents a pound it is no protection. In main-springs of watches and hair springs, where the steel is worth \$315 a pound, that mainly represents labor.

Mr. GEAR. Where does that come from?

Mr. METCALF. We sell the manufacturers some wire and cold-rolled steel; but it is imported largely. We simply make it because we can still supply and sell it at cost. It is a mere matter of pride with us. The tariff does not protect this at all.

WIRE RODS AND WIRE.

STATEMENT OF GEORGE T. OLIVER.

Mr. GEORGE T. OLIVER, of Pittsburgh, manufacturer of wire rods and wire, next addressed the committee. He said:

Mr. Chairman and gentleman of the committee: I appear before you to-day as representing the manufacturers of wire rods and wire, which also includes barbed-wire fences and wire nails. I come more for the purpose of answering any questions and giving any information I may have on this subject than for the purpose of making a studied address. Our people were heard at great length last year by the Senate Finance Committee, and at the same time and on the same day the gentlemen who were interested in a certain line of our goods were heard, and you will find in the testimony taken before that committee a very full report of the arguments on

both sides, and some very valuable statistics furnished pro and con. We are very well satisfied with the existing tariff arrangement on everything except upon what we assume is raw material—that is, wire rods. As matters stand now we are very fairly protected on that. There have been times in the last five years in which we practically had no protection at all. In regard to wire rods we would like to be placed exactly where the act of 1882 intended to leave us, that is, with a specific duty upon all rods not smaller than No. 5 wire gauge. That is a little smaller than this lead pencil, and the specific duty is six-tenths of a cent per pound. On wire smaller than 5 gauge we would like to have a duty imposed upon wire of like gauge down to No. 9 at about 1 cent a pound.

The wire-rod industry, gentlemen, is one that I think peculiarly appeals to you, from the fact that to a great extent, almost altogether, it is the legitimate offspring of recent tariff legislation. Prior to 1883 wire rods used in this country were procured almost altogether in Germany. Under authority of decisions of the Treasury Department wire rods before 1883 were admitted at an ad valorem duty of 30 per cent., which made it impossible for the mills of this country to manufacture against such a duty as that; and what little manufacturing there had been was practically discontinued, and the tariff act of 1883 found us entirely dependent upon a market 3,000 miles away from our raw material, and this material is very bulky, considering it is made of steel and hard to handle, and subjected us to almost endless inconvenience in the matter of importations. In the mean time the wire business, which was practically a small thing, received an impetus by the invention of the barbed fencing; so perhaps 50,000 tons would cover the manufacture of wire up to about 1876. That amount has gradually arisen with the amount of the barbed fence business and the more recent growth of wire nails, until I am not mistaken in saying that during the year 1890 we will manufacture in this country not less than 500,000 tons of wire. For all this wire, which amounted in 1883 to about 150,000 tons, we were dependent upon Germany for our supplies. When the tariff commission made its report in 1883 it recommended a duty of a cent a pound upon wire rods, and that was a small duty in comparison with other articles in the iron and steel schedule, and when the matter came before the House some Representatives, who thought they were doing their duty to their constituents by getting them cheap fencing, insisted upon reducing it to six-tenths, about 3 per cent. less.

Mr. CARLISLE. This was in the Senate.

Mr. OLIVER. I beg your pardon; I have the original motion of the House.

Mr. CARLISLE. The House bill was never passed at all.

Mr. OLIVER. The original motion for a reduction came from the House. In the conference committee the House occupied that position, and insisted upon six-tenths, while the Senate was willing to grant 1 cent a pound.

The CHAIRMAN. We passed that in the House.

Mr. CARLISLE. We never passed that bill at all.

The CHAIRMAN. That was simply an expression on the part of the House.

Mr. OLIVER. We got the price at six-tenths of a cent, and we felt very blue in consequence, as we supposed increased importations would have to come with an increase of business. But some manufacturers (first the Cleveland Rolling Mill Company and afterward the Hart Steel Company, of Pittsburgh, and some other concerns) figured the thing down closely, and rather than submit to the exactions of the importers and to depend upon Germany for our material we decided we would buy all our materials here, and we did it. The result was that where the price of No. 5 wire rods in 1883 was, as I recollect it, about \$54 a ton, when we started our mill in the winter of 1884, about February, it was about the same. When we were ready to begin operating the mill in the summer of that year it had fallen to \$45 very suddenly, because they were beginning to feel the competition of the home mills, and as the mills increased the price fell, until in the summer of 1886, with five or six mills running and supplying nearly half the wire used in this country, they brought the price down to \$35 a ton.

That lasted for nearly a year, until the German manufacturers finally began a syndicate for their own protection, and advanced the price to \$40 a ton. In the meantime, owing to the importers succeeding in getting the customs duties admitting rods smaller than No. 5 at a duty of 45 per cent. ad valorem, it is a grave question as to whether it was a good law or not. I do not believe it was; but, however, they imported it at 45 per cent. ad valorem, and No. 6 rods were for a great part of the time at \$1, \$2, and \$3 a ton below the six-tenths of a cent a pound which was imposed by the act of 1883 upon No. 5 rods; so the rods imported during most of the time were No. 6 rods, and these were what we had to compete against. It has been all uphill work, gentlemen, for us to build up this business, but we have done it. We do not want any other conditions except that we want you to give us the same duty you gave in 1883, when we had no mills. I promised the Senate committee in behalf of the manufacturers that if this be done at the time we appeared before the Senate committee we would supply about two-thirds of the wire in this country and Ger-

many would supply the other third. At that time, about a year ago, I promised the Senate committee that there would not only be no advance in the price of wire rods, except, perhaps, an advance in the price of raw material, but that mills enough would be built to supply the whole country. That promise has been fulfilled to-day. We have to-day in operation, or in course of construction, enough mills running to supply 519,000 tons of wire rods. We estimate the basis upon previous years.

The demand for barbed fencing the next year will be about 250,000 tons. For wire nails it will be about 150,000 tons, and we think for other kinds of wire it will be something less than 100,000, making half a million in all. It is an enormous business. It has been the growth of a very few years. In the matter of wire nails alone they have grown since 1883. In 1883 wire nails were imported by two or three manufacturers in the country and sold at a quarter a pound. To-day the wire nail has almost superseded cut nails. We supplied about 2,000,000 kegs to the country this year, and the prospects for next year are that it will not be less than 3,000,000 kegs. Simply at the request of one man a duty of 4 cents a pound was levied upon wire nails by the act of 1883.

Mr. GEAR. They are supplanting cut nails entirely?

Mr. OLIVER. Entirely; and it is all owing to that duty of 4 cents a pound. The man never anticipated it—did not expect it. He wanted to manufacture wire nails for the consumers here which were imported from Germany, but he found when he got to manufacturing them in quantity that he could manufacture them as cheaply as cut nails.

Mr. BAYNE. How are they selling now?

Mr. OLIVER. Cheaper than cut nails, the same nails to the pound. I do not say this because I am interested in the wire-nail business, but looking at it I can not see any way other than in five years the wire nail will run the cut nail out of the business.

Mr. GEAR. What is the price of the wire nail now?

Mr. OLIVER. To-day the lowest price is \$2.80. The lowest sale was \$2.10 last summer.

Mr. CARLISLE. Was that the lowest price?

Mr. OLIVER. That was the lowest price. That was \$2.10, and the present price is \$2.80.

Mr. GEAR. At the time the selling price of the wire nails was \$2.10 the selling price of the cut nails was \$1.80.

Mr. OLIVER. Something like that. One dollar and eighty cents was about the lowest price at Wheeling, I believe.

Mr. BAYNE. How is barbed wire as to price?

Mr. OLIVER. When we went into the barbed-wire business first, in 1881, the farmers of the country were getting the cheapest fences they ever had or expect to have for 9 cents a pound for barbed-wire fence. I sold this last summer at \$2.55, delivered in Chicago.

Mr. BURROWS. Two dollars and fifty-five cents per 100 pounds?

Mr. OLIVER. Yes, sir; \$2.55 per 100 pounds. I do not claim, gentlemen, that this reduction has been altogether the result of protection. It has been brought about by competition; but I do say if you had not given us in the act of 1883 duty enough to enable us to manufacture wire rods in this country we would have been paying to-day \$50 and \$60 a ton to Germany for rods, because the volume would have been so great we could not possibly handle it, and we could not supply this country with the articles of barbed wire and wire nails.

Mr. GEAR. Do you sell rods?

Mr. OLIVER. We do not, but their manufactures.

Mr. GEAR. What is their market value?

Mr. OLIVER. It is about \$50 a ton.

Mr. GEAR. What is the price of steel billets?

Mr. OLIVER. Thirty-seven dollars in Pittsburgh. Rods are a little high, as they have gone up lately, but there are three very large mills just about to start up. Steel billets have gone up at least \$10 a ton, and billets we bought last May are \$27 a ton at Pittsburgh; we could not buy for \$37 a ton now. That means an equivalent of \$12 or \$13 in wire rods, taking the waste into account.

Mr. GEAR. You do not make billets?

Mr. OLIVER. We buy our billets. I think, gentlemen, I can safely say that any reduction in the duty on wire rods will cripple and hamper the mills now in operation, because a falling off in their manufacture would turn some not so well fixed to other uses, and it would inevitably advance the price for barbed-wire fence and nails rather than reduce it. We are to-day giving the country the cheapest nails and the cheapest fencing they ever have known, and I think it will be cheaper in the future. It is so shaped that I made a statement to the Senate committee that on the basis on which I figure, allowing a jobber's profit and a dealer's profit, it would be something like 3 cents a pound to the consumer. It enables a man to fence 160 acres of land with a fence four strands high for something like \$94. I have the statement here.

Mr. CARLISLE. This is outside fencing.

Mr. OLIVER. This is for around the farm.

Mr. BURROWS. Your goods are delivered at Chicago?

Mr. OLIVER. The wire nails are sold at the factory, and the fence is sold deliverable at Chicago.

Mr. BRECKINRIDGE. What countries are competitors in your lines of goods?

Mr. OLIVER. We have no competitors now.

Mr. BRECKINRIDGE. Do any other countries manufacture them?

Mr. OLIVER. No other country manufactures barbed wire. There is one license in England and one in Germany, but they are barred from selling in this country.

Mr. BRECKINRIDGE. England is also manufacturing wire rods?

Mr. OLIVER. But England can not manufacture them as cheaply as Germany, and we are not afraid of England.

Mr. BRECKINRIDGE. The point I am referring to more particularly is not their ability to compete, but that they do manufacture. Now it is manufactured there?

Mr. OLIVER. Yes, sir.

Mr. BRECKINRIDGE. And in Germany also?

Mr. OLIVER. Yes, sir.

Mr. BRECKINRIDGE. In France?

Mr. OLIVER. France is not manufacturing any, but Belgium is.

Mr. BRECKINRIDGE. Is this line of manufacture engaged in in any other countries of which you know?

Mr. OLIVER. No, sir; Sweden manufactures some, but generally Swedish manufacture is higher.

Mr. BRECKINRIDGE. The barbed fence is still controlled, I believe, by patents?

Mr. OLIVER. Yes, sir.

Mr. BRECKINRIDGE. How long have those patents to run?

Mr. OLIVER. They have about two years to run. That is, the main patents expire November, 1891.

Mr. BRECKINRIDGE. At the end of that time the manufacturing of what we ordinarily understand as barbed wire fence would be an open industry?

Mr. OLIVER. It is practically open now, because almost anybody who wants a license can get it as the royalty is only \$1 a ton, which is 5 cents a hundred, and it does not trouble the manufacturer at all. In fact in Governor Gear's state the patent has been declared invalid. We continue, however, to pay a royalty. It is one of those things which does not hurt us, and which our customers appreciate, so we pay it. Another reason why we want to manufacture our supply here and buy what we use here is the fact that it enables men with smaller capital to engage in the business. Where we have to depend upon the basis of supply across the sea, it is necessary to have much larger capital because you have to buy your supplies so far in advance of your wants in order to secure a constant supply, and you have to have an enormous amount of money locked up in it, and that is why men have been able to build works in this country and engage in the business of manufacturing wire since the rod mills have started up in this country.

Mr. BAYNE. Would that apply to other industries?

Mr. OLIVER. That would apply to steel-billets, to pig-iron and everything.

Mr. CARLISLE. I did not understand whether you were asking for a higher duty on wire or not?

Mr. OLIVER. No, sir.

Mr. CARLISLE. You are asking that no reduction be made on wire rods?

Mr. OLIVER. We do not ask a reduction on wire rods. Wire rod is lower to-day in proportion than any other article of its class.

Mr. CARLISLE. What size wire rod do you roll?

Mr. OLIVER. No. 5.

Mr. CARLISLE. From what size rod do you make wire fence?

Mr. OLIVER. From No. 5. Perhaps some of you gentlemen of the committee do not understand what a rod is. The wire rod you naturally suppose is a straight rod of iron. It originally was, but with the improvement in the manufacture it comes first in the form of a billet. A billet is a large square, and that is rolled down to a coil about 1,000 feet long, a little smaller than this lead pencil which I hold in my hand. This is done in about 18 passes.

Mr. GEAR. And in what rolls?

Mr. OLIVER. About 125. We find more economy in rolling large coils. That is rolled, heated, and taken to the wire-mill and there treated with acids, etc., and then it is drawn cold to the different size of wire. So a wire rod is really a piece of wire.

Mr. CARLISLE. It is drawn to the size needed for actual use?

Mr. OLIVER. Yes, sir. What we wish to say is that the Senate bill of last session, with the exception of one or two amendments which some people engaged in the fine wire business would like to have made, embodies what we think we are entitled to. The

Finance Committee of the Senate went over the matter very carefully, and they thought they dealt with us fairly. If you in your wisdom see fit to do something on the same line for us we will be very well satisfied.

Mr. GEAR. Do you use the same rod for wire of 9, 10, and higher gauges?

Mr. OLIVER. The making of the wire of the finer sort is done by annealing after a certain number of drawings. The wire becomes so hard we can not draw it further without annealing. We put it in the annealing pit and then we draw it down. We draw it as far as Nos. 33 and 34, where the wire is as fine as a hair.

Mr. McMILLIN. I believe you said your competition came from Germany rather than England?

Mr. OLIVER. Yes, sir; what competition we did have.

ARGUMENT OF THE NEW HAVEN WIRE COMPANY.

NEW HAVEN, CONN., August 6, 1888.

To the Committee on Finance, United States Senate:

On behalf of the New Haven Wire Company, which is compelled to buy its raw material in the shape of wire rods either of American or foreign mills, and of about twenty other wire mills similarly situated, I respectfully ask that the duty on fence and rivet wire rods of either iron or steel, when valued at $1\frac{1}{2}$ cents per pound or less, be fixed at four-tenths cent per pound. The larger wire mills roll their own rods, but prefer to sell the product of their rod trains in the shape rather of finished wire than of rods; so that those wire mills which have no rod trains are forced to pay high prices for their American rods or use the foreign. In either case the price is determined by the cost of the foreign rods here, so that a reduction in duty would inure to the benefit of all these wire mills, whether they use foreign or domestic material. These mills employ more labor than all the rod trains in the country, and have a capacity to produce more than half of the wire which the country consumes. Under the tariff of 1883 their business has continually suffered at the hands of the mills rolling their own rods, and they now need protection not against foreign competition, but against the high charges of the American rod mills.

By the act of 1883 the duty on steel rods was fixed at six-tenths cent per pound on No. 5 and larger sizes. Although there had been some rods smaller than No. 5 imported, yet the bulk of the rods were No. 5 and larger, and no specific provision was made for any smaller size. Such sizes, therefore, came in under the "omnibus clause," as "manufactures of steel not otherwise provided for," at 45 per cent. ad valorem.

Prior to the act of 1883 all steel rods had come in under the omnibus clause at 30 per cent. The specific duty of six-tenths cent per pound was fixed by Congress after a careful hearing of all the parties in interest, and was then the equivalent of 35 per cent. Soon after the passage of the act, however, the foreign values of Bessemer material fell so that the ad valorem equivalent of six-tenths has never been less than 45 per cent., but has at times equaled 60 per cent., and is now about 55 per cent. Coincident with this fall in values came an improvement in the processes of rolling rods abroad, by which a No. 6 rod could be furnished at about the same cost as a No. 5, and the bulk of the importations for the past four years have been of No. 6. These have, as stated above, come in at 45 per cent., which is at the present time about one-half cent per pound.

The request of Mr. George T. Oliver, of Pittsburgh, speaking on behalf of his company and other-American rod-makers, that the duty on all sizes of rods should be fixed at six-tenths cent per pound is therefore in substance a request that the present rates of duty should be advanced on the bulk of the importations from 45 per cent. to 55 per cent., an increase of about nearly 25 per cent.

The consumers of wire rods, on the other hand, maintain that not only is there no propriety of making any such advance, or, indeed, any advance, but that the present rate of duty might be reduced without in any way crippling the American rod mills. The present cost of American billets in Pittsburgh is \$28 to \$28.50 per ton; of wire rods \$41 to \$41.50. It is not disputed that a modern Garrett train employing 25 or 30 men has turned out 75 tons of rods in 11 hours, and at a cost, making all proper allowances, of not exceeding \$8 per ton. Assuming that its annual production was only half that (or 75 tons daily when running double time), the margin of profit would exceed \$100,000 per annum; so that the train would nearly pay for itself during the first year. This clear margin of \$5 per ton is due to the present tariff; for while the American mills now sell the greater part of the rods used in the country, they hold the price just below the cost of foreign rods with duty and inland freight added, and the cost to the consumer is thus dependent closely on the duty. As the

labor cost of each ton of rods thus rolled is less than \$3, the need of any increase of the duty in order to protect the laborer is not clearly seen.

It is not necessary, however, to base any argument on estimates of the cost of rolling rods in this country. While all such estimates may be disputed, it cannot be denied that the great increase in the number and capacity of rod mills in this country since the enactment of the tariff of 1883 would not have taken place if there was not a handsome margin in the business, and a margin furthermore that was large enough to stand some reduction in the tariff rate. In 1883 steel rods were rolled at not more than five or six mills, and the total capacity did not greatly exceed 50,000 tons annually. There are now nine rod mills in operation, and another building, with an aggregate capacity of about 250,000 tons per annum.

The proportion of their product to the imports has steadily increased, so that it today is more than half of the entire consumption of the country. (The importations of wire rods during the first six months of 1887 were 69,432 tons; of 1888, 38,916 tons.) Surely an industry that has made such rapid strides under the present tariff does not need any further legislative help, nor is it in a position where reasonable reduction of the duty will inflict irreparable disaster on it.

If the present duty on wire rods were halved, while the duty on billets is unchanged the Pittsburgh rod mills could still sell their rods at a profit and keep foreign rods out of that market; while at the same time the sea-board wire mills, which are prevented by inland freights from using American rods and are compelled to pay the present duty on their foreign rods, would have some hope of life. It does not seem unreasonable, therefore, to ask that a beginning in the reduction of duty should be made, and four-tenths cent per pound is certainly an ample protection for the American rod mill.

The fluctuations in the price of rods have resulted in such variations of the ad valorem rate of any specific duty that such a method of fixing the tariff should not be longer followed. No one will pretend to say that Congress, when it fixed the duty in 1883 at the specific equivalent of 35 per cent., contemplated that within four years that specific duty would by the mere fall in prices rise to 60 per cent. The market values of these rods are well known both abroad and here. There is no chance for any evasion of the tariff, as the records of the custom-houses show; and it is submitted, therefore, that the will of Congress will be better observed throughout all future fluctuations by making the duty ad valorem than by adhering to a specific duty. If the latter method is, however, preferred, it is suggested that ample protection to the American rod mills and some share of the necessary reduction demanded by the condition of the American wire mills will be secured by making the duty four-tenths cent per pound on all sizes of wire rods.

This is a higher rate ad valorem than was contemplated by Congress in fixing the act of 1883, and leaves the American rod mills with about one-half of their present margin of profit.

All of which is respectfully submitted.

THE NEW HAVEN WIRE COMPANY,
By SAMUEL A. GALPIN, Receiver.

SLABS AND BILLETS FOR NAILS.

STATEMENT OF MR. A. W. CAMPBELL.

MR. A. W. CAMPBELL, of Wheeling, W. Va., next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I have no set line of remarks to make before the committee on the especial business that interests our people at Wheeling. Several members of this committee who were members of the previous committee of ways and means will remember that the Ohio Valley Steel Association sent representatives here two years ago to ask that in the formulating of a new tariff bill what is known as soft steel should be classed as hard steel. They ask this for the reason there was no cause for the difference in the price. They pointed you to the fact in English quotations of steel slabs and billets; they were quoted as low or lower than steel rails. In other words, it costs as much to make the kind of steel we engage in manufacturing as steel rails, and therefore whatever measure of protection which is given by Congress to the one steel should be given to the other. While steel rails have \$17 a ton protection, the makers of soft steel have 45 per cent., which at that time was equivalent to about \$8, and by reason of the undervaluation process not more than \$7. You will observe the year preceding as a result of that there was an enormous importation of soft steel into this country. Now, we believe that with

our existing plants we could make all the soft steel required, which is now imported from Germany and other parts of Europe.

Wheeling has the largest cut nails manufactory in the country, where the bulk of the cut nails used are produced. They are sold remarkably low, as was indicated to you by Mr. Oliver. They are sold much less than wire nails; and I wish to correct a statement of Mr. Oliver's, where he said that the wire nail was a relatively cheaper nail than the cut nail. That was because for the last year the gauge of the cut nail was changed. In other words we give as many nails to the pound now as the wire nail people, and we sell them at 50 cents to 75 cents cheaper. Now, Mr. Chairman, making as we do one of the cheapest productions in the world, of course we should have the advantages of raw material so far as proper legislation of Congress can give it to us. We are always obliged to follow the steel-rail makers of this country. They set the price and the time at which contracts shall be made and we follow them. When we go to the Lake Superior mine owners and buy ores, we are told that the price is so and so, and that if we do not want it it will be taken by the rail-makers. They fix the price for us and we have to bear it because of the excessive competition which exists to-day in our production. The fact is, we have sold our product for the last three years at less than cost. I do not believe there is to-day a nail mill within my knowledge that has made any amount of money worth speaking of in that time.

Mr. McKENNA. Is that due to competition?

Mr. CAMPBELL. That is due to competition of the nail men in one form or another; the competition with the wire nail and the competition with our own cut nail establishments.

Mr. McKENNA. You say you reduce the gauge of the nail; that has not reduced the excellence of it?

Mr. CAMPBELL. A test was made by the United States Government, at Watervliet Arsenal, and they decided that the cut nail had a greater holding power than the wire nail, and that it was a better nail so far as the holding power was concerned.

Mr. CARLISLE. Was a test made between nails of the same grade?

Mr. CAMPBELL. No, sir; I can not say it was, but I believe that was made before the gauge was changed. But still we have tested it for ourselves since. We take the same gauge of wire nails and cut nails and we know as a matter of fact and experience and testing that the holding power of the cut nail is greater than the wire nail. These are the nails used in this country, although the wire nail has made very great inroads on the cut nail. There is nothing cheaper than nails. They are sold very cheaply notwithstanding the different prices of slabs and billets. Slabs are the article out of which these nails are made. The price of cut nails to-day is very weak and very low in this country, so much so that, as I said, very few nail-makers within my knowledge have realized the cost of production in the last three or four years.

The CHAIRMAN. What do you say about the Senate provision?

Mr. CAMPBELL. Providing five-tenths of a cent a pound costing \$11.20. That would be entirely proper if you made it specific. I do not see any reason why we should not have the same measure of protection that is given to steel, that costs no more to manufacture.

Mr. BAYNE. That is a specific duty?

Mr. CAMPBELL. That would not be a specific duty.

Mr. BAYNE. I thought you said the Senate bill provided specifically five-tenths of a cent a pound.

Mr. CAMPBELL. It was a specific duty of five-tenths. In the last session of Congress, when this committee was hearing this case as individuals (there were no formal hearings), several others and myself were here presenting to the individual members of this committee the facts in this case, and in the majority report made by that committee we were given the same average protection as was given to steel rails, which was \$11.

Mr. CARLISLE. What is the difference between a slab and a billet?

Mr. CAMPBELL. A slab is a flat piece of steel, and a billet is a certain square length. It is different.

Mr. CARLISLE. The difference is in shape only?

Mr. CAMPBELL. It is different in shape somewhat from the steel. We use our slab for making nails. We make our own pig-iron, and out of the pig-iron we make our slabs.

Mr. BAYNE. If wire nails should come in and prevent your making the cut nails, you could convert your establishment into a wire-nail factory.

Mr. CAMPBELL. No, sir; not except by putting in an entire outfit. If we commence a nail plant in this way, it would have to be an entire change of business.

Mr. GEAR. Are there establishments where all this machinery is made in Germany?

Mr. CAMPBELL. I am not familiar with that, but there are German machines used in this country. There are various kinds of machines used.

The CHAIRMAN. But it is mostly American now.

Mr. CAMPBELL. The majority report of the last Ways and Means Committee conceded the justice of our plea.

Mr. CARLISLE. They conceded that whatever rate was granted to steel-makers should be accorded to you?

Mr. CAMPBELL. Yes, sir; that is what we asked, and there was no division of sentiment among the members of that committee. The majority report of that committee was in favor of it. There were a great many questions asked by the committee, I was interrogated by Mr. Breckinridge and others here, and there was no division of opinion at all as to the changes of this equalization and they thought we were entitled to have it.

The CHAIRMAN. That is what you want now?

Mr. CAMPBELL. That is what we ask and then we will be entirely satisfied.

Mr. MCKENNA. You say that will be satisfactory to you?

Mr. CAMPBELL. Yes, sir; we are not asking for any change in it unless the duty on rails is changed.

Mr. MCKENNA. You refer only to the slabs?

Mr. CAMPBELL. Only on the slabs. All we ask is an equalization on that.

Mr. CARLISLE. Do you sell slabs and billets to other people or consume them yourself?

Mr. CAMPBELL. We consume our own slabs.

Mr. CARLISLE. Do you make them for sale?

Mr. CAMPBELL. No, sir. I represent mills that own steel works and that make their own slabs, and that concern is mostly kept pushed in order to furnish slabs.

Mr. CARLISLE. Then you desire to have the duty raised on slabs and billets, because if it is not done your competitors in the manufacture of rails can procure their material from abroad cheaper than you can make it yourself?

Mr. CAMPBELL. We think not only that, but as I stated before, we feel that the price of ores is regulated by other people than ourselves.

Mr. CARLISLE. This does not touch ores.

Mr. CAMPBELL. The question of discriminating between the mines touches ores.

Mr. BAYNE. How?

Mr. CAMPBELL. We are not strong enough financially.

Mr. BAYNE. Do steel-rail makers convert ore directly into rails without going through any other form?

Mr. CAMPBELL. It goes through the process of steel, and takes the rail shape as the finished shape; but while that is a rail it costs no more to make than a slab or billet.

Mr. BAYNE. Does it go through the form first of a slab or billet before it is converted into a rail?

Mr. CAMPBELL. It is converted from the blooms into a rail. The bloom is a billet, but in one sense the billet is a move further on.

Mr. BAYNE. The bloom does not advance to the stage a billet does?

Mr. CAMPBELL. No, sir.

Mr. GEAR. If you had a specific duty instead of an ad valorem duty, what would be the effect of increasing the tariff?

Mr. CAMPBELL. We were given \$11 by the majority report of the last Ways and Means Committee.

Mr. GEAR. The result will be to increase the tariff \$3?

Mr. CAMPBELL. Yes, sir, as the price is steady.

Mr. CARLISLE. Not so much now?

Mr. CAMPBELL. The price of slabs and billets in March, 1888, was 317 shillings, as against 318 shillings for rails.

Mr. BRECKINRIDGE. What is the weight and shape of a bloom?

Mr. CAMPBELL. The bloom is a round piece of steel in a formative state ready to be rolled down into a billet or any other shape.

Mr. BRECKINRIDGE. About how much would a bloom weigh?

Mr. CAMPBELL. I am not preparing it, but they have different sizes of blooms as well as billets.

Mr. BRECKINRIDGE. Is it in what is called pig-iron?

Mr. CAMPBELL. No, sir.

The CHAIRMAN. And it is of different length and size and weight?

Mr. CAMPBELL. Yes, sir.

Mr. BRECKINRIDGE. What is the diameter of a bloom ordinarily?

Mr. CAMPBELL. I really could not tell you, but the bloom is made 8 inches in diameter, and many of them 12 or 16 inches in length.

Mr. BRECKINRIDGE. Varying in that way?

Mr. CAMPBELL. Yes, sir.

Mr. GEAR. They make the blooms for these rails 30 feet long.

Mr. BRECKINRIDGE. What is about the weight and shape of a billet?

Mr. CAMPBELL. At our works we do not make many billets; we make mostly slabs. A billet runs anywhere from two feet to two feet and a half, and as much in length, and it runs from 4 to 5 inches in diameter.

Mr. BRECKINRIDGE. It is something like a bloom, only on a smaller scale?
 Mr. CAMPBELL. The bloom is round, and they are rolled down.
 Mr. BRECKINRIDGE. Billets are made from blooms?
 Mr. CAMPBELL. Yes, sir; we roll down the ingot to the billets and slabs.
 Mr. BRECKINRIDGE. Describe an ingot; what is the size and shape of it?
 Mr. CAMPBELL. The ingot is the material which first comes from the converter, when it is poured into the flask. It is taken out and put into the reducing-rolls and rolled down to a slab or billet.
 Mr. BRECKINRIDGE. Do you use the pig-iron?
 Mr. CAMPBELL. We put the pig-iron into the converter and turn the converter into the flasks which gives the ingot.
 Mr. CARLISLE. Do you make pig-iron at all in the ordinary form of pig-iron in your business?
 Mr. CAMPBELL. Yes, sir; we buy the ore to make the pig-iron.
 Mr. CARLISLE. You make the slab and billet from the pig-iron?
 Mr. CAMPBELL. Yes, sir.
 Mr. LA FOLLETTE moved that the committee take a recess until half-past 1, which was agreed to and the committee accordingly took a recess.

STRUCTURAL SHAPES OF IRON OR STEEL.

STATEMENT OF MR. F. J. SLADE.

Mr. F. J. SLADE, of Trenton, N. J., next addressed the committee. He said:
 Mr. Chairman and gentlemen of the committee, I wish to speak to you not of any proposed change in the duty on the material in which I am interested other than that contained in the Senate substitute, but to call attention to a method of evasion of the present duty which can be easily corrected. I speak with reference to the clause in paragraph 130 of this bill: "Beams, girders, joists, angles, car-truck channels, T, columns and posts, or parts or sections of columns and posts, deck and bulb beams, and building forms, together with all structural shapes of iron or steel, 1 cent per pound."

The CHAIRMAN. What page are you reading from?

Mr. SLADE. Page 114, section 130. Formerly these shapes were not specially designated in the tariff act. They came in under the same rate of duty as is now charged on iron not otherwise provided for, and many years ago, perhaps ten years ago, they were especially mentioned and a duty provided and collected until quite recently, when the question suggested itself to those interested in the importation of them that they would do a little work on them and then bring them in as manufactures of iron not otherwise specified. Of course the committee are well aware that where iron beams are used, such as a beam which carries a floor and used in the construction of a building, that a few holes are required to bolt the beams in place. It is not a manufacture to any extent, but it is simply made ready for use.

The collector of customs in a lot of beams imported at Boston collected, very properly, the duty provided by the act. The importer brought the case to the United States court, and, to the surprise of everybody familiar with the use of these beams, the decision of the collector was reversed and the articles were admitted as manufactures of iron at 45 per cent. The case has been taken to the Supreme Court, but it may be years before it is reached. Now, it seems to me it is the manifest intention of this section here to protect those articles. They are clearly enough defined, and the mere fact that a man can punch a hole in a thing and bring it in at 45 per cent, and then saw the hole off if he does not want it, would amount to a little more than five-eighths of a cent a pound, while the duty provided by this bill is 1 cent a pound. It is a mere method of evading the duty, and what I have to suggest is simply this: At the end of this paragraph to insert some such words as these: After the word "steel," line 451, insert "whether any of the foregoing are plain, or have holes or other work thereon."

Evidently the intention of imposing a duty was on the belief that the manufactured article would be more valuable than the material unmanufactured, therefore the ad valorem duty would be high enough on such a manufactured article. But in this case the article is not increased in value, not more than one-tenth of a cent a pound; therefore, by rating it as a manufactured article, the duty is virtually set aside. You might just as well strike out the other section, because there will never be any such thing imported. They would simply come in as manufactures. That is all I have to suggest.

Mr. CARLISLE. Forty-five per cent. ad valorem is the rate of duty imposed upon all manufactured steel not otherwise provided for. Do you not have a high enough duty upon this article of structural iron?

Mr. SLADE. No, sir. And that is the reason that in the specific duty provided on the manufacturing I spoke of it virtually only applies to beams. It is no rate for the other at all.

Mr. CARLISLE. What are these made of?

Mr. SLADE. Rolled iron.

Mr. CARLISLE. What remains to be done in this article which you say is now being brought in under that general clause?

Mr. SLADE. The beams are fitted with holes so as to be bolted together. Then it is completed by bolting.

Mr. CARLISLE. Now, this article which you say was brought to Boston at 45 per cent. ad valorem, what was its condition?

Mr. SLADE. It had holes punched in it, and where one beam fitted into another the end of the beam was cut and ready to be joined so it would be supported.

Mr. CARLISLE. What remained to be done on that article before it was a finished production?

Mr. SLADE. Nothing.

Mr. CARLISLE. I mean on these imported articles that came into the United States?

Mr. SLADE. Nothing; it is ready to go into the building.

Mr. CARLISLE. Upon what ground would it be covered by the 45 per cent.?

Mr. SLADE. I do not know. It is held not to be a beam, as specifically described here, or flooring, but it was a beam just as well as any other; it had not changed a particle.

Mr. CARLISLE. What is the use for which that particular article was to be applied?

Mr. SLADE. To put into a Government building at Boston—I do not recollect whether it was the custom-house or post-office—for floor purposes.

Mr. FLOWER. Do you manufacture structural iron?

Mr. SLADE. Yes, sir.

Mr. FLOWER. I noticed in New York that the Potter building imported their iron from Belgium, and I think it cost about \$12,000 or \$13,000 dollars alone to import that structural iron.

Mr. SLADE. Yes, sir.

Mr. FLOWER. Do you not think your combination, with all the other structural iron-makers in the country, tends to increase the imports?

Mr. SLADE. The imports are not much.

Mr. FLOWER. But the price of structural iron is very high.

Mr. SLADE. No, sir.

Mr. FLOWER. How much?

Mr. SLADE. The present price is three-tenths of a cent per pound.

Mr. FLOWER. How much does it cost more than the steel rail before manufactured?

Mr. SLADE. I can illustrate that best by just calling attention to the difference in the two. The steel rail is the cheapest article of manufacture there is, simply for the reason that it is manufactured in enormous quantities. The article is precisely the same. The difference is there are thousands of tons of rails manufactured at one time, and when the rolls are put in they can stay for a week, or at any rate for a long time, and they roll a large quantity. The production of a steel-rail mill would not be much at 200,000 tons a year. Our mill, which is about the largest in the United States, has never produced 100,000 tons a year. I will show you the difference. In the steel-rail business every thing is different; they manufacture only that one article, and so do that most economically.

Mr. FLOWER. There are no steel rails imported but what is the difference in the set of rolls? That is all you have to have in your structural iron.

Mr. SLADE. The steel rail is a bar of reasonable size. We have to use the largest machinery and the most expensive machinery that is required in iron manufacture. I do not think there is any exception to that. We have to run at times a beam of 24 inches. That has to go through the rolls with enormous pressure, necessary to roll it out, and the pressure is enormously great as compared with the steel rail. There is no comparison between the two. But that is not the point alone. Then the orders we get for these beams are little trifles—merely trifles; the order may be for 1 ton, or even less than 1 ton. An order for 1,000 tons is an extremely rare order. We can not roll it in the same way we roll rails. A thousand tons of rails can be put into the mill and rolled out without a change. But an order for a thousand tons of beams to go in a building is different. They will take them only a little at a time, and probably it will take six months to get rid of the one order. Not only that, but there are so many different sizes. It is a retail business, done with the most expensive machinery.

Mr. FLOWER. But take a building like the World building, or the Potter building, or the Times building, those would not be retail orders?

Mr. SLADE. The trouble is, in a building like this you are likely to have a number of different sizes and different lengths, and when it comes to rolling different sizes you have to change the rolls, and they come to you with a long list of the different sizes

and lengths required. We think an order for a large building is no better than a small one.

Mr. GEAR. If you have different lengths and widths, you have to change the rolls every time?

Mr. SLADE. Yes, sir. The only way is to combine one man's order with another's, and make them all at the same time.

Mr. GEAR. You can roll but one width and length of iron with one set of rolls?

Mr. SLADE. No, sir; we can not.

Mr. BAYNE. You have to change the rolls?

Mr. SLADE. Yes, sir.

Mr. FLOWER. I know that this summer I found it pretty hard to get the stuff when I wanted it, as you do not keep stock on hand.

Mr. SLADE. I suppose we carry one or two thousand tons, always more than one thousand; yet you can not find what you want and you have to keep cutting.

Mr. FLOWER. Do you mean to say they cost more to manufacture?

Mr. SLADE. I mean to say more than double.

Mr. FLOWER. Does it cost treble?

Mr. SLADE. No.

Mr. FLOWER. If it costs treble you have got a pretty good profit on it.

Mr. SLADE. Certainly we get fair prices, but not high prices. The steel-rail men think they should have a measure of protection of \$5 a ton on rails. We would not ask you for anything better.

Mr. GEAR. What are the size of your rolls?

Mr. SLADE. Our largest trains are 26 inches in diameter. We can roll to-day the largest size on that train.

Mr. GEAR. How long does it take to change a train of rolls?

Mr. SLADE. About a day.

Mr. CARLISLE. What do you say the present prices are?

Mr. SLADE. The present price of beams—angles are sold at less—is $3\frac{1}{2}$ cents a pound. When I first engaged in the business twenty years ago it was more than double that. We have reduced the price very much.

Mr. BRECKINRIDGE. You mean in the net?

Mr. SLADE. Yes.

Mr. FLOWER. This combination of mills now enables you to keep one price all over the country?

Mr. SLADE. All the mills are not in it.

The CHAIRMAN. What do you mean by "combination," Mr. Flower?

Mr. FLOWER. It has been charged that a combination kept the price up for that structural iron last year. I will not say this year, because I know these beams went down some parts as low as 2 $\frac{1}{2}$.

Mr. SLADE. Two and eight-tenths. Before that it was 3.3 in New York. And that was reduced to 2.8.

Mr. FLOWER. I supposed from what I heard that there was a combination last year by which they agreed to charge a certain price?

Mr. SLADE. There is not.

Mr. FLOWER. The reason I ask this question is I want to know if there is any extra profit on this compared with the steel-rail business?

Mr. SLADE. It is a mere bagatelle in comparison with it. We do not feel the least hesitancy in doing business. I have had more to do with that than any other man. There is no reason why anybody should not go into a legitimate manufacture and make a profit with his business. The whole question is whether the profit we get is exorbitant or not. I have made up the results of our business for twenty years, and it has not exceeded on an average 8 per cent. for that time. We are not paid 8 per cent. this year. These are the exorbitant profits.

Mr. FLOWER. How many mills co-operate in this?

Mr. SLADE. About twelve.

Mr. FLOWER. Any west of Chicago?

Mr. SLADE. Not west of Chicago. There is one in Chicago. There are about twelve mills now. Originally there were four. There is no dissatisfaction with the combination. It is simply intended to secure a fair profit, which we think we ought to have. Let me just give the reason why a combination in a certain thing is justifiable. People say the natural competition would fix the price at a fair profit. It would do nothing of the kind, I can assure you. I can show you why it would not. That is nothing but what people say. It is ridiculous. When a man who is engaged in the manufacture of an article has put his money into that plant he is subject to a large amount of expense. There are repairs to the building, taxes, salaries, to enable him to keep up the organization. Now, we will compete for work whether we get any part of our money or not, and that is the best we can do. In other words, suppose an article costs 2 cents a pound simply for coal and iron; now, of course we will not sell below that 2 cents, because we would simply be giving our material away; we had better

keep it. We are entitled to have our expenses paid, but at any price between two and two and a half cents, we will compete for work, and my experience is we compete more eagerly for it under those circumstances than any other time, simply because we would say we are going to try to reduce the loss of last year. Therefore it is not a true but a misdirected competition. This thing is going on all through the country. I know perfectly well that it has been advantageous to the trade. They do not make the slightest complaint.

Mr. FLOWER. Do you advise coal men to go into a combination?

Mr. SLADE. I advise them to look after their own interests.

The CHAIRMAN. How many firms are in this combination?

Mr. SLADE. Twelve.

The CHAIRMAN. Can you give the names of them?

Mr. SLADE. Yes, sir.

The CHAIRMAN. What are they?

Mr. SLADE. Carnegie, Phipps & Co., Phoenix Iron Company, the Pittsburgh Steel and Iron Company, of Trenton—

The CHAIRMAN. That is your concern?

Mr. SLADE. Yes, sir.

Mr. CARLISLE. Names are sometimes very hard to get, so call those over slowly to the stenographer.

Mr. SLADE. Jones & Lackland, limited, Pittsburgh; A. B. Roberts & Co., Philadelphia; the Illinois Steel Company, of Chicago; the Columbia Iron and Steel Company, of Pittsburgh; Passaic Rolling Mill Company, of Passaic, N. J. Then there are two others, Springfield Iron Company and New Albany Rolling Mill Company. Now, there are some mills not in the combination.

Mr. BAYNE. One at Youngstown, Pa.?

Mr. SLADE. I should have added there are works at Cleveland and Pittsburgh, Mr. Oliver's, I think—the gentleman who spoke this morning.

Mr. BAYNE. Are there any mills not now in it?

Mr. SLADE. I have just mentioned two. They are coming up all the time. We make no effort to stop new mills at all. We simply say to one another, let us charge a fair price on this production. That is all the combination says, and we take the consequence of a rise of new works in competition. We never make any attempt to put an individual off or keep anybody out. Mr. Oliver can tell you whether we have done anything to prevent him from coming in.

Mr. GEAR. You did not make any combination to reduce the price?

Mr. SLADE. Last year we reduced the price half a cent a ton. This year we have advanced the price, but not as much as the raw material has advanced.

Mr. GEAR. You have no combination to crush out other mills?

Mr. SLADE. Not in the slightest.

Mr. BAYNE. You could not crush them out if you wanted to?

Mr. SLADE. No, sir; we would simply crush ourselves.

Mr. BAYNE. Have you undertaken to put the price up yet?

Mr. SLADE. No, because the others would come in. Capital is always seeking a profitable investment and to do a profitable business, and if we did, it would certainly come in.

Mr. GEAR. When you change your rolls, how many men does it take?

Mr. SLADE. I do not know how many men it takes, but perhaps it takes half a dozen to change the rolls.

Mr. McKENNA. Have you any interest in limiting the production?

Mr. SLADE. No, not the slightest.

Mr. FLOWER. Are you afraid that a change in the tariff duty would affect you injuriously?

Mr. SLADE. We would die of starvation; and we prefer to live and do this work we have been doing for the last twenty years, in increasing our mills and increasing the product of this country. We do not expect to control the business; we are simply fighting to live. Other mills are coming in all the time. Those mentioned last are getting ready to come in. We will go on with that and let things take care of themselves.

The CHAIRMAN. Does the Senate bill propose to reduce the duty?

Mr. SLADE. It does. We had a consultation with the Senate committee last year, and we were enabled here to get a reduction of a quarter of a cent a pound, which was more than we thought we ought to have on foreign beams. Foreign beams can come in under this duty.

The CHAIRMAN. It was 1½ cents, and now it is 1 cent?

Mr. SLADE. Yes, sir. On the first draft of this bill it was 1.1 cents, and it is now left at 1 cent.

Mr. GEAR. What is the freight on a ton of beams?

Mr. SLADE. I do not know anything about that. That is all I have to say. I merely want to show the paragraph which was clearly designed to cover these shapes.

Senate substitute for H. R. 9051, section 198, insert after line 841: "*Provided, That the amount of duty levied and collected upon any such manufactured article or ware shall not be less than would have been collected upon the material or materials from which such article or ware is manufactured if it had been imported previous to being so manufactured.*"

COAL.

STATEMENT OF HON. GALUSHA A. GROW.

HON. GALUSHA A. GROW, of Pennsylvania, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, as I may fail to make myself clearly understood, I give you this statement, which contains the conclusion to which I aim, and which probably would be more interesting for you to consider than anything I could say. The Senate's amendment last year to the House bill relative to bituminous coal reads: "Coal, bituminous and shale, 75 cents per ton of 28 bushels, 80 pounds to the bushel; coal, slack or culm, such as will pass through a half-inch screen, 30 cents per ton of 28 bushels, 80 pounds to the bushel." Slack is the fine part of bituminous coal, and culm is the fine dust of anthracite coal; both kinds are mentioned, but the culm is of no consequence, as all kinds of anthracite coal is free of duty here and in Canada. The Canada duty on bituminous coal is 60 cents net ton of 2,000 pounds. The American duty is 75 cents gross ton of 2,240 pounds. So our duty is $7\frac{1}{2}$ cents greater than the Canadian duty on a gross ton.

What is aimed at by the proviso I give you is that whatever reduction shall be made in the duty on any kind of coal shall be on condition that Canada shall receive our coal at the same rate of duty.

The CHAIRMAN. Have you read your proviso?

Mr. GROW. The proviso is this:

"*Provided, That in case any foreign country shall impose any greater duty on bituminous coal when imported into said country from the United States than the duty herein specified, then the duty on coal, when imported from such country, shall remain the same as fixed by the law in force at the date of the passage of this act.*"

The CHAIRMAN. What duty would you assess on coal?

Mr. GROW. It would greatly benefit the coal industry of western Pennsylvania and Ohio, and I do not think it would injure it in any other part of the country, to make the duty about as follows in the proviso that I have indicated:

"Coal, bituminous and shale, such as will not pass through a screen of $1\frac{1}{4}$ -inch mesh, called lump coal, 45 cents per ton of 2,240 pounds. Run of mines, that is, lump, nut, and slack together as taken from the mine, and slack, 30 cents per ton of 2,240 pounds."

Whatever duty is made less than the present some such proviso should be attached. Its practical effect of course could apply only to Canada, and but for treaties with the most favored nations the proviso could be specifically applied to Canada.

Mr. BAYNE. Is it your aim to increase the export to Canada or the import from Canada?

Mr. GROW. To increase our export to Canada. Last year we exported to Canada almost three times as much bituminous coal as we imported from all other countries. The export to Canada of bituminous coal was 1,226,211 net tons, and we imported from Canada 374,833 gross tons, of which 69,857 was from Nova Scotia and New Brunswick; the balance was from British Columbia. In Canada, east of the Rocky Mountains to about 100 miles west of Montreal, Pennsylvania, Ohio, Indiana, and Illinois supply the entire country with bituminous coal. East of that the supply is mostly from Nova Scotia district. Three years ago the Grand Trunk supply at Portland, in Maine, was furnished by the Cumberland and West Virginia mines in competition with Nova Scotia.

If the duty was what I indicate, or thereabouts, the States mentioned would supply all the country in Canada west of Montreal with bituminous coal, and Nova Scotia would supply all east of Montreal and most of the State of Maine and probably some in Boston. The American mines would supply all points where the cost of transportation from the mine to the market is not greater than the cost from the Nova Scotia mines to the same point. Canadian labor in Nova Scotia is paid less than the labor in American mines, but they have more expensive mines to work, which compensates in part for that.

Mr. CARLISLE. How much difference is there in the price of labor?

Mr. GROW. About 25 or 30 per cent., I think. The duty should be high enough to meet that, and that is all that is required.

Mr. McMILLIN. You make a new classification and say, "run of mines, slack, and culm."

Mr. GROW. Yes; there are three kinds of bituminous coal, of different market value, having the commercial names of lump, lump and nut, and slack. Run of mines embraces all three of these and is the coal just in the shape that it is taken out of the mine.

Mr. McMILLIN. Do I understand you to say there is now a duty on dust coal?

Mr. GROW. There is no duty on dust coal, which is the same as culm, for that is anthracite, but on slack there is, for that is bituminous coal.

Mr. McMILLIN. But still the miner does not get pay for this coal at all.

Mr. GROW. In the anthracite region the miner is paid by the car, which is the same as paying him for run of mines. In the bituminous region he is paid in some districts for run of mines, in others for lump coal only, but his pay is really the same thing, either way. Sixty cents per ton for lump coal is just the same, and is counted as the equivalent of 45 cents per ton run of mines. It is the same thing to the miner either way. In soft-coal mining the miner loads his own coal into mine cars. Hard coal is mined run of mines and the miner is paid for a helper, who loads the coal.

Mr. CARLISLE. That is anthracite, which is now free?

Mr. GROW. Yes, sir. A duty would make no difference, for there is no other coal to compete with it.

Mr. CARLISLE. Except so far as soft coal comes in competition with it?

Mr. GROW. A duty would not affect that.

Mr. BAYNE. You say that the Grand Trunk Railway bought coal at Portland? Do you know what they paid for that?

Mr. GROW. I do not remember now. It was three years ago.

Mr. BAYNE. Was it as much as 75 cents difference?

Mr. GROW. I do not recollect what the price was. The Grand Trunk takes its supply for the eastern end of its road at Portland, and from the Nova Scotia region. Along the line west of Montreal it takes mostly from Buffalo over the International and Suspension Bridge, and for the western end at Detroit. Slack coal admitted at a lower rate of duty would take the place of other coal to a certain extent. I would make the duty on run of mines and slack 15 or 20 cents less than lump coal, for that would be about the difference in market price, with the proviso that Canada must take our coal at the same rate we charge on theirs. The Nova Scotia producers would not probably want a reduction of the present duty.

Mr. BAYNE. Canada would not be apt to reduce the duty on coal.

Mr. GROW. Then the duty would continue the same as it is now. My proviso would make the duty the same in both countries if there is any reduction.

Mr. McKENNA. Do I understand you that we mine coal cheaper in the United States than in Canada?

Mr. GROW. In western Pennsylvania and Ohio we do, if you count all the expense of the mine.

Mr. McKENNA. Why, then, do we want a duty on it?

Mr. GROW. On account of transportation.

Mr. McKENNA. Is the cost of production in the United States cheaper?

Mr. GROW. The points I have mentioned mine cheaper than in Nova Scotia, and the coal at the mouth of the mine sells for less than it sells for in Nova Scotia. The distance from the mine to the market adds to the selling price for both.

Mr. McKENNA. That is not an inducement to put a tariff on their coal, because they have the longer distance to go.

Mr. GROW. The distance, however, affects the selling price, and I would not admit their coal unless they took ours at the same rate of duty.

Mr. McKENNA. That is a reason for putting the tariff on coal up so they can not come in.

Mr. GROW. If we put up our tariff to keep them out, they could put their tariff up to keep us out and we should be the loser, for we export to them more than we import. If their miners work for less wages than ours I would make the duty to meet that difference.

Mr. McMILLIN. At least their miners must be more inefficient, for you say we mine cheaper than they do.

Mr. GROW. They have more difficult mines to work.

Mr. McKENNA. The only object of putting on the tariff is to compensate the increased cost in the United States.

Mr. GROW. Yes, and to secure a larger market.

Mr. McKENNA. If the American has less cost of production can he not afford to pay higher wages than the Canada man?

Mr. GROW. Yes; if both have the same cost of transportation to their selling market.

Mr. McMILLIN. I understand you want to put a duty on coal for the purpose of meeting the difference between the cost of labor here and in Canada; that is for the

purpose of keeping up the price of labor in this country, and at the same time you say the labor in Canada will come here.

Mr. GROW. Yes; and if we have a sufficient market to supply we can employ him at our higher wages. But if the Canadian has only 100 miles of transportation to market and the American has 500 miles, though the cost of mining was the same to both at the mine, the Canadian would take the market.

Mr. MCKENNA. You do not mean to say the cost of transportation here and in Canada has anything to do with putting a tariff on coal that remains here?

Mr. GROW. It has to do with the market price of the coal. The larger the market for a product the cheaper it can be sold by reason of the greater quantity produced.

Mr. MCKENNA. Do you want the Canadian tariff reduced on coal?

Mr. GROW. Yes, sir; for by that we should have a larger area of territory to supply. But they will not reduce unless we do, and that is what my proviso is for.

Mr. MCKENNA. Why not throw off all the tariff and induce them to throw it off?

Mr. GROW. It is doubtful whether that could be done; but so far as eastern Canada and this country is concerned it would not hurt this country. But so far as importations from other countries are concerned it might hurt our coal interest in other States than Pennsylvania and Ohio.

The CHAIRMAN. How would it affect coal?

Mr. GROW. If there was no duty on coal between Canada and the United States I think the Nova Scotia region would supply Canadian territory east of Montreal and most of the State of Maine and perhaps some in Boston; and Pennsylvania, Ohio, and Indiana would supply all the territory west of Montreal to the Rocky Mountains. We should supply 10 miles of territory to their 1.

Mr. McMILLIN. You say we should take 10 miles of their territory to 1 of ours?

Mr. GROW. I think so, as far as the supply from Nova Scotia region is concerned.

Mr. FLOWER. How is it with British Columbia mines?

Mr. GROW. They have large producing mines. How they compare with the Seattle mines I do not know; but a duty of about half the present duty, if reciprocal, would, I think, be no injury to the soft-coal industry of the whole country.

Mr. FLOWER. You want the proviso so as to force them to give us as good terms as we give them?

Mr. GROW. Exactly so; then a lower duty is just as well.

Mr. BRECKINRIDGE. You say if we had free trade in coal we should occupy 10 square miles of their territory to their occupying 1 of ours?

Mr. GROW. Yes; on the Atlantic coast.

Mr. BRECKINRIDGE. Do you embrace the Washington trade in your statement about the exchange?

Mr. GROW. No, sir; I don't think that would be the case on the Pacific side. For that reason, and also as to our importation from other countries, I think it well to have a duty on coal, but less than the present if coupled with the proviso that I propose. But the proviso would be of no consequence unless the present duty is reduced. I will not take up the time of the committee further, but will furnish you the statement as to the wages of labor and importation of coal as soon as I can prepare the tables.

The following is the statement furnished by Mr. Grow after the hearing before the committee:

Bituminous coal imported into Canada, by their custom-house reports, for the year ending June 30, 1888, from the United States.

Provinces.	Quantity.	Valuation.
	<i>Tons.</i>	
Ontario	1, 212, 632	\$3, 400, 616
Quebec	6, 127	21, 110
Nova Scotia	3, 504	10, 199
New Brunswick	1, 019	5, 703
Manitoba	2, 219	5, 356
British Columbia	790	5, 981
Total	1, 226, 211	3, 448, 965

Bituminous coal imported into the United States year ending June 30, 1888.

From—	Quantity.	Valuation.
	<i>Tons.</i>	
Nova Scotia, New Brunswick, and Prince Edward Island.....	65,368	\$73,825
Quebec, Ontario, Manitoba, and Northwest Territory.....	4,489	16,916
Total	69,857	90,741
British Columbia	304,976	1,335,308
Total		1,426,049
Australia.....	332,130	228,961
England	138,722	354,354
Scotland	29,649	129,373
Total	490,501	1,412,688
Total from all countries.....	877,504	2,846,741

	Nova Scotia.	Northwest Pennsylvania.
	<i>Gross ton.</i>	<i>Net ton.</i>
Miners' pay for run of mine.....	\$0.45 to \$0.55	\$0.45
Mule drivers, per day.....	.70 to 1.00	\$1.50 to 1.75
Track men, per day.....	1.00 to 1.25	1.60 to 1.65
Laborers, per day.....	1.10 to 1.35	1.30 to 1.60

Cape Breton miners' pay some less than Nova Scotia; have not been able to get precise figures.

Average valuation at custom-house of bituminous coal.

From the United States into Canada	net ton..	\$2.80
From Canada into the United States.....	gross ton..	3.80
From all countries into the United States.....	do.....	3.24

Bituminous coal imported under reciprocity treaty from Nova Scotia, year ending June 30, 1863, 282,774 tons, \$757,094; year ending June 30, 1870, 243,683 tons; duty, \$1.25; year ending June 30, 1888, 69,857 tons; duty, 75 cents.

Anthracite coal imported into Canada year ending June 30, 1889, 1,281,771 tons; valuation, \$5,175,207.

Importation of bituminous coal.

Ports at which mostly received.	Year ending June 30, 1860; duty \$1 per ton (C. & N. No. 9, page 430).		Year ending June 30, 1868; duty \$1.25 per ton (C. & N. No. 10, page 60).		Year ending June 30, 1888; duty 75 cents per ton (C. & N. No. 4, page 174).	
	Tons.	Valuation.	Tons.	Valuation.	Tons.	Valuation.
Baltimore.....	157	\$234	85	\$295	85	\$153
Boston.....	22,566	92,107	98,870	291,454	27,974	72,225
Champlain.....	26	76	30	222	174	575
Charleston.....	4,904	14,283	2,460	7,929	107	211
Fairfield.....			366	719		
Fall River.....			615	1,470		
Marblehead.....					2,247	1,123
Mobile.....	1,728	6,889	323	2,113	49	97
New Bedford.....	842	6,629	1,364	3,120		
New Haven.....	7,158	13,405	5,105	20,373	831	438
New London.....	1,207	1,988	1,712	8,313		
Newport.....	308	599	583	1,169		
New Orleans.....	3,602	14,288	1,712	8,313	299	709
New York.....	154,631	538,692	145,471	468,992	22,920	110,250
Norfolk.....	634	805	407	675	4	6
Oregon.....	110	662	1,386	9,253	1,916	7,110
Portland and Falmouth.....	4,290	8,906	16,201	51,027	30,538	51,021
Portsmouth.....	307	631	4,052	11,743	1,227	839
Providence.....	2,742	4,474	12,201	30,467		
Philadelphia.....	2,017	3,555	191	374	5,724	21,822
Richmond.....	632	895				
San Diego.....					81,279	243,547
Savannah.....	4,603	11,788	7,946	20,626	1,627	5,586
Salem.....	459	958	6,048	11,278	6,408	3,286
Willamette.....					14,613	45,518
Wilmington, Cal.....					129,134	413,711
Texas.....	2,575	7,748	1,335	6,393	12,084	24,675
San Francisco.....	25,675	108,801	75,102	298,563	523,005	1,787,867
Total from all ports in the United States.....	240,697	839,334	396,128	1,280,824	877,504	2,846,741

Received at Boston in 1888, 28,000 tons against 99,000 tons in 1868. Received at New York in 1888, 23,000 tons against 145,000 tons in 1868.

Importation of bituminous coal.

Countries from which mostly received.	Year ending June 30, 1860; duty \$1 (C. & N. No. 5, page 198).		Year ending June 30, 1868; duty \$1.25 (C. & N. No. 9, page 548).		Year ending June 30, 1888; duty 75 cents.	
	Tons.	Valuation.	Tons.	Valuation.	Tons.	Valuation.
Hamburg.....	661	\$2,371	355	\$1,266		
England.....	197,996	622,785	99,058	347,333	138,722	\$254,354
Scotland.....	18,978	116,772	5,768	18,321	29,649	120,373
Canada.....	448	1,017	1,084	2,797		
British North American Possessions on Atlantic.....	6,467	34,700	227,048	650,454	69,797	80,741
British North American Possessions on Pacific.....			23,708	129,172	304,976	1,335,308
British Australia.....	10,485	30,740	20,650	59,219	332,150	928,961
British West Indies.....	105	276			61	158
France.....	2,488	8,075	10	24		
Brazil.....	19	43	137	345	44	102
Chili.....	2,286	8,805	13,222	51,676	1	4
Peru.....			4,664	18,523		
Total from all countries.....	240,697	839,334	396,128	1,280,824	877,504	2,846,741

In view of the bituminous coal industry of the whole country, I would make about the following rates for bituminous coal, with the proviso which I have indicated.

Coal, bituminous and shale, such as will not pass through a screen of 1½-inch mesh, called lump coal, 68 cents per ton of 2,240 pounds.

Such as will pass through a screen of $1\frac{1}{2}$ inch, but will not pass through a screen of five-eighths of an inch, called nut coal, 68 cents per ton of 2,240 pounds.

Such as will pass through a screen of five-eighths of an inch, called slack, 34 cents per ton of 2,240 pounds.

Run-of-mines, that is, lump, nut, and slack together, as taken out of the mine, 34 cents per ton of 2,240 pounds.

Coal, having less than 10 per cent. of slack to the hundredweight, shall be considered lump and nut coal.

With this change in the duty northwestern Pennsylvania and Ohio would supply in Canada, in addition to the territory which they now supply, a strip of country about 150 miles wide east and west, extending north across the whole of Canada, including the city of Montreal. The local consumption of Montreal is about 500,000 tons of bituminous coal a year. For the year 1889, ending with the close of navigation, there was received at Montreal by water 328,000 tons and by rail 82,000 tons, making in all 410,000 gross tons.

The distance from Pictou and Cape Breton mines to Montreal by rail is over 700 miles; from Halifax to Montreal is 652 miles. From the mines of northwestern Pennsylvania, through Buffalo to Montreal, is from 650 to 680 miles; through Norwood and Massena Springs, St. Lawrence County, N. Y., it is from 630 to 650 miles. The distance from Halifax to Boston by rail is 726 miles; from Baltimore to Boston, 325 miles. The distance from the Cumberland and Clearfield coal districts to Boston, by Philadelphia, is from 450 to 580 miles. So the meeting points for market between the Nova Scotia mines and the United States mines would be in Canada east of Montreal, and, along the Atlantic coast, Boston, and points east of it.

The largest quantity of coal imported from Canada into the United States in any one year under the reciprocity treaty, when there was no duty, was less than 250,000 tons. Last year, when the duty was substantially the same by both countries, we exported to Canada three times the quantity of bituminous coal that we imported from there, and, with the change in the duty which I propose, the existing difference would, in my judgment, be greatly increased.

STATEMENT OF MR. CHARLES F. MAYER.

Mr. CHARLES F. MAYER, president of the Consolidation Coal Company, of Maryland, and of the Despard Gas Coal Company, of West Virginia, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee. I have reduced to writing what we propose to say upon this subject, which will probably be more concise than any other way. If any gentleman of the committee desires to ask me any questions upon this subject, I shall be very glad to answer them.

We beg to ask your attention to the serious consequences to the West Virginia and Pennsylvania gas coal, and the Maryland, Pennsylvania, and Virginia steam coal, trades, if the present moderate, indeed, inadequate, impost duty of 75 cents per ton is either reduced or abolished.

Since the birth of the country as a commercial power, the importance of developing the vast deposits of steam and gas coals within the borders of the United States has been recognized by the General Government, and such legislation as would most encourage this has been adopted.

In 1824 a duty was imposed equivalent to	per ton..	\$1. 68
The act of 1842 placed it at	do	1. 75
This rate was continued until 1846, when it was changed to an ad valorem duty of	per cent..	30
Which, by a falling scale provided by law, fell in 1862 to	do	24
It was then, in 1862, changed to	per ton..	1. 00
In 1865 it was raised to	do	1. 10
In 1866 it was raised to	do	1. 25
At which it continued until 1873, when it was fixed at the now existing duty of	per ton..	. 75

The single exception to this general policy of the Government (apart from the special exemption in the act of March 3, 1883), was made in coals from the British Provinces, which were admitted duty free by the provisions of the reciprocity treaty of 1854, and so continued until the termination of that treaty in 1866.

This exception, it is claimed, was unfairly obtained by parties interested in provincial mines; but be that as it may the owners of provincial mines, aided vigorously by New England parties, who had become interested in that region, have persistently worked ever since the termination of that treaty to get coal placed upon the free list.

The special (and extraordinary) exemption referred to was that provision in the act of March 3, 1883, by which "a drawback of 75 cents should be allowed on all

bituminous coal imported into the United States which is afterward used for fuel on board vessels propelled by steam which are engaged in the coasting trade of the United States, or in the trade with foreign countries."

This act was secured by parties in our Pacific States who had become interested in the British American mines on that coast, and while the volume of coal that has availed of this act on the Atlantic sea-board has not been large it has injuriously affected the American steam coal trade.

It was after the termination of the reciprocity treaty, when provincial coals were subjected to the same duty as all other foreign coals, that the rapid and extended development of the great eastern bituminous fields of our own country commenced.

The extensive basins of Virginia and West Virginia have come into the market only since that period, while those of Pennsylvania and Maryland—until then developed to but a limited extent—have expanded into extensive and important industries employing millions of capital and thousands of hardy workmen, and aiding, perhaps more than any single industry, in the rapid projection and extension of many most important lines of railway.

The last census reports show, in the above three States alone, the amount of capital to be \$57,705,000 and the number of persons to be 41,000 actually engaged directly in the mining of coal. These figures have increased largely since the census.

The rapid increase in the product of the bituminous coal mines of the United States for consumption in the sea-board States is shown by the following figures:

	Tons.
Product in 1865.....	1,989,247
Product in 1874.....	4,566,495
Product in 1889, estimated.....	11,500,000

Extraordinary as has been this development in the production of native bituminous coals, the decrease in price to the consumer has been equally remarkable, as will be shown by the following table:

Prices of American steam coals.

[Per ton of 2,240 pounds.]

Year.	At Baltimore.	At New York.
1876.....	\$3. 87	\$5. 40
1889.....	2. 50	3. 50

In 1885 the prices were 25 cents lower than the quotations for 1889, the increase being due entirely to an advance made in miners' and mine laborers' wages in 1886.

The course of prices as shown by the above figures is well worthy your special attention.

Domestic competition alone has produced this regular and gradual decline in prices and has furnished the american manufacturers railroads, and steamers their supplies upon as advantageous terms as can be obtained in almost any part of the world—in some cases at lower figures than prevail anywhere else.

Even the most extended strikes among the miners of our bituminous regions have not advanced prices, so numerous are the sources of supply developed by the encouragement heretofore given by the steadfast policy of the General Government.

In addition to the great advantages the development of our bituminous coal-fields has secured to the American manufacturer, it has performed an almost equally important part in affecting the prices of anthracite coal—the great domestic fuel of the Atlantic sea-board.

This anthracite coal, produced from a limited area in eastern Pennsylvania, was until the development of our bituminous fields the only coal (excepting a few thousand tons of English gas coal) used for both manufacturing and domestic purposes on the Atlantic sea-board; and would of necessity have commanded far higher prices had it continued to engross the whole market; but from the time our American bituminous coals have been largely developed, these latter have become very largely the manufacturing and steam coals, confining anthracite coal mainly to domestic purposes, allowing it thereby to fill that ever-increasing demand at moderate figures.

The foregoing shows how eminently advantageous the development of our bituminous fields has proven to the American manufacturer. The results to the producer have been far otherwise. Since 1877 the mining of both gas and steam coals in our eastern basins, for the supply of the Atlantic sea-board, has been absolutely unremunerative to the operators. As a rule only a small royalty has been secured, with little, if any, other return for the large amount of capital invested—barely sufficient to induce operators to persevere in anticipation of a better future and the hope that the injustice done them by the tariff of 1873 would be remedied.

In illustration of this I beg to submit the following figures:

Gas-coals from West Virginia.

	Per ton.
Railroad freight from mines to Baltimore for shipment to New York and New England	\$1.60
Shipping charges, insurance, and other terminals .....	.26
Vessel freights to New York	1.25
Actual cost of putting 1 ton gas coal on cars at mine .....	.80
Total	3.91
Actual price of this coal in New York during 1889	4.00
Profit and royalty to shipper .....	.09

Maryland steam coals.

	Per ton.
Railroad freights from mines to Baltimore for shipment to New York	\$1.25
Shipping charges, insurance, and other terminals .....	.20
Vessel freights to New York	1.10
Actual cost of putting 1 ton of steam coal on cars at mine .....	.90
Total	3.45
Actual price of this coal in New York during 1889	3.50
Profit and royalty to shipper .....	.05

The slight differences in shipping charges and vessel freights between gas and steam coals arise from the different modes of shipment and points of delivery in New York Harbor.

The several items of cost may vary in the coals of Pennsylvania, Virginia, and West Virginia, but the results are alike unremunerative to all.

During the same period (1889) provincial coals sold in the Eastern markets at about \$3.25 for steam coals, and \$3.75 for gas coals, affording to the provincial operators a handsome return.

With this difference in price between the two coals, the market has been supplied, in part from each source; but make the difference as much greater as will result from reducing the existing tariff or placing coal on the free list, and you largely increase the consumption of provincial coals. The inevitable result of this must be a diminished output by the American producers, a consequent abandonment of work by some operators in portions of the Eastern fields, and a check to this important industry, which it will require years to overcome, when the ruinous result of the proposed measure, if adopted, shall have been demonstrated.

Economical and prudent management has been of necessity the rule among our operators. The wages paid to our miners has been only a fair return for their labor, even at the advance of wages heretofore referred to. The transporter, as the foregoing figures will show, has been pressed down to, and in some cases under, the lowest remunerative point.

Should any reduction be made in the present tariff, it can not fail to affect the wages of our miners and mine laborers, for in all other departments every possible economy is being exercised.

The existing wages are as low as they should be in this country, and for such labor, the skilled labor which produces coal as it is known in the market, not the "raw material," as the advocates of free trade persist in calling it. This term properly applies to the coal only in the ground, the value of it there being but a minute portion of its cost as known to commerce.

The provincial mines are located near tide, none of them more than 25 miles distant, many of them from 2 to 6 miles; in which latter case, their product is brought from the pit's mouth in the mine cars and dumped directly therefrom into vessels. Their coal is produced by labor costing little more than half what it costs in this country, and is shipped here almost entirely in foreign bottoms, at much lower freights than prevail for American coals, which must be shipped in American bottoms. This remark as to cheaper freights applies, in a great measure, to the shippers of English coals, who, though more distant than the provincial mines from our markets, have the advantage of frequently being able to ship their coals to this country in lieu of ballast at nominal rates of freight.

The steam and gas coal mines of this country are located from 200 to 300 miles from tide, and our product is mined, brought out, sent to tide, and shipped coastwise at the higher prices paid for all classes of labor in this country.

The coal operator of our own country has been encouraged to invest his capital under the Government's long established policy of a duty on coals. The operator of the British provinces and his American associates have invested their capital in the

face of this established policy, and have no cause of complaint if that policy is continued.

Permit me, in this connection, to call your attention to another very important interest which will be materially injured by a reduction in, or abolition of, the duty on coal, viz, that of our coasting vessels.

Late reports show that about five hundred vessels are mainly engaged in distributing coals along the Eastern Atlantic sea-board.

Seriously interfere, by the proposed legislation, with our production of coal for Eastern trade, and it is not unreasonable to predict that our coasting vessels would soon be in the deplorable condition of our merchant marine engaged in foreign trade.

Mr. McMILLIN. Do you not know that it is a fact that our coasting trade under the law can not be interfered with?

Mr. MAYER. If you take the duty off and replace American vessels with provincial vessels, you interfere with American vessels to that extent.

Mr. McMILLIN. What I was speaking of, foreign vessels can not engage in the coasting trade.

Mr. MAYER. It is not engaged in the coasting trade, but it is engaged in bringing coal from foreign countries. Provincial coal comes in provincial bottoms, from my experience for many years in the trade.

The following table, made up from official sources, shows the imports of bituminous coal, and the revenue derived therefrom, for the years 1872 to 1885, inclusive. (For the years 1883 to 1885 we have been able to obtain only partial returns.)

We have been unable to bring the table up to 1889, because of the limited notice given of this meeting.

Statement of the imports of coal into the United States during the fourteen fiscal years ending June 30, 1885.

Years ended June 30—	British North American possessions.		All other countries.		Total imports.		Rate of duty.	Duty collected.	Average duty reduced to ad valorem.
	Tons.		Tons.		Tons.				
1872	257,447	\$608,623	233,184	\$682,583	490,631	\$1,291,206	\$1.25	\$606,329	.....
1873	261,251	683,292	194,764	856,271	456,015	1,539,663	1.25 .75	369,989	.....
1874	312,566	1,077,464	185,462	872,961	498,028	1,950,425	.75	369,047	19.00
1875	181,942	697,673	259,658	1,101,024	441,600	1,798,697	.75	327,536	18.28
1876	178,421	719,238	229,432	888,653	407,853	1,607,891	.75	300,474	18.86
1877	174,045	693,911	323,225	1,081,756	497,270	1,775,667	.75	371,862	20.86
1878	265,794	924,899	312,663	1,011,288	578,457	1,936,137	.75	429,634	22.26
1879	235,920	866,102	255,553	858,274	491,473	1,724,466	.75	364,876	21.26
1880	269,058	882,726	208,459	710,770	477,517	1,593,505	.75	353,863	22.28
1881	340,062	991,561	337,298	1,017,423	677,360	2,008,974	.75	489,722	24.63
1882	295,097	778,367	556,237	1,411,081	851,334	2,189,298	.75	596,791	.....
1883	.....	.....	.....	.....	722,695	2,085,972	.75	.....	.....
1884	.....	.....	.....	.....	820,266	2,558,164	.75	.....	.....
1885	.....	.....	.....	.....	817,918	2,593,679	.75	.....	.....
Total..	2,771,603	8,923,786	3,095,935	10,492,193	8,228,417	26,653,794			

The above table shows that the importation of foreign coals is increasing rapidly, that from 1873 (when the duty was reduced to 75 cents) to 1882 it has nearly doubled. It also shows that on this increased quantity in 1882 the revenue collected by the Government under the duty of 75 cents was not as much as the revenue collected in 1872 on little more than one-half the quantity when the duty was \$1.25.

Mr. GEAR. Where do these foreign coals come from?

Mr. MAYER. This article does not show it, but your reports of the departments do. I heard the statement of Mr. Grow, which I beg to differ with. He stated that nearly all the foreign coals imported into this country came from the Pacific coast. That is not the case. Since the opening of the mines on Vancouver's Island the importation into San Francisco has been quite large, but a considerable quantity of foreign coal comes from the provinces.

Mr. GEAR. Do these coals come from eastern ports?

Mr. MAYER. They come from Pictou and Cape Breton.

Mr. McKENNA. Do you believe the cost of producing coal in Canada is less than in the United States?

Mr. MAYER. Very largely, sir. There was a very interesting article appeared in the Times—

Mr. McKENNA. Are they more?

Mr. MAYER. Now, Mr. Grow made a mistake. That is a matter too well established. You can get statistics for years, and you will find the British miner gets about half.

Mr. McKENNA. What is the cost of mining?

Mr. MAYER. It is about half. These British miners get about half.

Mr. CARLISLE. Mr. Grow stated it was 25 per cent. more in this country than in Canada.

Mr. MAYER. It is a difference between \$1.25 and \$2.50.

Mr. CARLISLE. Have you any actual experience in regard to the wages paid in Canada?

Mr. MAYER. Only from the reports.

Mr. CARLISLE. Do you send coal to Canada to sell?

Mr. MAYER. No, sir.

Mr. CARLISLE. Have you been there to inspect the mines?

Mr. MAYER. Yes, sir.

Mr. CARLISLE. Do you know that Mr. Grow annually sends coal there and sells it in the Canada market?

Mr. MAYER. He does not sell coal to the British provinces; he may sell coal to Montreal, and I greatly question that. We have a large amount of coal exported into Canada from the Western States.

Mr. CARLISLE. Owing to what?

Mr. MAYER. To the effect of the tariff upon coal at Atlantic seaports and its competition with the British provinces. The Western States may supply coal to the western portions of Canada because they can not get coal on account of the transportation from the St. Lawrence River and Quebec to the western portions of Canada, as it is too expensive. If we had free coal it would not affect one single ton of coal that goes into western Canada.

Mr. BRECKENRIDGE. Have you figured the exports of coal as well as the imports?

Mr. MAYER. I have, sir, and the exports of coal from this country are not large. There is no place to export from to the British provinces.

Mr. BRECKENRIDGE. Mr. Grow gave us those figures.

Mr. MAYER. If you will pardon me, we have sent some cannon-coal to Great Britain, but not a great amount.

Mr. McMILLIN. I understand there is a combination.

Mr. MAYER. Yes, sir. If you will look into the matter you will find they are limited, and no man who knows anything about coal will attempt to controvert it. British cannon-coal can be put on board at the port of market at about 14 shillings; that is, \$3.50. Now, if you will consider for a moment the shipment of cannon-coal to tide by rail and there shipped by water to Great Britain, and figure that at \$3.50, you will realize it is out of the question. The coal that has been shipped has been of a peculiar quality. It has been the Breckenridge cannon-coal, which is an extraordinary product, and not only used as fuel but for other purposes, what you might term the fine arts, and for the manufacture of ornaments.

Mr. McMILLIN. Is it used to light the streets of London?

Mr. MAYER. That is not true, sir. There is no American cannon or other coal used to light the streets of London. In the first place, the streets of London are lighted by two classes of light. They are using electricity and they are using cannon-coal, and also using cannon-coal for cooking. They can put this coal in London for some little more than it costs to put the coal on board at Baltimore, New York, or Philadelphia.

Mr. McMILLIN. What is your judgment about what should be done with the tariff, increase the present duty or let it remain where it is?

Mr. MAYER. I should say let it remain where it is, not because it is just to remain there, but for the reason that the clamor for a reduction is such that if we put coal where it ought to be it would raise—

Mr. McMILLIN. Where ought it to be?

Mr. MAYER. It should not be outside of \$1.25. When you reduce the general tariff you may then reduce us to \$1.

Mr. McMILLIN. That is for the benefit of American labor?

Mr. MAYER. Yes, sir.

Mr. McMILLIN. That is the element to be considered?

Mr. MAYER. That is one of them; there are a great many elements.

Mr. McMILLIN. The whole cost on board the cars in West Virginia is 80 to 90 cents; 80 for one class and 90 for another?

Mr. MAYER. Yes, sir, and the whole cost of production in Canada is a little over a half—about 50 cents. On board cars in West Virginia it is 80 to 90 cents.

Mr. McMILLIN. If there is that difference, the difference between 80 and 50 cents, 30 cents, do you think there should be \$1.20 to make up that difference?

Mr. MAYER. I do, and I have good reasons for it. What enters into the cost of American coal? What makes American coal cost what it now does in the market?

Is it the cost at the mines? What good does coal do there? What good does coal on the cars and dumped at the mouth of the mine do? Does it help anybody or do anything? Take it where it becomes of use, that is, at tide. It goes over the railway —

Mr. McMILLIN. Then it is the railway you want to protect, and not the labor?

Mr. MAYER. Both, because the railway also employs labor. I am not defending railroads; they can take care of themselves.

Mr. McMILLIN. They can do that generally.

Mr. MAYER. I think it is fortunate they can. I do not know where any of us would be without them.

Mr. McMILLIN. I simply wanted to see the object of your argument and see the manner in which labor is included in it.

Mr. MAYER. My object is this, gentlemen, and I am a miner I think, as I have been in this business for twenty years. I want to get some money out of it. I want to employ the labor I have now, and I would like to see them prosperous, and looking as they do now, comfortably housed and clothed, and I do not want them driven to where the British laborer now is.

The CHAIRMAN. A removal of the present tariff would have that effect?

Mr. MAYER. Without question.

Mr. CARLISLE. When the whole cost of mining and putting a ton of coal on the cars ready for shipment is only 80 cents, does it include all the cost of labor and the use of the capital?

Mr. MAYER. There is no capital there.

Mr. CARLISLE. Does not anybody own the mine?

Mr. MAYER. This is purely the money paid out for a ton of coal.

Mr. CARLISLE. Suppose that is all labor; why is 75 cents on a ton necessary to pay for the mere difference between the cost of labor here and in Canada?

Mr. MAYER. You do not do that. I have stated that the provincial mines —

Mr. CARLISLE. I am not talking about that. I am talking about this element of labor.

Mr. MAYER. If you can not send coal to tide, what are you going to do about labor.

Mr. CARLISLE. I am talking about the labor employed in the production of that particular article. Of course every thing has to be shipped.

Mr. McKENNA. I understand the price is to compensate the cost of production including a fair encouragement to the capitalist to invest in that business?

Mr. MAYER. We have very little of that, and I do not hope to have it. I do not think we can look to this Congress for much compensation in that way. If we can manage to keep our mines going and men employed, I think we will be doing well.

Mr. McKENNA. You think that will be a good beneficial tariff?

Mr. MAYER. I hope that will develop, but I have not seen it, and I have been here many years.

Mr. BRECKINRIDGE. I understand you differ with Mr. Grow about the exports of coal. He stated that for the year ending the 30th of June, 1889, our imports were 434,000 and odd tons, and our exports which you say were insignificant, were 680,000 tons.

Mr. MAYER. Did he tell you what kind of coal that was? A great deal of it is anthracite coal. You do not want any tariff on anthracite coal, as that is sufficiently protected.

Mr. BRECKINRIDGE. I did not understand him to say that this was anthracite coal.

Mr. MAYER. I am quite sure it is.

Mr. BRECKINRIDGE. I would like to ask you one other question. Do we not supply coal to Havana?

Mr. MAYER. Yes, sir.

Mr. BRECKINRIDGE. Does that come in competition with the provincial coal?

Mr. MAYER. Yes, sir.

Mr. BRECKINRIDGE. If you can bring it to Baltimore and ship it to Cuba and drive out the provincial coal, why can not you ship it to New York and drive out the provincial coal?

Mr. MAYER. Because there happens to be between the United States and the West Indies a large trade in sugar, and every vessel that goes to Havana with coal comes back loaded with sugar. It is only in the last five years we have been doing much in shipping to Havana. It has only been since we have been able to get this present low figure that we have done so.

Mr. BRECKINRIDGE. So what you gain is a rebate between Baltimore and Havana?

Mr. MAYER. It is a drawback paid by the Spanish Government. It makes a drawback on the port dues on every vessel that brings coal in.

Mr. BRECKINRIDGE. To American vessels only?

Mr. MAYER. To all.

Mr. BRECKINRIDGE. Have we any advantage of the provincial vessels who carry coal?

Mr. MAYER. Our vessels go there with coal and bring back sugar, but the provincial vessels do not bring back sugar.

Mr. BRECKINRIDGE. The advantage is this, in having a return cargo, and the advantage of that return cargo enables us to supplant the provincial coal in the Havana market.

Mr. MAYER. Then there is another little advantage. They send coal into the interior of Cuba upon flats, and they use lump coal, and they do not put the smaller size of coal upon these flats. We have most of the large sizes of coal while the provincial mines have none.

Mr. BRECKINRIDGE. Are you able to give a money expression of the amount of that?

Mr. MAYER. No, sir; I could not well do that.

Mr. BRECKINRIDGE. The advantage consists in these two items.

Mr. MAYER. No, sir; our chief advantage is the fact that we have a return cargo. There is also a trade in iron ore. Some of our coal vessels you refer to run between the United States and Cuba with coal out and bring iron ore back.

Mr. BRECKINRIDGE. So you find the conditions of coal shipping to Cuba in a prosperous condition?

Mr. MAYER. I do not know it is in a prosperous condition. I do not think it is near as prosperous as a few years ago.

Mr. BRECKINRIDGE. Where we get a return cargo and they do not get a return cargo, we are able to drive out provincial shipping?

Mr. MAYER. We do not drive them out, but we take a portion of the business. Provincial and English coals still come into Havana.

Mr. BAYNE. Did you say there was a drawback on iron ore there?

Mr. MAYER. No, sir; I said that vessels going to Havana with coal on board, received a drawback upon the port charges, which are very heavy, and they only get a drawback upon that. I do not think we get anything on iron. Indeed I know they do not give a drawback. The iron ore is mined there and they bring it to this country. It is a comparatively new industry.

Mr. BAYNE. I understood you to say the other, but I misunderstood you.

The CHAIRMAN. The drawback is all our encouragement?

Mr. MAYER. That and the return cargo.

We beg to remind the committee of the fact that the bituminous coals of Pennsylvania, Maryland, Virginia, and West Virginia, brought to tide, are used entirely for steam purposes and the manufacture of gas, etc.; they are not at all used for domestic purposes.

Anthracite, which is duty free and has no foreign competitor, occupies entirely the domestic fuel field, and will not in any way be affected by duty, or no duty, on bituminous coals. Nor will the tariff on bituminous coals in any way affect the price of this commodity anywhere but on the sea-board, for, owing to the cost of transportation, no foreign coals are used 50 miles inland from tide.

If it is contended that the period has arrived when it has become necessary to make a general reduction in our import duties, we beg leave to call attention to the fact that in 1873, when a general reduction of 10 per cent. was made, the reduction on coal was 40 per cent.; thus anticipating by sixteen years—on that article—the general reduction which some now urge has become necessary.

We beg you to consider well if it is wise to disturb this important industry by the proposed legislation, to check the growth and development which each year is adding to the general prosperity; impair the prosperity of thousands now among us; do injury to our coasting trade and inland transporters, when no cause for complaint or demand exists for such action on the part of the consumer, whose true interests lie in the continued development of our own coal-fields, and when the only good if (indeed it can be considered good) such action will accomplish will be to increase the profits of the investors in the mines of the British Provinces; profits already threefold larger than accrue to those who are engaged in the working of our home coal-fields.

Can Congress feel itself called upon after the injustice done this interest by the tariff of 1873, to abolish, or again make a reduction in the inadequate duty (an average of about 20 per cent.) allowed it under the present tariff? We earnestly urge your committee to relinquish all idea of doing so great an injury to so important an interest, with nothing whatever to compensate for the infliction.

Mr. GEAR. I would like to ask Mr. Grow a question. (To Mr. Grow.) If I understood you, you made a statement that 1,168,351 tons of bituminous coal was exported into Canada. Does that include anthracite coal?

Mr. GROW. I got these figures from the Bureau of Statistics and I got the imports into this country from the report of the custom-house.

Mr. MAYER. I stand here to say this, that I know if you will look into it you will find that includes anthracite.

Mr. GROW. There were three times as much anthracite sent from this country. I got it from the Bureau of Statistics.

Mr. MAYER. If you go and look it over you will find that. I think if you inquire they will tell you what foreign port gets American soft coal.

Mr. GROW. This report is from the custom-house report of bituminous coal exported from this country into Canada. The other is taken from my own importation from Canada. There was but 30,000, I think, from the Nova Scotia region, and 400,000 from British Columbia.

Mr. CARLISLE. In regard to the difference in wages of labor here and in Canada, how do you base that? Have you furnished that?

Mr. GROW. Yes, sir; that I will give. We pay the miners so much a ton, all soft miners mine by the ton in western Pennsylvania.

Mr. CARLISLE. Did I understand you to say that basis was per ton 60 odd cents?

Mr. GROW. I will give it myself. I sell about 120,000 tons to the Grand Trunk Line for fuel. Then for the last eight years annually there has been another contract for 30,000 tons with another company. That is why I say we take the Montreal market away. Now, we pay the miners through what is called the Allegheny River section to-day 60 cents for a ton of soft coal; say it is 50 cents to the miner for lump coal.

The CHAIRMAN. Does he divide with assistants?

Mr. GROW. No; in the hard region they do, but in this class of coal they do not.

Mr. CARLISLE. Will you kindly have the information which you got from the provinces stated in the same form?

Mr. GROW. That is what I shall do. Now, we have mule drivers they pay 17 cents an hour. They haul by the hour, and ten hours is a day's work. That is, the lowest labor we pay is about \$1.40 to \$1.60 cents a day. We pay the men who load the coal tram \$1.80 a day.

Mr. MCKENNA. How much does a miner make?

Mr. GROW. It depends upon how smart he is. If he could get out about 4 tons a day he would make \$2.30 to \$2.40, between \$2 and \$2.50. The miner has to load the coal on the car in the soft-coal region. In the hard-coal region he has laborers to help, so it comes to the same thing.

Mr. GEAR. Does the cost of mining vary with the thickness and depth of the vein in different localities?

Mr. GROW. Oh, yes; it costs more in different localities where you have to raise the mass and do a heavy tonnage business to get the coal out. We are subject to the miners. They fix their own prices and mine owners can not help themselves, and the whole region has to pay them. What I want to call attention to is the fact that I got this from the custom-house reports of Canada, and I got the other from the Bureau of Statistics.

The CHAIRMAN. In the statement Mr. Carlisle wishes you to make, you will put in the price of labor.

Mr. GROW. I will send a statement including the mule driver, miner, outside labor, and everything by the ton.

Mr. MAYER. The price paid for mining a ton of ore forms but a portion of the cost, and the gentleman may have told you, if he looked into it at all, that there is the additional labor of hauling it, loading it, and all the rest, which would make up the cost of a ton of coal to the cars, whereas in regard to what he sells to the Grand Trunk Line the duty has nothing whatever to do. They can not pay for the transportation and the coals can not come in. They can not afford to pay the water freights to Quebec from the western portion of the State, so the duty has nothing to do with it. It is a well-understood thing, and every experienced man is well aware of that fact.

COAL AND IRON IN THE VIRGINIAS.

STATEMENT OF GENERAL J. D. IMBODEN.

General J. D. IMBODEN, of Virginia, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I find myself here to-day rather unexpectedly. At no later day than yesterday at noon I received a letter requesting my appearance here to represent some very large interests in my own State, and extending beyond it into the State of Tennessee, and perhaps into the State of Kentucky. I want to say a few words, and as briefly as I can, upon the great importance to all that section of country of retaining the duty upon coal and iron ores. We feel that it would be a wise policy to increase that duty. The consumption of iron ore in this country, as you have doubtless been told by gentlemen more familiar with the subject than I am, is from 10,000,000 to 12,000,000 tons a year. Of that I find the average importations for the last five years about 1,504,000 tons. This is a trifle over 10 per cent. of what is consumed in this country. We have, sir, in our

section of the country a vast development taking place now, and the discovery of almost unsuspected wealth which lies hidden in our valleys and our mountains opens up to us amazing results in the near future. This question addresses itself very particularly to the wisdom of Congress to protect, not the manufacturer—to protect, not the skilled laborer, but to protect an immense mass of common labor. Take my own State, for instance, and I will mention a few facts. You have already, doubtless, read these statistics.

Since 1851 investments have been made southwest of Lynchburgh to Tennessee, of more than \$40,000,000 in railroads, in the building of furnaces and towns, and opening mines, etc. That line of investment is going on very rapidly. To-day there are from 10,000 to 12,000 laborers at work in four counties of southwest Virginia with the pick and shovel building railroads alone. The Charleston, Cincinnati and Chicago Railroad, known as the three C's among us, has from 3,500 to 5,000 men at work. The Norfolk and Western Railroad on the Clinch River, running along the edge of the coal fields for more than 100 miles, has from 3,000 to 4,000 men at work. The South Atlantic and Ohio road, from Bristol, on its line, to Big Stone Gap, in the coal field, has about 3,000 men at work. The Louisville and Nashville, from Cumberland Gap to Big Stone Gap, has a large force, and it looks like war times in regard to the trains you meet, and the roads are cut up by excessive traveling and the large supply trains in which capital is invested and labor has been employed to reach the crude raw material we have in these mountains. There are other lines now building in Tennessee in the Cumberland range. From near the mouth of the Big Sandy to Middlesboro, on the edge of Tennessee and lapping over into Virginia, the richest coal field upon this continent is found, and a thousand square miles of it we have in southwest Virginia. I have the statistics which will prove this.

They are building railroads, as I have said, all through that section of country, and projecting others to get into this great coal-field. They have tunneled the mountain at Cumberland Gap to get to it, and the whole of this vast investment, of this enormous amount of labor now being employed, is to a certain extent rendered useless if you place coal upon the free list. The Norfolk and Western road is now the largest line shipping coal in the South. Their line last year carried off in round numbers 2,000,000 tons from Pocahontas. They commenced in 1883 with 106,000 tons, and the industry has grown up to over 2,000,000 tons. Of this, 600,000 tons go to Norfolk for ocean shipment. That goes to supply largely the cities, towns, railroads, and steamers as far as our coast line extends. Take off the duty of 75 cents and you stop that 600,000 tons a year of the shipment of Pocahontas coal. I have heard it said in regard to that part of their business that their profit does not average 50 cents a ton upon it, and I believe it is true. I know they are carrying it to the sea-coast as low as $3\frac{1}{2}$ mills per ton per mile, and they can only afford to do it from the enormous amount they carry. Take off the duty and you cut off the transportation of 600,000 tons of coal that supplies the States along the Atlantic coast. You cut it off because it comes in competition with the Nova Scotia coal. You cut it off because the mines in Nova Scotia are on the edge of the water, and the miners are working under old ocean itself, and the ships are right above them to receive the production of the mines. Hence the cheapness of getting it on board their ships. Yet should it take the place of this 600,000 tons? In West Virginia the Chesapeake and Ohio road brings to the coast about the same quantity. I have not been able to ascertain accurately what they do haul. They think it is the company's business and the public has no right to know anything in regard to it. They haul to the coast, I judge, not less than 500,000 tons. Then we have 1,000,000 or 1,100,000 tons of coal shipped for consumption along the coast and in the West Indies.

Where there is now activity in the construction of new lines of railroad into this section, there was formerly a wilderness. It was not known until about 1880 that we had good coking coals in southwest Virginia. I may mention here with all due modesty, that in February, 1880, I was the first human being that ever published the fact, or ever discovered that we had a good metallurgical coal in southwest Virginia. I spent six weeks of that winter in that region, and discovered it was so and published the facts, and they are now known to the world, through many others as well as myself.

Mr. FLOWER. In regard to the Pocahontas coke; what is the quality of that?

Mr. IMBODEN. It is of a very high character. I will tell you something in regard to it. They are now shipping it as far as Chattanooga, in the State of my friend, Mr. McMillin, who sits on my right. It is hauled 423 miles by rail and delivered at about \$4.30 a ton. Mr. Chamberlain, of Chattanooga, tells me, and I have published that fact, that it is cheaper to him than coke made at Chattanooga at about half the price. The Tennessee coal is admirably fitted for the grate and for steam, but not for coke, for the reason that with the exception of a very little coal there 16 per cent. of it is ash, whereas ours is only about 3 per cent. ash. That tells the story why better iron and more is made with our Virginia coke. We are shipping also from Pocahontas to Sheffield, still further down the Tennessee River five hundred and odd

miles from the mines, where they have got coal within a few miles; coal that answers all ordinary purposes but does not always make a good coke. It is a fact that there are but four points in the United States where the best coke is made. Pennsylvania has two, the Connellsville and Clearfield regions, another one is in West Virginia on the New River, which supplies the furnaces springing up between there and Staunton, Low Moor, Victoria, Longdale, and others, and the fourth is in southwest Virginia.

Mr. FLOWER. It is not exactly in connection with this, but I would like to have you tell me the output of zinc in the mine in Virginia.

Mr. IMBODEN. I can not, for I do not know the details sufficiently well to tell you what it is. I know better about the output of coal of this Pocahontas region, because I am in a position to know of that practically. You can get a good coke in Kentucky, something that will grade 95 to 96 per cent. of fixed carbon and only 3 to 5 per cent. of ash. I will say in regard to our Pocahontas and other southwestern Virginia coals that they are of the highest grade, and make coke of from 96 to 97 per cent. of fixed carbon. In that area of about 1,000 square miles the best coking seams are 8 feet thick on an average, and at Pocahontas over 11 feet. The United States Geological Survey have honored me by naming the most persistent seam of the middle measures after me—the Imboden coking seam.

Mr. FLOWER. How long is it and how wide?

Mr. IMBODEN. The coal lies nearly horizontally, dipping about 20 feet per mile from the extreme southeastern edge in Virginia to the extreme northwestern edge, say for 55 to 60 miles. Then it is in Virginia say 20 miles wide and passes under the Cumberland and Black Mountains and Pine Mountain into many counties in Kentucky. Hence it is that Kentucky has pushed her roads up Sandy and Kentucky Rivers into these mountains, especially up the north fork of the Kentucky River. I could name the counties, but it would take up time. I think that country some day will furnish coke almost exclusively to the whole Ohio Valley and as far northwest as Chicago and that as soon as they make the roads into it.

Mr. CARLISLE. I understand you to say that coal is now shipped from your Virginia coal fields in the Pocahontas district and sold in the West Indies, Cuba, and Central America. Do you think if our people can ship free coal to the West Indies and Central America and sell it they could not compete with Nova Scotia coal on their own coast?

Mr. IMBODEN. No, sir; for the reason that they come into a free field.

Mr. CARLISLE. We go into a free field. These countries would be free to us.

Mr. IMBODEN. They would be perfectly free to us; but when you come to a shipment of coal by rail and water we have got 400 miles of hauling to do, and they probably have 10.

Mr. CARLISLE. You misunderstand me. You do actually carry that 400 miles by rail, and then by water transportation to Cuba.

Mr. IMBODEN. And that 75 cents enables us to do it.

Mr. CARLISLE. That 75 cents does not protect Cuba and Central America from outside competition.

Mr. IMBODEN. Not at all; but it enables us to go there with this coal, because of the volume of business it does protect us in on our own coast, and enables us to deliver it cheaper.

Mr. CARLISLE. But you carry it to the coast with all this long haul, and then you carry it either to the West Indies or Central America and sell in those markets in competition with the Nova Scotia coal, which, as you say, has advantage in wages.

Mr. IMBODEN. I will tell you the reason. The Pocahontas people could not do it; we, perhaps, could not do it if our own coast market was destroyed and our coal was not better. I desire to call the attention of the committee to a document you will find among the Senate papers four years ago; I can not give the number of it. It was a report made by a board of naval officers upon the best coal to be found in the United States for naval purposes. They transmitted their investigations and experiments to the Secretary of the Navy. In this report they give preference to the semibituminous coal of south West Virginia over all other coal in the world for thirteen reasons which they assign in coming to their final conclusion. They say it is the finest coal on the globe for naval purposes for war vessels. This fact is in our favor in competing with Nova Scotia in supplying ocean steam coal.

The CHAIRMAN. Do you not get a drawback in the Cuban market in return charges? I think some one said that yesterday.

Mr. IMBODEN. I am not in the company and do not know.

Mr. CARLISLE. Do you get a drawback exclusively?

Mr. IMBODEN. I can not tell you anything about that.

Mr. BRECKINRIDGE. We do not get a drawback to the exclusion of other people.

Mr. IMBODEN. Our people in Virginia and West Virginia have become interested very much in this question, and two years ago they held meetings in all that section of country and solemnly protested against free coal. This we propose to put in, and

I will send the printed proceedings of these meetings to the chairman, to be filed with the stenographer. I forgot to bring them this morning.

Now, consider the question of transportation over the Norfolk and Western Railroad to Norfolk. They have got to make the people living along the line of this road pay a certain amount of fixed charges to keep it up. It is one of the best managed and best roads probably in the United States. They have spent an immense amount of money on it. If you deprive them of this coastwise trade in coal, as they urge you should not do, and I believe the removal of this duty would do, they would still have to earn a certain amount to pay fixed charges, and that would increase the charges on every ton of agricultural products in that section of the country. If you deprive them of 600,000 tons of coal transportation to the coast, they will have to make it up on the farmer and the products of the country. That is the view of it taken in that section of the country.

Now, a few words on the iron-ore question. That is a matter of more consequence to a larger number than the other. It seems to be a singular physical fact, and just within the last few years fully realized, and being verified almost weekly, that upon the great granite rim of the ancient ocean on whose floor 40,000,000 of us live we find high Bessemer ores, which extend over a large extent of several Southern States and of those bordering on the lakes and to the Rocky Mountains, and thence down South again until we find them in Texas and in northwestern Arkansas. It was not known until recently that we had true Bessemer ores in the South, commencing in Virginia on the great plateau which lies beyond the Blue Ridge from the Atlantic in southwest Virginia and North Carolina. Within the last three or four years we have found enormous bodies of high-grade magnetic Bessemer ore—ore that is very low in phosphorus, and phosphorus is detrimental in making steel. I believe the allowable limit is about .06.

Within the last two years they have found in Carter County, in your State [to Mr. McMillin], the largest body of ore I have seen in the world, in a district about 8 miles long and 6 wide. I came from it last Friday, and have been part of two weeks upon it. In some spots it was 600 feet, and in other places from 200 to 300 feet wide as far as uncovered. An analysis of this iron shows that it is one of the best steel ores in the world. That enormous mass of ore found in Carter County, Tenn., belongs in part to an organization known as the East Tennessee Land Company. They have recently published a big prospectus, in which they state that in a small section, which does not extend half a mile, they have 100,000,000 tons in sight. The manager of the Cranberry Company says he has 20,000 tons of ore to be delivered, but can not get the railroad transportation to take it off. They want it about Chattanooga and below. Three roads have been undertaken across the dividing line between Tennessee and North and South Carolina to reach large bodies of steel ore in that direction. That is some 250 miles farther down South than where I am concerned. Suppose you take the duty off of ores that are now being imported here. What is to be the effect upon Tennessee? It will have the effect of giving a little over 4,000,000 tons to the Spanish and Cuban trade. Remove the bars in the Tennessee river so that steam-tugs can come up and that ore can be brought there in successful competition with the development in the mountains, where we are trying to reach this ore. That, in my humble judgment, will be the effect of putting the ores upon the free list. It is going to destroy us. I will not dwell longer upon this subject, as I do not want to take up your time.

I have remarked I was here to represent not skilled labor, but unskilled labor. The truth is, to-day nearly all the mines in the South are worked by negroes. We have to provide them with some kind of labor to enable them to earn a living and support themselves. If the negro does not live upon the wages earned from his employer he will steal. But the negro will not steal if he gets a chance to make an honest living. That has been my observation. I think they are the best labor for some work in the world. I would not give to-day one hundred of them for an equal number of the best unskilled men ever brought from Hungary, Italy, or any other country in the world. They are tractable, industrious, and peaceable if they are paid regularly and kindly treated. Now, anything that will deprive these people of an opportunity to make an honest living by delving in the ground with pick and shovel I think would be an injustice. That is all many of them are fit for. They are fit for a certain class of work which they do and do well; that is common unskilled labor. If we are protected against the bringing of Cuban ores into the heart of Tennessee and Virginia we will have railroads in less than five years all through their valleys. We are just fairly commencing in Virginia. There is now projected, to commence as soon as the frost is out of the ground, a 100-ton furnace at Bristol, and as soon as these roads are opened, which will be about next July—

Mr. McMILLIN. The Tennessee Coal and Iron Company alone make 1,000 tons every day?

Mr. IMBODEN. I think they do. Then do not change this little duty. It does not affect the surplus revenue at all.

The CHAIRMAN. What influence, if any, do you think the general system of protective duties has upon the South?

Mr. IMBODEN. I have been a protectionist all my life. I first voted in 1844 for Mr. Clay. I was a boy, but over twenty-one, and voted. I say to you to-day—gentlemen on this committee will differ from me—that if we had a fair and square election upon that single question, without extraneous circumstances, we would carry four out of five of the Southern States overwhelmingly.

Mr. GEAR. You believe, then, in developing American mines by American labor?

Mr. IMBODEN. Yes, sir; emphatically.

Mr. GEAR. Rather than bring in foreign ores and foreign labor?

Mr. IMBODEN. Yes, sir. Those have been my views always, and there are thousands in my country who are adopting these views rapidly. One prominent man recently said to me: "We feel that protection has been good for the North, and we should now have the benefits of it here on our industries." I think we now have more interest than the North in the preservation of the Union in order to secure just and reasonable protection.

Mr. GEAR. You think, then, the labor gets a fair protection as well as the capital?

Mr. IMBODEN. Unquestionably. I wish to present simply an established fact in regard to this matter: In the mining and getting the ore out and delivering it at the furnace, 80 per cent. of its value will be labor and 20 per cent. capital. That has been demonstrated, I believe. Therefore, in this particular protection under consideration there is 80 per cent. of labor and only 20 per cent. of capital involved.

Mr. BRECKINRIDGE. How much does the laborer get per ton in mining that way?

Mr. IMBODEN. If they work by the day, a dollar a day.

Mr. BRECKINRIDGE. How much do you average that to be per ton?

Mr. IMBODEN. Taking the Cranberry mines, for instance, it is about 50 cents a ton. A man will not take out more than 2 tons. They did once bring it down to 40 cents. Previous to that it was 60; now they have got back again to about 50 cents.

Mr. BRECKINRIDGE. Do they pay a royalty to the owner of the mine?

Mr. IMBODEN. Speaking of Cranberry, no; the mine owners sell the ore. That is, the owners of the mine work their own mines and sell the ore. They get \$2 on board cars for that ore, for what they sell. They smelt only a few tons a day at the mines.

Mr. BRECKINRIDGE. They get 2 tons and pay 50 cents a ton for the labor?

Mr. IMBODEN. Yes, sir; and for the large capital invested the laborer gets 80 per cent. benefit of the protection and 20 per cent. is for the capital.

Mr. GEAR. Do they furnish explosives and all the tools?

Mr. IMBODEN. Yes, sir. The company does.

Mr. BRECKINRIDGE. When it comes to a straight operation of simply excavating the ore they get out about 2 tons per man per day?

Mr. IMBODEN. Yes; that is about it. Sometimes there are places where it is hard ore, and less is mined per man.

Mr. BRECKINRIDGE. What do you estimate to be the profit to the company or men owning these plants?

Mr. IMBODEN. I suppose they make from 50 to 75 cents clear, after paying interest on the machinery, railroad, etc. I do not think they earn as a profit more than the laborer gets for digging it per ton.

Mr. BRECKINRIDGE. Where are the markets for these ores?

Mr. IMBODEN. They are chiefly south.

Mr. BRECKINRIDGE. To what points, principally, south?

Mr. IMBODEN. To Chattanooga and below that. Hematite is abundant in Tennessee. It is the richest State in the Union for these ores, yet they use about 25 per cent. of the other in the furnaces for mixing. Some furnace-men say 100 tons of hematite ore will produce 20 or 30 per cent. more fluid metal from the same amount of fuel if properly mixed with the magnetites.

Mr. BRECKINRIDGE. To reduce the matter as far as we can in regard to distance, about what distance do you people carry it?

Mr. IMBODEN. To Chattanooga is 245 miles from the mines. How much further to Sheffield, Mr. McMillin?

Mr. McMILLIN. I do not know exactly, but I should say about 120 miles.

Mr. FLOWER. You stated if you had had a different state of affairs in Virginia last fall, as I understood from your remark, that the election would have been different. In other words, do you mean to say if the negro population was one-half the white that State would have gone Democratic, or how?

Mr. IMBODEN. I did not mean to say that. I do not desire to allude to questions of a political nature; but you ask the question and I will answer it honestly.

Mr. FLOWER. Do you maintain the color line against your own sentiments?

Mr. IMBODEN. Here is the way I look at it. We are compelled to stand together there, and we will have to maintain certain conditions to preserve our civilization. The tariff does not enter into that at all, for it is a local question. Thus, I voted with extreme reluctance for the Democratic party in the last Presidential election,

but I had to do it. I could not help it. That free-trade message of Mr. Cleveland's made it very hard for me to vote for him; but there were other, more important, questions than the tariff with us which made it necessary for us to combine ourselves. You will pardon me for answering your question a little further. I should not go on any further in answering you but for the action of your President, whom I respect. The President has not yet selected for a representative of this great Government one single Southern man, as far as I know, at a foreign court.

Mr. McMILLAN. He sent one from Tennessee to Paraguay, which means food, clothes, and extermination.

Mr. IMBODEN. In the organization of this House I understand out of sixteen Representatives from the South only one is a chairman of a committee of the House. This shadows forth the answer I would make to the question why we can't vote for Republicans of the kind the President and Speaker have no use for. On this question of protection, however, I am Republican, but on local questions I am Democratic.

Mr. FLOWER. I ask you this question: If the colored vote was one-half that of the white vote in Virginia would you make that difference?

Mr. IMBODEN. Yes; I would make a decided difference, because I do not think the colored brother should get control of any of the United States; under any circumstances he is not fit to govern.

Mr. McKENNA. We are thankful for receiving the approval of your judgment if you can not vote with us.

Mr. IMBODEN. I think on general revenue questions the Republican party is nearer right than the one I voted for.

Mr. FLY. It is claimed that the duty on iron ore ought to be removed so as to give iron and steel manufacturers on the Atlantic slope a better chance for their raw material. I would like to inquire of you if in your judgment the ores in Virginia are accessible; and consequently to the Delaware and Chesapeake Bays, and if you have an adequate supply of Bessemer ore?

Mr. IMBODEN. I think I have given facts enough to show that in Tennessee and Virginia there are mines enough to supply the country for a thousand years.

Mr. ELY. I mean Bessemer ores.

Mr. IMBODEN. I mean Bessemer ores. We can put it on the coast and ship it. We have these ores in places nearly all over the State. They have found a high grade Bessemer ore in Surrey County, N. C. They have found there an immense body of Bessemer ore, that is close enough to the coast; all these furnaces could be supplied from it.

Mr. McMILLIN. Can your road supply the demand of the South?

Mr. IMBODEN. No, sir. They will consume more than we can possibly put out, on any one road. But more will be built.

Mr. McMILLIN. Do you know it is a fact we are manufacturing at South Pittsburgh, Tenn., and Birmingham, Ala., pig-iron at a cost of less than \$10.50 a ton?

Mr. IMBODEN. I am assured of it.

Mr. McMILLIN. Is it not a fact that with the proximity of the coal and iron together they will be enabled to manufacture it at about the present duty, which is something under \$8?

Mr. IMBODEN. I think so.

Mr. FLOWER. Have you any information in regard to making Bessemer iron of the Tennessee ores?

Mr. IMBODEN. No, sir. They have not yet made any Bessemer, but soon will from the new mines of Carter County.

Mr. GEAR. You alluded to the low price of manufactured iron. Have you not relatively lower labor than the Northern States?

Mr. IMBODEN. I said that our average labor was \$1. Now, in the North you can not get labor as cheap as that.

Mr. McMILLIN. On that subject, general, if protection gives high wages, why is it that wages there are not as high as in other parts of the country?

Mr. IMBODEN. I do not want to discuss political questions, but if I had time I would be perfectly willing to discuss them with you; but that involves long debate here to answer the question.

Mr. McMILLIN. I will put it in another way. It is a fact that the same tariff laws which it is claimed by some give high wages in one part of the country do not in another. In other words, our wages are not as high as in other parts of the country?

Mr. IMBODEN. I do not think it is the tariff. It is owing to the class of labor. The negro lives for what you and I could not.

Mr. McMILLIN. These tariff men say the tariff gives high wages.

Mr. IMBODEN. A dollar is supposed to be pretty high wages for the negro, and he will get along nicely upon it.

Mr. GEAR. Is there not a large excess of that labor?

Mr. IMBODEN. Yes, sir.

Mr. GEAR. A combination exists to a certain extent to depress that labor?

Mr. IMBODEN. On the contrary, I know personally that in the last six months it was hard to procure that labor in the quantity required.

Mr. McMILLIN. I do not think it is just to state, if it is stated, that there is any combination or oppression of that labor or any wrong exercised to do it.

Mr. IMBODEN. On the contrary, our labor is satisfied. It is true the Pocahontas and the Cranberry Companies have had once or twice a little trouble; but generally the labor is contented and satisfied with its condition.

Mr. GEAR. What would the laborer do if he did not have this labor to perform?

Mr. IMBODEN. They would have to go to stealing chickens, because the farmers could not employ them.

Mr. BAYNE. I want to know whether or not after these immense mines are developed and there is a great demand for labor the price of labor is not going up as in the North?

Mr. IMBODEN. That is my impression. I think that has been our experience in Virginia. Judge Bolling can tell you better. He lives near my own county. I think the labor has gone from 75 cents to perhaps \$1.25, in many localities.

Mr. GEAR. Does not this labor engaged in these mines receive a much higher compensation than they would on the plantations?

Mr. IMBODEN. Unquestionably they do, and that is the reason they go to the mines. You get a negro for \$10 a month on the farm, and he can get twice that in the mines. If you turn them loose now by allowing this ore to come in free of duty—this crude material—these poor creatures will be turned loose upon the community without the means of making a living, unless you invite them up to the North. I thank you, gentlemen, for the time you have given me.

Mr. BRECKINRIDGE. Mr. Chairman, I wish to say myself, in this connection, the price of labor differs in different parts of the South, just as the price for labor differs in different parts of the North. In the planting lands East, which are nearly all held in small farms, and are generally worn, there is a great surplus of labor, and that labor is cheap. In the West, where there is an abundance of cheap and rich land, you frequently give \$20 and board for a man's wages; and I have frequently paid the negro workmen \$2, \$2.50, and \$3 a day in the harvest or picking season. It is a question of local supply and local demand.

STATEMENT OF W. H. BOLLING.

Mr. W. H. BOLLING, of Virginia, next addressed the committee. He said:

Mr. Chairman and Gentlemen of the Committee: I must thank you and the committee for your indulgence upon this occasion, and I must acknowledge the courtesy of the committee in permitting us to come before you. I would have been here yesterday, when the question was regularly taken up, but I missed a connection, which took me twenty-four hours to get here. I will endeavor to answer the question which was asked in regard to the conditions of labor in Virginia. In the first place, you must understand that this labor is crude. You can not rely upon this labor. The labor is paid as much as it is worth; and so far as the mining of coal is concerned, it is paid for by the ton, and the colored man gets the same as any other man. You can not, however, rely upon these people. You have them employed to-day and they are gone to-morrow. They are a shiftless sort of people.

Mr. Chairman and Gentlemen of the Committee: I am more or less familiar with this question. Since the decision of Mr. Fairchild in regard to the duty upon foreign iron ores we had this question before him and afterwards in the courts in Philadelphia in a suit brought there for the purpose of recovering duties paid on importations of ores, and a very singular fact grew out of that. These parties were importers of ores and were not citizens of the United States, and this question was decided against them. Very little while afterwards I found an agent in our country quietly going through the country, looking at and examining the ores. I took some interest in it, and found out who he was. He was the agent of one of the largest importers of iron ores in the United States. I pushed up that information and found it was correct. Now, I further derived this information, that foreign ores have increased in value. In the district in Spain where the best ores come from these ores increased so much in value the importers see they can not afford to bring them in any longer at the same price and make money on them, so they are now seeking to find whether we have Bessemer ores in southwestern Virginia and Tennessee, of which General Imboden has spoken to you. A gentleman told me in Philadelphia not long ago that they could not afford to pay this 75 cents for a ton of iron ore, and that they must look to some other place to supply their customers.

Now, the question is whether we are going to put 75 cents into the pockets of the exporters of foreign ores, or whether to leave it here for our own people.

I will not trouble the committee to go over what General Imboden said, only to add a little to it in answering the question Mr. Flower asked him in regard to the

Virginia zinc mine. It is making 30 to 35 tons of spelter a day. That amounts to about 100 tons of ore a day, and I think the ore sells for about 33½ cents. We are working hard over there in southwest Virginia. We have mined and converted into pig-iron and shipped to Pennsylvania about 200,000 tons of iron. The figures as I have them are a little larger, but I think I have the figures accurately in regard to the shipment of coal from that country. The Pocahontas shipped this year over a million tons of coal. In answer to Mr. Carlisle's question, "Can you not compete if we take off this duty, and if these coals are a better quality, with foreign coal?" It is only because of that enormous output of the mines that we are enabled to make them at all. I know that the amount that is made upon this coal is below 50 cents, and except for the very large quantities that are put out, it would be impossible to work the mines and put it in a condition to ship it, but because of that large amount of coal that is shipped over this Norfolk and Western Railroad, I know the fact that our local freights have been reduced a little more than 50 per cent. and our passenger fares a little more than 50 per cent. All that, of course, goes to add to the prosperity of our country. I think it is unnecessary to detain the committee to repeat what General Imboden said.

There is another view I desire to present to this committee, and I intended to cut something from pamphlets which I have, but I did not do it. I had a letter which came from the Union League Club of Canada.

The CHAIRMAN. Anything of that sort which you desire to add to your remarks you may add.

Mr. BOLLING. Now, I am very much afraid I will be traveling over ground which has already been gone over, for I was not here yesterday to hear what my associates in this matter had to say.

Mr. McKENNA. Do not assume that we know all, but go ahead and state your views.

Mr. BOLLING. It is claimed on the part of this Commercial Union League Club—and there is no question about it—that their deposit of Bessemer iron ores is much larger and much superior in quality to the Lake Superior ores. Now, all along the Canadian Pacific Railway for 100 miles these ores lie, and they say that with the 75 cents duty upon them they can not afford to work them, but if we take off this duty they will have the whole American trade, and they can afford to mine these ores and send them over cheaper than we can mine them in the Lake Superior district, because they are superior to the Lake Superior ores, so they claim. If this duty of 75 cents a ton should be taken off, the fact is these foreign ores are increased in value, increased in cost of production, and the English capital that is seeking investment somewhere else will go to Canada and build up Canada, put furnaces in it and steel plants and supply America with the product of iron manufactured there.

Now, to continue it further. In regard to the largest importer of iron ores looking to the South to find whether he can supply his customers, I know the fact that right now there is a party of Englishmen that have agents in Southwest Virginia looking around for the purpose of making an investment of several millions of dollars. Take off that duty and you relieve these people of that burden that is upon them, and what will be the result? They will go to Canada. They will not go to Southwest Virginia, because they say labor is cheaper there. The question was asked here this morning, "What is the difference between the cost of labor in England and Canada and here?" The only statistics that I have had access to are in the report of the bureau of statistics of labor of Massachusetts. I think it is stated it ranges from 30 to 35 per cent. In other words, if you take a family composed of five persons, and if they have the average number of children, that it would cost about \$503 for a man to live in that country and \$517 in England, whereas when you come to the comparison of the cost of living, the man in America saves 20 per cent., where the Englishman saves 5 per cent., and so he ever remains a pauper.

Now, here is another statement. It is stated in here, and these are facts given here by the Canadian Parliament and gotten by the Bureau of Statistics, and not controverted anywhere—Canada, as the committee may know, pays a bonus to any man who makes a home there—it is stated here it costs over a million dollars a year, and the result of that is that three out of four men bring over their families, get the bonus, stay there a year, leave it and come back to America.

Mr. FLOWER. Except cashiers and lumbermen.

Mr. GEAR. Have you stated what the bonus is?

Mr. BOLLING. I can not, but it is enormous, running into the millions. It is stated here that three-fourths of the people left and came to the United States. This was stated in a speech by Mr. Cartwright, a member of Parliament, before the Canadian Parliament, and the speaker called upon the gentlemen to controvert it if it was not so. There is not a man living in the interior that has not some dear one living in the United States. Now, they say, why is this? This is what those speakers said. If the Commercial Union were right about this and they could get rid of this duty, the people there say they could build up their country. Mr. Cartwright said: "Gentlemen will say it is owing to the severity of the climate. This is not so; we

have the most productive climate in the world. All farm products, cereals, cattle, horses, sheep, and everything of that sort—no other country compares with it.” And understanding that, he says, “We have built these railroads and every single railroad is subsidized. When it falls short the Government makes it up, and the Canadian Pacific road lost nearly a million dollars this year, and the ores remain in their pits.”

Mr. McMILLIN. They are under a protective system?

Mr. BOLLING. Yes, sir. He says that in the last decade that while Canada has gained 10,000, Dakota has gained 500,000.

I always come with some hesitation to speak of the subject to which I shall now allude. I approach this question with no feeling of sentiment or of a hypocritical kind, but I say this is an economic and social question; it is not a political question. I think this question of protection to our industries is one of the most important factors in the solution of this question, which every thoughtful and experienced man is considering to-day. This question is the race question. For these reasons: I was born and reared amongst negroes, and I am happy to say I counted those negroes, and count them to-day, as my warmest friends. I come here to speak with no disparagement of the negro race. They are people of whom much is lacking in many respects, but if they are properly treated I could tell you instances of fidelity and trust imposed that would do honor to the head and heart of any man, and should live in song and story, that have been performed by these people.

But we have those people there and the question for us to consider is, what are we to do with these people, and how are we to make citizens of them? Now, our own State, seeing the necessity and feeling the necessity of giving a man a home—for a man will not be a good citizen unless he has got something of a home, something where he can gather his people around him and have a shelter for his family, and feel that it is his own and belongs to him—so we have passed a homestead law in Virginia, and I say the Government should go further and pass a law leaving the little personal chattels a man gathers around him free from tax also. I say this, gentlemen, that farming does not pay in Virginia, and it does not pay anywhere in the South. The railroads have brought us in close contact with this great western country where they can produce so much more than we can at so much less cost. Corn and wheat and all the cereals are laid down to-day at the city of Richmond cheaper than the farmers can produce them in south-western Virginia. These people can not be employed on a farm because the ordinary wages on a farm in Virginia are \$10 a month, and that is as much as the farmer can pay, and no man can live upon it.

Mr. McMILLIN. He gets a home and food and a garden spot in addition.

Mr. BOLLING. Yes sir, they pay him \$10 a month and furnish him bread and meat.

Mr. BRECKINRIDGE. He keeps a pig and a cow.

Mr. BOLLING. Except for that I do not think he could live at all.

Mr. BRECKINRIDGE. I know in my own State he keeps a cow and as many as a half a dozen pigs.

Mr. BOLLING. This is an economic and social question. The negro can not run away from the South. There is nowhere for him to go, and he is going to remain there. I think he will make a very valuable addition to our Southern society.

The development of which General Imboden told you commenced, you know, in southwestern Virginia. Over 200,000 tons of ore were shipped and converted into pig iron by the employment of these people. They get from \$1 to \$1.25 a day for mining ores. They can make for that work from \$1.50 to \$2.50 and \$3 mining coal, and you have no idea what an addition it makes to these people. When one of these men gets something in his pocket he invests it in a home and becomes a different looking man from what he was before. He has got something at stake. He is interested in the Government and in society, and this is done by the proceeds of his own labor. We have found it out, and the people in the South employing this labor have found it out that it gives so much more satisfaction, instead of having any stores to put their money in their hands on Saturday and let them go and do as they please. Instead of becoming idle and shiftless and remaining so, they now do well. They can not make a living on the farms. They can not do more than barely live and clothe themselves.

As soon as they get this money they go and buy a little home, and as soon as they get this home you will find they cease to be politicians, as the politician is a thriftless, ragged, good-for-nothing sort of a fellow. You will find in Virginia that it has been one of the greatest sources and elements and sources of strength in making them citizens and a better people. I think if there is to be a solution of this question, we must teach these people to help themselves and to get homes, as well in our State legislation as our Federal legislation, and to support and sustain these people, because we are all interested in it, one just as much as another. So I say, gentlemen, it may be true—we will admit it for the sake of argument—that this tariff, as they say, is enlarging to a certain extent. If you have the power—I do not think it is established, but concede it—then I think this question rises superior to all other questions, and I

think we might let the masses suffer if we can benefit these few people. If we can build up these people and make them good substantial citizens and interested in the Government, because the Government does not seek to harm them, then I say we accomplished much more and can better afford to pay a little more.

Mr. BRECKINRIDGE. If you produce much misery to relieve a little, what is the good?

Mr. BOLLING. I do not see the misery.

Mr. BRECKINRIDGE. Your general proposition was to let the masses suffer.

Mr. BOLLING. But I say the masses do not suffer.

Mr. BRECKINRIDGE. That is not what you did say.

Mr. BOLLING. I say I do not admit that, but the suffering has got to be done. You are a Southern man, and you know what we have got to contend with there.

Mr. BRECKINRIDGE. I know it, but I do not agree with you as to the remedies.

Mr. BOLLING. I am at a loss, and I do not know what the remedies are.

Mr. BRECKINRIDGE. So far as this point is concerned, you believe this would be beneficial to these people in the mountains where they are mining. Now, we have a large population, equally entitled to our care and regard, who live upon the sea-coast, all along the eastern border, and along your market west of the mountains. I suppose you will not dispute that the people west of the mountains can not be assailed by any foreign competition of coal and iron ore.

Mr. BOLLING. I think they can.

Mr. BRECKINRIDGE. Will you figure out how they can?

Mr. BOLLING. I know the fact that iron ore was sold in this country as low as \$3.50. Now, take off that 75 cents, and if I was going to build a furnace I would not put it in Norfolk.

Mr. BRECKINRIDGE. I was talking of the market west of the mountains.

Mr. BOLLING. I thought you said east of the mountains.

Mr. BRECKINRIDGE. No; I was speaking of the market west of the mountains. That in no instance is imperilled by foreign competition. For instance, we imported last year something like 1,000,000 tons of ore. That cost \$2 a ton at the foreign port; say more accurately, \$1.93. Now, that you see would be laid down here at \$3.50.

Mr. BOLLING. I never estimated it at all.

Mr. BRECKINRIDGE. I calculate it can be laid down at \$3.43. Now, General Imboden states that that country sells the best quality of iron at \$2 a ton at the mine, and they say they transport it at less than 4 mills per ton per mile. Therefore even at 4 mills per mile, it could be carried 300 miles and laid down at \$3.20. When you have to go west, if you get iron ore free and paid \$1.50 freight without any tariff it would cost them still \$3.43 on the sea-board. Now, you control by nature, by these figures, the western markets and the successful growth of the immense West, and by these very rates you control 300 miles to the east, while upon the sea-board they would be handicapped by the 75 cents which is necessary to take before they can give these people employment. How can you figure out it is just to the people living on the sea-board, when you possess by nature the market 300 miles east and unquestionably the whole interior territory, to impose that embargo upon people who have claims of equal importance on the Government?

Mr. BOLLING. We can not control the market without the 75 cents.

Mr. BRECKINRIDGE. You are doing it; your figures show it. These are your figures and the actual prices paid for foreign ores. You say you do sell at \$2, then you can put it down within 300 miles for less than it can come here.

Mr. BOLLING. Where do you get the seashore 300 miles?

Mr. BRECKINRIDGE. I was not proposing to carry you altogether to the sea-shore.

Mr. BOLLING. Where could we find any market for it?

Mr. BRECKINRIDGE. Now, you propose to lay New England, New Jersey, and the whole of the remaining eastern section under a commercial embargo to give these men employment there.

Mr. BOLLING. The result of it would simply be that if you take off this 75 cents you would stop up the mining operations of coal and iron both.

Mr. BRECKINRIDGE. I take your own figures. You are selling this ore at \$2 a ton at the mine and ship it for less than 4 mills per ton per mile, and so you single out men in the mountains—

Mr. BOLLING. We have got no market there for our raw material. We have to import all our manufactured products.

Mr. BRECKINRIDGE. We are talking this moment about iron ore. To what point do you market your iron ore?

Mr. BOLLING. We have to look to the shipping of pig-iron, which is a small proportion of the ore. I do not know what per cent. is shipped to Baltimore and manufactured into charcoal plates.

Mr. BRECKINRIDGE. Take the large proportion.

Mr. BOLLING. It is all made into pig-iron in southwest Virginia.

Mr. BRECKINRIDGE. And the rest?

Mr. BOLLING. It is shipped to Norfolk and shipped over to Pennsylvania, some to Pittsburgh, some to Harrisburgh, and a great deal goes South and West.

General IMBODEN. The Pocahontas furnaces sell to Providence, R. I., also.

Mr. BRECKINRIDGE. Does 10 per cent. of the production of southern iron go North? I mean east of the Alleghanies?

Mr. BOLLING. Yes; I think the Pocahontas iron-furnaces have shipped a good deal North.

Mr. BRECKINRIDGE. How does that compare with the total output we are producing in the South? My impression is we are shipping just about ten per cent. of that to Pittsburgh and east of Pittsburgh, and 90 per cent. is marketed in the interior of the country. That pig-iron can not be imperiled.

Mr. BOLLING. The Pocahontas furnaces are the only furnaces now, but there are three or four more going up.

Mr. BRECKINRIDGE. And they put out 2,000,000 tons of pig-iron in the whole South.

Mr. BOLLING. The whole of that goes East.

Mr. BAYNE. And if we import 1,000,000 tons less under the 75-cent duty, how many million tons would be imported if the duty was taken off?

Mr. BOLLING. I could not estimate it at all, sir.

Mr. BAYNE. Would it not necessarily largely diminish the production in this country?

Mr. BOLLING. I think it would diminish our present production very largely.

Mr. BRECKINRIDGE. But you do not take the figures and show how it is. You draw the conclusions without demonstrating them. I have got your idea, but I want the proofs.

Mr. BOLLING. This is the way I make the figures: If you could put iron ore at Norfolk for \$3.50 a ton you can put the Nova Scotia coals there. The man who puts up a furnace can buy the coal cheaper than he can at Pocahontas. In that case it makes it cheaper at the seaboard than we can possibly.

Mr. CARLISLE. Can he go into the western and interior market and compete with you?

Mr. BOLLING. We have no market West.

Mr. BRECKINRIDGE. You are speaking this moment of a small locality, not of Tennessee and Alabama.

Mr. BOLLING. I think the argument applies to Tennessee and Alabama.

Mr. BRECKINRIDGE. How far is Norfolk from you?

Mr. BOLLING. 332 miles.

Mr. BRECKINRIDGE. You send iron ore there?

Mr. BOLLING. Yes, sir.

Mr. BRECKINRIDGE. That would enable you to put iron ore at Norfolk at \$3.20, allowing you 4 mills to the mile and \$2 to the ton. Those are facts gathered from General Imboden. The foreign ores are costing on the sea-board \$3.43 a ton, without protection. Thus you are, by your own figures, 33 cents a ton cheaper there than the foreign ore free of duty. Now, as to your coal, statements show that we are exporting this bituminous coal in open competition with Nova Scotia coals all the time. We are sending so far as competing with Canada trade is concerned, into Quebec, Montreal, Manitoba, and the northwest territory of Canada, 469,000 tons. We are sending to Cuba 139,000 tons, and many thousands of tons out over the sea to other competing points, and certainly you could go to Norfolk, where you do not have such competition. If you can take the facts and get an argument and give us the facts, I would be very glad to have it.

Mr. BAYNE. They have a drawback in Cuba.

Mr. BOLLING. But the same drawback is allowed to others.

Mr. GEAR. Is not the surplus of coal shipped?

Mr. BOLLING. There is no surplus in this district, as they are consuming the output of the mines.

Mr. GEAR. Is it not a fact that if the tariff is taken off there will be a large influx all along the northern line into this country.

Mr. BOLLING. I think so. I know the fact that the blast-furnaces at Salem, Va., and Pocahontas have wanted rates on foreign ores to be brought up there.

Mr. GEAR. Would not ores come in free from Canada and compete with ores that are sent to the northern markets?

Mr. BOLLING. Certainly. These ores we claim would supplant southern ores entirely. They say they can ship to Pittsburgh and Harrisburg cheaper than Lake Superior ores can be shipped here.

Mr. GEAR. Would it not depress the eastern market for these iron ores?

Mr. BOLLING. Yes, sir.

ADDITIONAL STATEMENT OF GENERAL J. D. IMBODEN.

General J. D. IMBODEN appeared before the committee again at the request of Mr. Flower, who stated he desired to ask a few questions.

Mr. FLOWER. As you will recollect, we had a bill last year in regard to this matter. Will you please state how much that bill left the protection on iron ore and how much on coal?

Mr. IMBODEN. I believe that bill as finally agreed upon left it exactly what we propose now, 75 cents a ton.

Mr. FLOWER. Then we did not propose to injure your industry?

Mr. IMBODEN. I would like to answer very briefly two questions for Mr. Breckinridge. I understood him to say the duty of Congress was to help all the people, and I admit that was the cry of all the people, those in the mountains as well as those in the low-lands. I will say this, sir: In my judgment the way to help the people along the Atlantic coast in many States is for this Congress to repeal absolutely the tobacco tax.

Mr. FLOWER. Do they propose to take off the entire tax?

Mr. IMBODEN. Not all of it—a part of it—nearly all of it. But it should be wiped out.

The CHAIRMAN. I think if Mr. Flower could assure you that your interests are not to be disturbed by gentlemen at his end of the table these speeches would not be necessary.

Mr. FLOWER. I merely brought this out to show what this bill did for that section.

Mr. IMBODEN. The great burden which rests on my own State in the country lying east of the Blue Ridge is the tax on its agriculture. That is what the people are groaning and growling about. They complain, and justly, that the whisky tax, as well as that on tobacco, is very oppressive to them. They do not object to a whisky tax imposed by the State, but when the Federal Government comes in and collects it they object to it. I know a man living in the mountains, I was at his house in Mitchell County, N. C., and he had 2,000 bushels of peaches rotting under the trees, which he could not sell, and dared not distill. He was oppressed. If that question could be settled it would be a great relief to them. The question I want to answer asked by Mr. Breckinridge was in regard to the West, respecting the free admission of ore and coal. In the gentleman's own State there is a district of Bessemer ore, said to be as large as any I know. You have very recently made this discovery in the northwestern part of the State of valuable Bessemer ores. You can procure coke from the coal mines in Virginia as soon as we complete the railroad down Chinch River in Tennessee, and we can haul at 2 mills per ton per mile—less than 30 cents a ton—to water and carry it over and sell it to you at about \$2.25 to \$2.50 per ton delivered and build up your furnaces.

Mr. BRECKINRIDGE. Sell what?

Mr. IMBODEN. High grade coke. If you have this free of duty Cuba will come in and meet this coke with her ores on the Mississippi River banks and it will kill every ton of yours. You would never have a blast-furnace in Arkansas.

Mr. BRECKINRIDGE. The Mississippi River runs past Arkansas.

Mr. IMBODEN. The ore and coke would come together lower down on it than Arkansas.

Mr. BRECKINRIDGE. You only pass us by going several hundred miles out of your way. The ore is brought in through the mouth of the Mississippi River.

Mr. IMBODEN. Exactly; the mouth of the Mississippi River.

Mr. BRECKINRIDGE. Long before it gets to the mouth of the river it passes Arkansas—

Mr. IMBODEN. Exactly. That kills your ores. Where you meet these free ores you are dead.

Mr. BRECKINRIDGE. I do not see how you can make that out unless you run your river up-stream.

Mr. IMBODEN. The Cuban goes up; he does not go down to meet you. That splendid coke (if you take off the duty from Cuban ores) would kill the iron industry in the Arkansas region, by using Cuban ores on the banks of the Mississippi away below you.

Mr. McMILLIN. You spoke of the Sewanee vein as a small supply.

Mr. IMBODEN. Comparatively, I meant it.

Mr. McMILLIN. It is more than six times as large as the entire Connellsville region.

Mr. IMBODEN. In area, I know that.

Mr. McMILLIN. And the iron ore is 5 feet thick and in sight for 30 miles.

Mr. IMBODEN. The area of it is probably ten times as large. I meant the thickness, etc.

Mr. McMILLIN. Is it not $3\frac{1}{2}$ to 8 feet?

Mr. IMBODEN. I do not know whether it reaches 8 feet. You probably know more about it than I do.

Mr. McMILLIN. What I wish to state to you is, is it not shown by our reports during twenty years that—

Mr. IMBODEN. My personal investigation of that has been higher up. Mr. Breckinridge says this benefits a few people in the mountains.

Mr. BRECKINRIDGE. I beg your pardon. I said to benefit the people in the mountains; not a few in the mountains. I do not admit, however, that it helps the masses there.

Mr. IMBODEN. My impression was different. In Virginia I will mention some of the counties this affects: Clark, Page, Shenandoah, Rockingham, Augusta, Highland, Bath, Roanoke, Botetourt, Bland, Tazewell, Smyth, Russell, Washington, Scott, Wise, Dickenson, Buchanan, and Lee. These counties are all in the mineral belt. East of the mountains you may commence with Albermarle, Nelson, Amherst, Henry, Campbell, Bedford, Patrick, etc.; Floyd, Carroll, Grayson on the Blue Ridge.

Mr. GEAR. You spoke of the transportation of coke at a low rate. That is mainly by water.

Mr. IMBODEN. Yes, sir.

Mr. GEAR. You would transport it in barges, and would float it down and tow up.

Mr. IMBODEN. Yes, sir; as on the Ohio River.

Mr. GEAR. You could keep on to the mouth of the river?

Mr. IMBODEN. Yes, sir. Some reports of the chief engineer of the Monongahela Navigation Company, at Pittsburgh, Pa., reached me in October, answering some questions, and stated that over 4,000,000 tons of coal are floated on the Ohio River annually. They haul it at one-sixty-fourth to one-thirtieth of a cent per ton per mile. That includes taking it down and bringing the barges back. The Tennessee River will be in better shape, probably, than the Ohio. Colonel Barlow, in charge of that work, has reported that a moderate appropriation would remove a few bars where they run across the river. We could haul coal now and put it on the barges for 30 cents a ton, if our road was finished.

There is one other thing I omitted. In the last few months a syndicate of Englishmen have come into the country and have located down near Middlesborough, Ky. They have expended about four millions to create a great establishment there. They have come and located there to help us make iron under our protective system. This is a large wad of money in our part of the country. I do not know how it is regarded in the North. They have put up a magnificent hotel and commenced furnaces, etc., and the lots there sell for \$200 a front foot. I thank you for your courtesy, Mr. Chairman and gentlemen of the committee.

STATEMENT OF HON. L. E. McCOMAS.

Hon. L. E. McCOMAS, a Representative from the State of Maryland, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I desire to file with the committee a number of petitions signed by about 2,500 men, laborers and miners, protesting against any reduction of the duty on coal, or any interference with it whatever by this Congress; also, resolutions of meetings in the Maryland coal region. These people heard of these hearings on coal, and here are the resolutions which they adopted. (See resolutions and petitions appended.)

The first tariff (1789) imposed a duty on bituminous coal of 56 cents per ton; in 1790, 84 cents per ton; in 1794, \$1.40; in 1812, \$2.80. Reduced in 1816 to \$1.40, it was increased in 1824 to \$1.68. The tariff of 1842 raised the duty to \$1.75 per ton. The tariff of 1846 reduced it to \$1.30 per ton. To admit foreign coal needed in time of war in 1861, the duty fell to \$1 per ton, to be raised successively to \$1.10 and \$1.25 per ton in 1864. The tariff remained \$1.25 per ton until 1873, when it was reduced to 75 cents per ton, which is 20 per cent. ad valorem to-day.

The bituminous coals of our sea-coast are alone affected by the duty. The infant industry on the Pacific, the coals of Coos Bay and Newport in Oregon; of Seattle, Renton, South Prairie, and Carbon Hill in Washington; the Mount Diablo Mines of California, and the other new mines just beginning to be worked in the same State, compete with the Vancouver Islands coal, of which 300,000 tons were received at Pacific coast ports in 1888.

On the Atlantic side, it is the bituminous coal mines east of the Alleghanies which suffer from the competition with Nova Scotia and British ballast coals. Nearly all of these mines have been opened since the termination of the reciprocity treaty

with Canada. Their development since then has been marvelous. From the table in Saward's Annual, 1889, this growth appears:

District.	Opened.	1867.	1868.
Clearfield	1866	169, 219	3, 389, 864
George Creek	1842	1, 193, 822	3, 106, 670
Beech Creek	1884		1, 694, 495
Blossburg	1840	481, 318	1, 106, 959
Elk Garden	1881		564, 397
Pocahontas	1883		1, 572, 372
Chesapeake and Ohio	1877		1, 823, 514

The same high authority estimates the tonnage to tide water for 1888 to have been 900,000 tons to Norfolk, 2,500,000 tons to Baltimore, 950,000 to Newport News, 2,000,000 to the Philadelphia loading ports, and 2,000,000 tons to the New York loading ports. The gas coal and steam coal of Maryland, West Virginia, Virginia, and Pennsylvania would alone suffer from a reduction of the duty. At their markets at Baltimore, New York, Boston, and Portland their coals are not sold for hearth fires. Seventy-five cents per ton does not affect the price of bituminous coal west of the Alleghanias. As it costs \$1.25 per ton to ship the coal from the mines in the Alleghanias to tide-water, a duty of 75 cents per ton is soon eaten up by a toll on coal transported inland. Anthracite coal east of the Alleghanias is the coal of the domestic fireside, and anthracite is free; anthracite, whose owners have again and again combined to lessen the output and raise the price, making a monopoly and a trust of the worst sort out of a free-list commodity. The cry is, free fuel to a people whose fuel is free. To reduce the duty on bituminous coal will not cheapen coal for the fireside. It will paralyze an important industry and reduce the price of its labor. It will strike a heavy blow at our coast-wise trade. It will give cheaper and better coals to English steam-ship lines, and help English capital to delay the revival of American shipping. Of the 2,000,000 tons sent to the New York loading ports in 1888, 1,000,000 went to the foreign steam-ship lines. It will cheapen fuel to the great railroad companies of the Atlantic sea-board, but it will not reduce their rates of freight. It will delight the gas companies of the great cities of our Atlantic coast by adding still more to their profits without cheapening gas to the consumer.

Coal is not a raw material, except in the bowels of the earth. A ton of coal is 60 per cent. labor. That labor is skilled labor of a high order. It involves more than most avocations—courage, quick intelligence, self-sacrifice. It is fraught with peculiar danger and hardship. Unskilled labor often impairs the mines, wastes the coal, and costs many lives.

The people of the Maryland coal region—a people I intimately know—are a community of a high degree of intelligence, a community of reading, thinking men and women which is rarely equaled. Many of them in their youth mined coal in Nova Scotia and Great Britain. Hundreds of them have told me of the scant reward of their labor received in these competing mines; and they are here by their representatives to protest against the reduction of the duty, because it means a reduction of their wages, now 50 cents per ton for mining coal. They are here to protest that with a tariff on everything the miner wears, the tools he works with, and half of what he eats, you ought not to abate the scant protection of 20 per cent. on the coal of commerce, the product of his labor.

As shown by Mr. Mayer in his very able argument yesterday, continuous protection has rapidly reduced the price of coal to the home consumer.

The Baltimore price in the past six years has been as follows:

	Per ton.		Per ton.
1873	\$4. 83	1882	\$3. 50
1876	3. 87	1884	2. 70
1880	3. 75	1889	2. 50

Surely the miners' wages are not too high. The stock of coal companies on the Atlantic slope is uniformly below par and rarely yields any dividends. Already provincial steam coals are sold at tide-water for \$3.25 alongside of Atlantic slope steam coals sold at \$3.50, and provincial gas coals sold at \$3.75 alongside of Atlantic slope gas coals sold at \$4 per ton.

The figures given by Mr. Grow are erroneous and misleading. In 1889 Canada received but 467,534 tons of bituminous coal from the States. This is largely interior coal traded where the short hauls overcome the Canadian tariff of 60 cents per ton, while the coal for the Grand Trunk roads comes almost wholly from mines in the States; and this will continue under the tariff, because Montreal will always remain

more than 75 cents per ton distant from Nova Scotia. The export of bituminous coals are mainly from the lake ports and by interior railroads to Canada.

I concede that if American syndicates be encouraged to develop Canadian coal-fields under reciprocity by employing cheaper Canadian labor, you may strike a heavy blow at the wages of coal miners of the interior. I submit the present tariff cannot affect them. Three hundred thousand men and boys labor in preparing for market the 140,000,000 tons of coal brought to the mouth of the mines in the United States. Women and girls do not dig this coal as they do the coal with which ours competes at the Atlantic sea-boards. Eighty thousand of these miners and mine laborers on the Atlantic slope will protest against any reduction of this duty on bituminous coal which will reduce the wages of each of them.

I protest, in their name, against the narrow and selfish argument of a few New England manufacturers who ask protection for their products which they deny to the products of their fellow-laborers.

In the Forty-eighth Congress the Democratic majority of this committee put bituminous coal on the free list. The clamor of their own party friends compelled them to desist.

I assume that these wage-earners are safe here in the hands of their friends, the majority of this committee. At this time a reduction of this duty would be a blunder worse than a crime.

Mr. BRECKINRIDGE. Is there any anthracite coal outside of Pennsylvania?

Mr. MCCOMAS. Yes, it has been found in Oregon and in Colorado and I believe there is a mine in Dakota.

Mr. GEAR. It seems to have cropped out in unexpected places in the last ten years.

Mr. McKENNA. What proportion of bituminous coal came to this country from Canada?

Mr. MCCOMAS. I can not tell you what came to this country. We have men here of whom I shall shortly ask some questions, who have been miners of coal in England and Scotland, but came here to better their condition and became prosperous intelligent citizens. They are old men who have been coal miners, and have mined in Nova Scotia, and can tell you all you want in regard to the condition of the miners in those mines.

Mr. McKENNA. You spoke of there being a combination in anthracite coal. Do you believe that combination unduly enhances the price to the consumer of coal?

Mr. MCCOMAS. I believe so, but I only take that as an illustration. There has often been a combination, pool, or trust in this anthracite business. If they should combine for bituminous coal as in the anthracite pools, what would be the effect? If you withdraw the duty of 75 cents a ton you now have on coal, you will find that coal which sells in New York for \$4 from this country, will be met by Nova Scotia coal at \$3.75. People will not pay more than the 25 cents difference for the American steam coals. The difference in the quality of the American steam coals is worth 25 cents.

In regard to a question asked here awhile ago about this Cuba business. When a vessel goes to Cuba with coal, it comes back with sugar. We all know that Canada can not consume the sugar that this country does. You can not send as much sugar to Canada as coal to Cuba. We bring back sugar from Cuba and to that extent only we have an advantage over what we would have competing with Nova Scotia coal on our coast.

Mr. McKENNA. How much coal goes to Cuba?

Mr. MCCOMAS. One hundred and fifty-four thousand tons, only.

Mr. McKENNA. How many tons of sugar come in?

Mr. MCCOMAS. I could not tell you accurately, but more in weight than the coal going there, the vessels are loaded with it. Then besides that we get a drawback on their port charges. We sell that coal there and bring back sugar, but you could not do that with Canada.

Now the coal which is going to Canada is largely interior coal for trade across the border. The figures given by Mr. Grow are erroneous and misleading. In 1889 Canada received but 467,534 tons of bituminous coal from the States. This is largely interior coal, traded where the short hauls overcame the Canadian tariff of 60 cents per ton, while the coal for the Grand Trunk Roads comes almost wholly from the mines in the United States, and this will continue under the tariff because the monopoly will always remain more than 75 cents per ton destined from Nova Scotia. The bituminous coals are mainly exported from the Lake Superior ports and by interior railroads into Canada, and mainly the consumption of the Grand Trunk Railway of coal it must use.

Mr. BRECKINRIDGE. You think that Mr. Grow's statement was very likely in error.

Mr. MCCOMAS. Yes, s'r. Mr. Grow's statement was that 1,168,000 tons were exported. The actual figures given me in this letter from the Bureau of Statistics show that there were only 467,000 tons exported.

If American syndicates are encouraged to develop Canadian coal fields under reciprocity by employing cheaper Canadian labor, I can see that you may strike a

heavy blow at the wages of the coal miners of the interior. The present tariff can not affect them.

In conclusion, let me repeat that the Forty-eighth Congress, a Democratic body, put coal on the free list and also wool. There was a clamor in regard to both, so they dropped coal and held on to the wool. They let go the black and played on the white, which was bad.

Mr. BRECKINRIDGE. Where did you get that expression?

Mr. McCOMAS. I got it from a newspaper.

Mr. BRECKINRIDGE. You must explain these technical terms.

Mr. McCOMAS. Not to a gentleman from Arkansas.

Mr. Chairman and gentlemen of the committee, let me emphasize this; it would be a disaster and ruin to these wage-earners, and it would be a blunder on the part of the Republican party, worse than a crime to touch the duty on coal. Now, I will ask that you briefly hear some men here who have been actually engaged in mining coal.

TREASURY DEPARTMENT, BUREAU OF STATISTICS,
Washington, December 27, 1889.

DEAR SIR: I have the honor to state, in answer to your inquiries by telephone, that the product of coal for the year 1888, and preceding years, will appear in the inclosed table from our statistical abstract. The data asked for 1889 are not yet obtainable, as they are not made up for the year 1889. Table marked A shows the imports of bituminous coal separately from the British North American Provinces, and from all other countries. It also shows the average ad valorem rates of duty collected on bituminous coal for each of the fiscal years 1882 to 1889, inclusive.

The questions as to the imports of bituminous coal from the British North American Provinces are answered by table marked B, which shows these imports by provinces. There are no data as to the particular ports from which the coal was imported. Table marked C shows the imports of bituminous coal during the fiscal year 1889, distinguishing the imports into the Atlantic and all other ports of the United States. We are not able to show the imports from Canada only by provinces. Table marked A shows the data in queries marked 9 and 10, as to the exports from the United States to Canada and anthracite and bituminous coal during the fiscal year 1889.

Very respectfully, yours,

S. G. BROCK,
Chief of Bureau.

Hon. L. E. McCOMAS.

A.—Statement showing the quantities and values of bituminous coal imported into the United States during each year ending June 30, from 1882 to 1889, inclusive, showing separately the imports from the British North American Possessions, and from all other foreign countries; also the average ad valorem rates of duty collected on bituminous coal during each year.

Year ending June 30—	Imported.					
	From the British North American Possessions.		From all other foreign countries.		Total.	
	Tons.	Dollars.	Tons.	Dollars.	Tons.	Dollars.
1882	290,096	778,267	561,238	1,411,031	851,334	2,189,298
1883	312,783	836,317	409,912	1,249,655	722,695	2,085,972
1884	318,061	1,007,354	502,205	1,550,810	820,266	2,558,164
1885	317,269	1,074,029	500,649	1,519,650	817,918	2,593,679
1886	312,498	1,014,116	511,863	1,537,838	824,361	2,551,954
1887	332,942	1,153,604	573,692	1,561,838	906,634	2,715,442
1888	374,833	1,426,049	502,671	1,420,692	877,504	2,846,741
1889	434,741	1,842,446	721,088	2,086,779	1,155,829	3,929,225

Domestic coal exported from the United States to the Dominion of Canada during the year ending June 30, 1889.

	Tons.	Value.
Anthracite coal	902,535	\$4,052,741
Bituminous coal	467,584	1,304,544

B.—Quantities and values of coal exported to the United States from each province of the Dominion of Canada, during the year ending June 30, 1888, from the tables of the Trade and Navigation of the Dominion of Canada, 1888.

Provinces.	Domestic.	Foreign.	Total.	Values.		Total.
				Domestic.	Foreign.	
	Tons.	Tons.	Tons.	Dollars.	Dollars.	Dollars.
Ontario	2	63, 571	63, 573	11	161, 440	161, 461
Quebec	1, 463	64	1, 527	10, 323	16	10, 339
Nova Scotia	92, 176	3, 638	95, 814	164, 645	8, 720	173, 365
New Brunswick	52	192	244	222	464	686
Manitoba	69	.....	69	409	.....	409
British Columbia	333, 788	.....	333, 788	1, 235, 801	.....	1, 235, 801
Prince Edward Island	150	.....	150	338	.....	338
Total	427, 700	67, 465	495, 165	1, 411, 749	170, 640	1, 582, 389

C.—Quantities and values of bituminous coal imported from the provinces of Nova Scotia, New Brunswick, Prince Edward Island, Quebec, Ontario, and the Northwest Territory into the Atlantic and all other ports of the United States during the year ending June 30, 1889.

	Tons.	Value.
From the provinces of Nova Scotia, New Brunswick, and Prince Edward Island into—		
Atlantic ports	28, 510	\$21, 810
All other	1, 127, 319	3, 907, 435
Total	1, 155, 829	3, 929, 245
From the provinces of Quebec, Ontario, and the Northwest Territory into—		
Atlantic ports	1, 713	4, 614
All other ports	1, 154, 116	3, 924, 631
Total	1, 155, 829	3, 929, 245
From the province of British Columbia into—		
Pacific ports	404, 518	1, 816, 042
All other ports	751, 311	2, 113, 203
Total	1, 155, 829	3, 929, 245

FROSTBURGH, MD., December 24, 1889.

At a public meeting of merchants and business men held this day at the council chamber to give expression to the popular opposition in this coal region to any interference with the present tariff duty on coal, the following gentlemen were on motion elected officers: William Thomas, chairman; E. N. Michael, secretary. On motion the chairman was authorized to appoint a committee of five gentlemen, himself to be one of the number, to draught a paper expressing the sense of the people.

The chairman appointed Messrs. G. H. Wittig, R. G. Colborn, D. F. McMullen, E. N. Michael.

The following paper was reported:

Whereas it is understood that the Committee on Ways and Means of the House of Representatives will hear memorials, etc., of those interested in the production of coal, on the 26th instant; and

Whereas it is represented that the customs duty upon foreign coal is threatened with abatement if not repeal by the Congress; and

Whereas such action would produce incalculable disaster to the semi-bituminous interests of this country; and

Whereas the existing duty of 75 cents per ton upon foreign bituminous coal is barely sufficient to enable the employing operators to maintain our coal in the markets of the country at such prices as will afford a reasonable rate of wages to their employés; and

Whereas foreign coal, partially or wholly free of duty, means corresponding or complete paralysis of home production, less compensation for labor and loss of employment for laborers, and disaster to the many interests dependent upon the normal rate of development: Therefore be it

Resolved by this meeting of merchants and business men of Frostburgh, That in the

name of all our people we do hereby earnestly request our Senators and Representatives in Congress to pass no act which either in whole or in part changes the existing customs duty upon foreign coal; and further

Resolved, That we assure our Senators and Representatives of our conviction that all the benefits derived from the said existing tariff on foreign coal are in this region liberally shared with the labor which digs and sends our coal to market.

Resolved, That a copy of this paper be laid before the Committee on Ways and Means on the 26th instant; and that our county and leading State papers be requested to publish the same.

On motion unanimously adopted.

On motion adjourned.

WM. THOMAS, *Chairman*.
E. N. MICHAEL, *Secretary*.

To the honorable the Senators and Representatives of the Congress of the United States:

The undersigned citizens of Allegany County, State of Maryland, respectfully represent to your honorable bodies that they are directly interested as miners and laborers in the production and shipment of semi-bituminous coal from the George's Creek (or Cumberland) coal region of this county, and that they believe any reduction of the current duty on foreign coal will work great harm to their home product.

They also respectfully represent that the employers of labor in this region pay liberally for mining and all work connected therewith, and that they sincerely believe that whatever benefit is derived by the coal interest from the present tariff duty on foreign coal is divided liberally with the labor which produces it in accordance with the spirit and intent of the law.

So believing and so avowing, we respectfully pray your honorable bodies to continue the customs duty of 75 cents per ton on foreign coal. And, as in duty bound, we will ever pray, etc.

[Here follows twenty-eight petitions similar to the above, and signed by an aggregate of twenty-five hundred persons.]

STATEMENT OF OWEN HITCHEN.

Mr. OWEN HITCHEN, a miner, of Frostburgh, Md., next appeared before the committee.

Mr. MCCOMAS. You are a practical coal miner?

Mr. HITCHEN. Yes, sir.

Mr. MCCOMAS. Where have you worked in the old country?

Mr. HITCHEN. In Monmouthshire, Wales, and Pembrokeshire.

Mr. MCCOMAS. And in this country where?

Mr. HITCHEN. In Maryland, the George's Creek region.

Mr. MCCOMAS. You know the rates in Great Britain of work years ago, and you have been over there several times since?

Mr. HITCHEN. I was over there in 1875.

Mr. MCCOMAS. They are very much lower there than here?

Mr. HITCHEN. Yes, sir.

Mr. MCCOMAS. Do you think it would be possible for us to mine coal if the duty was lessened at all?

Mr. HITCHEN. No, sir.

Mr. GEAR. How long is it since you first came to this country?

Mr. HITCHEN. Since 1852.

Mr. GEAR. Are you an ordinary miner?

Mr. HITCHEN. Yes, sir.

Mr. GEAR. Do you say the wages are lower in the other country than in this country?

Mr. HITCHEN. The wages earned there were about 3 shillings a day.

Mr. GEAR. Did you live as well in that country as you do here?

Mr. HITCHEN. No, sir.

Mr. GEAR. Do you wear as good clothes?

Mr. HITCHEN. I was a little proud and I wore pretty good clothes.

Mr. GEAR. Was your house as well furnished?

Mr. HITCHEN. I did not have a house. I came here to keep house.

Mr. GEAR. Did you rent?

Mr. HITCHEN. No, sir; I was a single man, and I married and came here to keep house.

Mr. GEAR. Are the ordinary clothes a miner wears in that country every day and Sunday called as good as they are here?

Mr. HITCHEN. In the part of England I came from they wear as good clothes in the long run as they do here. That is many do; some do not.

Mr. GEAR. Can you buy them a little cheaper.

Mr. HITCHEN. Oh, very much.

Mr. GEAR. You do not get such good wages?

Mr. HITCHEN. No, sir. When I came to this country they paid as high as 40 cents, from 28 to 40, and by working hard I could earn \$1.50. That is twice as much as we were getting there.

Mr. GEAR. You earn twice as much in this country?

Mr. HITCHEN. Yes, sir.

Mr. BRECKINRIDGE. How much is that a ton?

Mr. HITCHEN. That depends upon the vein and how hard it is to work.

Mr. BRECKINRIDGE. Take it as it runs, how much would it be?

Mr. HITCHEN. I should say on an average it would be \$1 a ton.

Mr. BRECKINRIDGE. How much did you get?

Mr. HITCHEN. The miners get 3 shillings; sometimes less than 2 shillings.

Mr. BRECKINRIDGE. Something like 2 shillings?

Mr. HITCHEN. From 2 to 3 shillings.

Mr. BRECKINRIDGE. And ours get from 28 to 40 cents a ton?

Mr. HITCHEN. Yes, sir.

Mr. BRECKINRIDGE. Is it that same difference there now as far as you know?

Mr. HITCHEN. No; wages are better now than they were. But in regard to the expenses of different mines, we are digging coal 10 feet thick, and all with pick and shovel and sledge. There we dig coal 3 feet thick. I went into a pit in 1885 which I suppose was nine hundred and some feet deep. They were working one vein of coal there 3 feet above and 3 feet below, and from 3 to 5 feet thick, and slate between it. They were getting there 3 shillings a ton, 3 and 6 pence for some.

Mr. McKENNA. How much is that a day?

Mr. HITCHEN. They dig it by the ton.

Mr. McKENNA. How much a day do they make?

Mr. HITCHEN. Some make more and some less, but it is about 3 or 4 shillings a day.

Mr. GEAR. It is something over a dollar a day?

Mr. HITCHEN. Yes, sir.

Mr. FLOWER. Do you know in regard to the mines in the Indiana district?

Mr. HITCHEN. No, sir.

Mr. FLOWER. Do you know in regard to Illinois?

Mr. HITCHEN. No, sir; I am not acquainted with any of those.

Mr. GEAR. The condition of the American miner is far better than the condition of the English miner?

Mr. HITCHEN. There is no comparison. None whatever. As I said, our disadvantage is we are so far inland and they have the coals on the sea-board. Twelve miles is a long distance to transport. The foreign rate is 3 shillings, and royalty about 20 cents. It is all work and royalty.

Mr. BRECKINRIDGE. About 20 cents.

Mr. HITCHEN. It is about \$4.20 free on board.

Mr. BRECKINRIDGE. Is this about the average that the coal miners get in England?

Mr. HITCHEN. Yes, sir. I consider 3 shillings a day high wages. Just as General Imboden said in regard to the South.

Mr. BRECKINRIDGE. You consider that a good average output.

Mr. HITCHEN. Yes, sir; it is good average wages.

Mr. BRECKINRIDGE. I am not speaking of wages so much as the output of coal. Take a mine running steadily, how much would it average?

Mr. HITCHEN. It has been as low as 2 shillings.

Mr. BRECKINRIDGE. I am not asking in regard to money. I am trying to get at the amount of coal an English miner mines per day.

Mr. HITCHEN. That is wages; because one man can dig in one vein more than another man can in another vein, and that average—

Mr. BRECKINRIDGE. Pardon me, but you have got on the wages again. I will simply have to come back to my original question, and we will have to begin over again on this subject. You would call what you average in your output a fair output for an English miner, the way your mines run.

Mr. HITCHEN. Yes, sir; but what veins do you mean? Do you mean the 2-shilling veins or the 3-shilling—an open vein.

Mr. BRECKINRIDGE. I am trying to get at a general idea of what the English miner gets out per day.

Mr. HITCHEN. In England you know coal is very different from here, and in some mines they can put out 2 or 3 tons and in another only 1.

Mr. BRECKINRIDGE. In a mine where you put out 3 tons how much do they get?

Mr. HITCHEN. Two shillings a ton, which would be 15 to 18 pence.

Mr. GEAR. Does the mine furnish the powder?

Mr. HITCHEN. The workmen furnish the powder.

Mr. GEAR. Then you have to pay out of your wages for the powder?

Mr. HITCHEN. Yes, sir.

Mr. McKENNA. I do not exactly understand how much you get a ton.

Mr. HITCHEN. Sometimes 15 pence to 3 shillings. There is a difference in working coal. Sometimes you get it where you can handle it a good deal easier and cheaper.

Mr. McKENNA. How much would you get by that mining? Would you get a ton a day?

Mr. HITCHEN. I will explain. Sometimes men get easier mines to dig; sometimes they are not so hard.

Mr. McKENNA. That is true as to your other answer.

Mr. HITCHEN. Just please state your question again, sir.

Mr. McKENNA. You say you got from 1 shilling to 3.

Mr. HITCHEN. No, sir; I said from 15 pence—

Mr. McKENNA. To what?

Mr. HITCHEN. To 18 pence and 2 shillings, and up to half a crown.

Mr. McKENNA. How much would you get if the product of your work was only 1 ton?

Mr. HITCHEN. About 3 shillings and 6 pence.

Mr. McKENNA. How much if you produced 5 tons?

Mr. HITCHEN. It was in proportion. They aim to get the wages uniform.

STATEMENT OF JAMES M. SLOAN.

Mr. JAMES M. SLOAN, of Lonaconing, Md., next appeared before the committee.

Mr. McCOMAS. You have been engaged in mining coal in the old country?

Mr. SLOAN. Yes, sir.

Mr. McCOMAS. And in this country?

Mr. SLOAN. Yes, sir.

Mr. McCOMAS. You have been in the mining regions of Glasgow, and you are familiar with them there?

Mr. SLOAN. Yes, sir.

Mr. McCOMAS. Tell the committee briefly what you think would be the effect of removing this duty of 75 cents a ton.

Mr. SLOAN. I will endeavor to tell you. We have a population in our village of about 6,000 people.

Mr. McCOMAS. Where—Frostburgh?

Mr. SLOAN. Lonaconing, which is 8 miles below Frostburgh. Our community is composed entirely of people from England, Ireland, Scotland, and Wales, and a few from Germany. No Swedes, Italians, or Hungarians are there. Our people are possibly unnecessarily alarmed about the abolition of the duty on coal, but when it was known to us we had no hall to meet in, and we organized a meeting on the street on Christmas day, in the midst of the boys popping fire-crackers. They asked us to come down here and in our feeble way request you to make no change in the duty on coal. This is a matter of butter and bread to us. It is a matter of dollars and cents. If the duty is removed we will be obliged to leave, because we think our coal can not be put out against Nova Scotia coal after the duty of 75 cents is removed. If our coal sells at 3½ and the profit is 5 cents, if there is any reduction in the tariff—there has got to be a reduction somewhere—we believe the miners will be the ones to feel it.

We do not want to come to the schedule of Nova Scotia. When my father came to America in 1837 it was to better his condition, which I think he did very materially. He spent his entire life in the coal mines. We think we know something about the effect of the reduction of wages in the Scotch region. I knew families of sixteen living in one room. Men live a little better in our region. It is an inevitable fact—at least we think so—without being able to state any fine phrases—that if you take off this duty we have got to come to the Scotch and German standards. The miner can make \$2.50 a day for work. He can easily dig 5 tons at 50 cents, which is \$2.50. The driver is about 75 cents; the outside man \$1.90 and possibly the fireman \$2, which is a manifest difference of 2 or 3 shillings.

I can possibly illustrate the way the Scotch miners live and the way we live. We have more beef in our town in weight than we have flour. We have got a population of 6,000 people, and it is a known fact that we consume more beef in that town than Cumberland, with a population of 13,000 inhabitants. In order to illustrate how much beef we use compared with Scotland I will tell you a story that a gentleman related to me two years ago. He was visiting in Scotland and this was what he told me: "I talked with one of the old miners and he said: 'The wages are not as good as they might be.' I said: 'What are you getting?' He said: 'Two and six.' I said: 'That does not give you much drink.' He said: 'Not much; but it would get a little drop.' I said: 'How much—about a pint?' He said: 'No, about half a

pint.' I asked him what he would have to pay for a beef steak. He said: 'About a shilling a pound.' I asked him if he got much. He said: 'We see it through the shop windows and that is about as close as we get to it.' He said: 'If the parliament will take that d—d tariff off I suppose we could get a little steak.'"

I just want to ask you gentlemen not to remove that tariff. We are satisfied. We have our homes and families there; we have good school houses and good churches. We are a satisfied community, and we are satisfied you want to do what is right. The miners are satisfied with their wages. Unfortunately by the destruction of the Chesapeake and Ohio Canal we have not had good work, but that is not the fault of the tariff. Possibly the canal will be refitted. We would not like to see our children on the street and begging. This 75 cents is the only thing between them and the condition of the negro.

STATEMENT OF JOHN FATKIN.

Mr. JOHN FATKIN, of Maryland, next appeared before the committee.

Mr. McCOMAS. Are you a resident of the George's Creek region?

Mr. FATKIN. Yes, sir.

Mr. McCOMAS. Have you been engaged in mining coal for several years?

Mr. FATKIN. I have been in that region for forty years.

Mr. McCOMAS. I believe you also worked in some of the Scotch mines?

Mr. FATKIN. Yes, sir; I worked in the Albion mine quite a bit.

Mr. McCOMAS. If this tariff of seventy-five cents, or even twenty-five cents, was taken off what would be the effect upon the coal industry?

Mr. FATKIN. I know it would affect us some. I suppose the reduction would come on the laborer—the miner.

Mr. McCOMAS. Are the coal companies getting rich?

Mr. FATKIN. They claim they are not making anything.

Mr. McCOMAS. How do the wages paid in the Albion compare with those here?

What is the general percentage?

Mr. FATKIN. I do not recollect. I was just a boy ten years old when I worked there. I know what my own wages were. I got 15 pence a day for keeping the trap-door.

Mr. McCOMAS. And the same kind of work here is paid what?

Mr. FATKIN. Seventy-five cents.

Mr. GEAR. Do they work the same number of hours?

Mr. FATKIN. Yes, sir.

Mr. BRECKINRIDGE. Do you mean they give a ten-year-old boy 75 cents here for that?

Mr. FATKIN. Yes, sir.

Mr. FLOWER. Do you belong to a labor organization?

Mr. FATKIN. No, sir.

ENAMELED IRON.

STATEMENT OF JOHN P. OTTERSON.

Mr. JOHN P. OTTERSON, of Allegheny City, next appeared before the committee.

The CHAIRMAN. Give your business and the location of that business.

Mr. OTTERSON. I am interested in the enameling business. It stands pretty much in the same relation to iron that the tin-plate business does, and I think it is affected just the same way by the tariff. We have been endeavoring—both the Standard Manufacturing and the Star Manufacturing Company—to manufacture this enameled iron; but the history of the trade is, as fast as we make some market for these specialties in iron we find ourselves crowded out by foreign competition from the English and German markets, principally in enameled signs, and we can not produce them for less than 40 cents a square foot, while the English place them on the market in competition with ours at 31 cents a square foot.

The CHAIRMAN. Do you remember what the duty is upon them?

Mr. OTTERSON. It seems the only duty that has been placed upon it—there is no specific duty—is 45 per cent., and that is placed on the iron itself. There is no duty placed at all on the enamel. We think a special duty should be placed upon the enamel in regard to specialties we manufacture, for which there is a large demand.

The CHAIRMAN. What is the additional cost of enameling?

Mr. OTTERSON. Three times that of the iron.

The CHAIRMAN. And the present rate of duty is on the iron simply?

Mr. OTTERSON. There is nothing additional to that whatever. It costs about three times the price of iron, and this is all skilled labor,

Mr. BAYNE. What duty do you think should be placed on it to be fairly protective?

Mr. OTTERSON. I think there should be a duty of at least double what there is now—twice what it is on the iron.

Mr. BAYNE. What is the duty on the iron?

Mr. OTTERSON. Forty-five per cent.

The CHAIRMAN. That duty is specific.

Mr. OTTERSON. I understand it is only ad valorem.

Mr. BAYNE. What should the specific duty be?

Mr. OTTERSON. It should be on the iron $1\frac{1}{2}$ to 2 cents a pound.

Mr. BAYNE. Do you mean that on the enameled iron?

Mr. OTTERSON. No, sir; on the iron itself.

Mr. BAYNE. The duty is fixed on that?

Mr. OTTERSON. Yes, sir.

Mr. BAYNE. What ought the duty to be on a piece of enameled iron?

Mr. OTTERSON. It should go on the square foot in the sign business. It is a little hard to figure by weight.

Mr. BAYNE. It is a pickled iron.

The CHAIRMAN. Suppose we put a duty of a cent a pound on the iron. What would you say ought to be the additional duty for the enameled iron?

Mr. OTTERSON. I should think 2 or 3 cents, because the price of enameling is so much more than the iron itself.

The CHAIRMAN. You think we should put a duty of 1 cent a pound, and we ought to put a duty of 2 cents a pound if the material is enameled?

Mr. OTTERSON. Yes, sir.

The CHAIRMAN. Is it more expensive to enamel iron than to make tin-plates?

Mr. OTTERSON. Yes, sir; it is about double the expense.

The CHAIRMAN. Will you state if this is a large industry or not?

Mr. OTTERSON. The Standard Manufacturing Company, of Pittsburgh, are now employing 225 men. Our own company has only recently been organized, and it has been running about a year in a small way.

The CHAIRMAN. Will you state whether the consumption of this is very large?

Mr. OTTERSON. It is growing rapidly.

The CHAIRMAN. Is it very large?

Mr. OTTERSON. It is very large now and it is growing very rapidly.

The CHAIRMAN. Is it used largely in houses for bath-rooms—bath-tubs?

Mr. OTTERSON. Yes, sir.

The CHAIRMAN. For their closets and pipes?

Mr. OTTERSON. Yes, sir; enameling the inside of the pipes and sanitary work for plumbers.

The CHAIRMAN. What are the principal uses outside the house-work?

Mr. OTTERSON. Outside of the sanitary work it is used for cooking-vessels.

The CHAIRMAN. And outside of that?

Mr. OTTERSON. It is used for decorative purposes. We are about to introduce that industry and manufacture wainscoting and tiling for the inside of public buildings. We think we can make a large market for that if we get protection.

The CHAIRMAN. Your idea is that to be thoroughly protected the iron should pay one cent and the enameled irons should pay three cents?

Mr. OTTERSON. Yes, sir.

The CHAIRMAN. How do you sell that?

Mr. OTTERSON. We sell sign work at 40 cents a square foot. We can not manufacture and sell at the prices at which those manufacturers will sell it without the help of the tariff. I have papers in my pocket showing this was placed on the market as low as 31 cents by the German importers.

Mr. McMILLIN. You say they are used for cooking vessels. Are they used for tin pans, etc.?

Mr. OTTERSON. Yes, sir.

Mr. McMILLIN. The effect would be to raise the price on them, would it not?

Mr. OTTERSON. No; I do not know that that would be necessary if the present prices are maintained. We can run on these prices. It is only in the market where we are crowded out by the English people. There is a large field in the United States to cover, and we are rapidly making this market, and just as soon as we get fairly into it the English and Germans come in and reduce the prices.

Mr. McMILLIN. The effect of the increase you propose, which is 300 per cent, would be to prevent a further reduction in the present prices on your goods.

Mr. OTTERSON. That is all.

Mr. BAYNE. This has nothing on it now?

Mr. OTTERSON. There is a tariff on the iron, but nothing on the enamel.

Mr. BRECKINRIDGE. Now you have 45 cents on the iron and 45 cents on the enamel?

Mr. OTTERSON. We can not import iron and pay that percentage.

GOLD-LEAF AND BRONZE.

STATEMENT OF MR. CHARLES BRYCE.

MR. CHARLES BRYCE, chairman of the Gold and Silver Beaters' National Committee, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, some months ago we had quite a lengthy hearing before the Senate committee, and I presume the question is now before you. In order to facilitate and expedite matters, our secretary will submit a statement which will cover all that ground, and then, if necessary, will answer any questions. Mr. Radford will read the statement.

Mr. RADFORD read the statement as follows:

The honorable the Committee on Ways and Means, House of Representatives:

GENTLEMEN: In accordance with your invitation to appear before you to present our views upon the tariff question, concerning the articles of which we have reference, viz., gold-leaf, bronze or Dutch metal in leaf, bronze powder, we would present the following statement:

(1) Last May we made statements before the honorable Senators, members of the Finance Committee, which resulted in the Committee on Finance on presenting the substitute bill to H. R. 9051 recommending an increase of 50 cents per pack on gold-leaf and an increased duty on bronze powder (see pages 114 and 116 of said bill).

(2) We would rely on that statement and request that you peruse it so that we may not occupy much of your valuable time (see pages 1 to 29, testimony taken by the Subcommittee on the Tariff of the Senate Committee on Finance).

(3) We regret that the Senate committee did not see fit to recommend an increase of duty on Dutch metal in leaf.

(4) We find from statements which we present, furnished by the Chief of the Bureau of Statistics, that the increased importation of Dutch metal in leaf amounts to nearly 25 per cent. during the fiscal year ending June 30, 1889, as compared with the fiscal year ending June 30, 1887.

(5) Copy of statement of Chief of Bureau of Statistics, Washington, D. C.

[Rates of duty 10 per cent.]

	Values.	Duties.
Year ending June 30, 1887	\$135, 372.00	\$13, 537.20
Year ending June 30, 1888	151, 330.00	15, 133.00
Year ending June 30, 1889	170, 187.00	17, 018.00

(6) As there is no Dutch metal in leaf manufactured now in the United States, owing to the low rate of duty, which does not average an equivalent specific duty of 5 cents per 500 leaves, taking the different grades of leaf.

(7) The rate of wages paid in Germany is as two to five as compared with the United States, and every leaf that is consumed in this country is manufactured in Germany and imported here.

(8) It is a fact that nine-tenths of the value that is imported goes to Germany in payment for metal leaf, is really lost to the home workmen, as the value of the metal which is used in the manufacture of 500 leaves does not exceed 3 cents; at least 90 per cent. is consumed in labor.

(9) Whence it follows that it is a question of wages in the cost of production, and that the protection being inadequate, the foreign manufacturers have the monopoly of the market in this country and we are powerless to prevent it.

(10) So small a duty as is at present imposed is not sufficient to protect, the existing rate of duty is so small that the foreign manufacturer can undersell us, so that 10 per cent. ad valorem really protects the foreign workman at the expense of the citizen.

(11) We have sufficient duty on silver leaf, and there is none imported, and silver leaf is manufactured very extensively in the United States, and is sold at a reasonable price, so that it will be an error to suppose that the users of Dutch metal leaf will have to pay as much more for the article as the increased duty would amount to.

(12) Metal leaf of a quality equal to the best in the world can be manufactured in this country sufficient to supply all the demands of the home market, and to make it compensating to manufacture it in this country.

(13) We therefore hope you will use every effort to have the tariff so amended as

to provide for a specific duty of 10 cents per 100 leaves on Dutch metal in leaf, and also the increase on gold leaf and bronze powder that was recommended by the Senate Committee on Finance.

Very respectfully, yours,

CHARLES BRICE, *Chairman*,
EDWIN RADFORD, *Secretary*,
FRANCIS T. KEELY,

National Tariff Committee Gold and Silver Beaters, United States of America.
NEW YORK, December 26, 1889.

MR. BRYCE. We are prepared, Mr. Chairman and gentlemen, if necessary, to give you the methods adopted in our line of business in the preparation of gold leaf, etc., but it will take up valuable time, and we have no desire to consume time; so, if it is agreeable, we will submit our case.

ALUMINUM.

PITTSBURGH, PA., January 2, 1890.

DEAR SIR: It is extremely desirable that the metal aluminum, which is now upon the free list, should be placed in the regular metal schedule and made dutiable.

Aluminum is a silver white metal, very light in weight, high in tensile strain, and non-oxidizable, that is, it does not tarnish under ordinary conditions. It is made from prepared clay, or, more properly, from the alumina which forms the bulk of ordinary commercial clays. Until very recently its methods of manufacture were very expensive, and the metal was produced in but small quantities and at a very high price. Within the last ten years it has sold as high as \$1 an ounce, and until about some three months ago it could not be purchased in this country at less than \$6 a pound. These prices made it impossible to use it for the purposes for which it is well adapted.

Quite recently, however, as the result of new processes that have been invented in this country and elsewhere, aluminum is becoming much more common. Some three or four manufactories have been established in this country, and others are contemplated. The establishment of these manufactories has reduced the price of aluminum from \$6 a pound to \$2 a pound, and to still further develop this business, the manufacturers request that the duty on aluminum shall be made as follows:

"On aluminum, including aluminum bronze, and all other alloys of which aluminum shall be the metal of chief value, except ferro-aluminum, when in pigs, ingots, or slabs, 75 cents a pound; on the alloys of iron and aluminum, known as ferro-aluminum, 50 cents a pound; on sheets, plates, and all other manufactures of aluminum, \$1 a pound."

The clay or alumina out of which aluminum is made is chiefly imported. The value of the aluminum is very largely dependent upon its purity, and one of the largest elements in the cost of aluminum is the precautions which have to be taken to keep the metal pure. The ore or the alumina for it has to be a chemically pure product, as any impurities of silicon or oxide of iron in the ore will be found in the aluminum metal, thereby decreasing its value. At present, as stated above, the alumina used in this country is chiefly imported from Germany, and this is dutiable at the rate of 60 cents a hundred, while the metal made from it comes in free.

Large establishments are being erected in Europe, using the cheap labor and cheap water-power of that grand division. A works has just been erected at Schaffhausen at the Falls of the Rhine, and other works in Switzerland.

It is, therefore, most earnestly requested, in view of the above facts, that aluminum be dutiable at the rates given above.

Very truly,

Maj. WILLIAM MCKINLEY,
Chairman Committee on Ways and Means.

JOS. D. WEEKS.

MICA.

Judge CHIPMAN, a representative from the State of Michigan, next appeared before the committee and read the following telegrams :

DETROIT, MICH., *December 25, 1889.*

J. LOGAN CHIPMAN,
House Representatives, Washington :

Committee appointed 26th for hearing. Labor hard against the attempt to remove mica from free list. It is a household article and price should remain reasonable.
THE MICHIGAN STONE COMPANY.

DETROIT, MICH., *December 25, 1889.*

Hon. J. LOGAN CHIPMAN, *M. C., Washington :*

We earnestly protest against mica being removed from the free list.
E. S. BARBOUR,
President Detroit Stove Works.

DETROIT, MICH., *December 26, 1889.*

Hon. J. LOGAN CHIPMAN, *Washington :*

See Major McKinley and use your influence to have mica left on free list.
PENINSULAR STOVE COMPANY, J. DWYER.

PRODUCTION OF DOMESTIC WOOL.

COMMITTEE ON WAYS AND MEANS, *January 2, 1890.*

The CHAIRMAN. I desire to inquire whether there is any gentleman present who desires to speak in favor of free wool or at reduced rates of duty upon wool. If so, we will be glad to hear him at this time.

Mr. FLOWER. I do not think they understand, Mr. Chairman, that they have to be here until to-morrow; that is the free wool men.

The CHAIRMAN. To-day was assigned to the producers of wool; to-morrow is set for a hearing on woolen goods.

Mr. FLOWER. The reason why I say so is, I received a letter from Mr. Bennett, the editor of the American Wool Reporter, of Boston, stating that they will be here the 3d day of January to represent manufacturers of wool who wanted free wool.

The CHAIRMAN. I understand from a gentleman here that the gentleman you refer to is in town now but not in the committee room.

Mr. BRECKINRIDGE. I suppose to-morrow was assigned for the manufacturers to discuss their own interests from their own standpoint.

The CHAIRMAN. Yes, and for anybody interested in the duties on manufactured woolen goods.

Mr. BRECKINRIDGE. The tax on wool necessarily enters into the article, and a discussion on raw wool would be as pertinent to-morrow as to-day.

Mr. FLOWER. I think it would be better to have them all here now. If you send a telephone to the Riggs House you probably can find Mr. Bennett.

The CHAIRMAN. While waiting on Mr. Bennett, I have been handed a list of gentlemen who desire to be heard to-day, and Mr. Wallace, of Missouri, is the first-named on the list. Mr. Wallace, we will hear from you.

STATEMENT OF MR. G. H. WALLACE.

Mr. G. H. WALLACE, of Fayette, Howard County, Mo., addressed the Committee. He said:

Mr. Chairman and gentlemen of the committee: I must beg the indulgence of this committee a little, for my voice is a good deal out of trim, or, rather, my breathing apparatus. I will endeavor to speak as clearly and distinctly as I can. The subject assigned me for presentation here this morning is, the importation of third-class or carpet wools is diminishing the consumption of low-grade wools and reducing the production of mutton sheep.

Here are two propositions. The first that foreign wools are taking the place of the American product, and, secondly, the consequently lessened demand for domestic low-grade wool is discouraging the production of the sheep on which it is grown, and upon which the country must depend for its supply of mutton.

Proof of the first establishes the fact of the second proposition. The right and justice of a specific duty—if laid for either "revenue" or "protection"—the wool-grower readily understands, so far at least as the wool is concerned.

He would ask that the duty be made so when wool is low and he needs protection the rate may be higher, and when wool is high in price and protection is not needed the rate should be lower. Specific duties secure this, while the imposition of an ad valorem duty would bring about the opposite result.

What the wool-grower does not understand, is, why the classifications which now exist in the law were inserted? He believes if any difference is made, it should be favoring the use of the better article and discriminating against the poorer. The re-

verse of this is seen in the present law, which admits into the country at a rate of duty from one-fourth to one-eighth of that put upon good wool an article called "carpet wool," more "coarse" and "brash," without the "life" or "elasticity" of good wool, 'tis true—yet of such quality that under the stimulus of this difference of from 7½ to 15 cents per pound it is being used wherever and whenever possible as a substitute for good wool. This is not only an imposition upon wool-grower, but it is a fraud upon the innocent consumers. Whatever passes the custom-house as wool may be called "all wool" after passing through the processes of manufacture; but it is not good wool, as he is left to believe, and after a grievous experience he knows something is wrong, but does not know where to locate it, the wool-grower, with his protection of "ten cents per pound," probable coming in for a large share of his anathemas.

The wool-grower believes in protection by law—protection through the custom-houses of the country to the American producer against ruinous competition from abroad. Of the estimated 2,000,000,000 of pounds of the wool grown in the world it is known that the United States consumes 600,000,000 of pounds, or 30 per cent. of the entire production, and, as the wool-grower pays his share of the taxes and tolls of our civilization and Government, he believes he is entitled to, and asks for, a fair and reasonable opportunity to supply his own market.

Under "protection" from 1860 to 1883 he was gaining in production as fast as it was possible under the laws of nature. The number of sheep in the United States in 1860 had not only increased from 22,500,000 to 50,500,000 in 1884, but by consummate skill and patient endeavor the amount of wool from each sheep had been greatly increased. Wool growing was remunerative and the number of wool-growers was steadily increasing; not a State in the Union but felt the beneficial effect, for the census of 1880 discloses the fact that sheep were owned in every county in the United States except thirty-four.

The enormous increase and general distribution of these domestic animals began to make itself felt as a source of supply for meat food, and from being consumers of beef and pork only the people very generally began to indulge in the luxury of good mutton. The ready adaptability of the sheep in all ages and climes and among all people is well known, but the best results are obtained, as every owner of a "stud" or "breeding flock" well knows, by the expenditure of much time, deep study, painstaking care, and great expense. In fact, it is only in this way that our flocks of breeding sheep, of either wool or mutton producing qualities, are obtained and maintained, and thus they are too valuable for food.

The climate and soil have much to do in the production of wool, hence the States of Vermont, New York, Ohio, and Michigan, with a few counties in the States of Pennsylvania, West Virginia, and Kentucky, were recognized as the home of breeding sheep, and, together with the far West, as the wool-producing sections of the country. Raising sheep for mutton only never has been and probably never will be profitable in this country, the only exception to this being the raising of lambs near the large cities to supply a special demand.

We are not mutton eaters unless the price is low, hence it has been necessary to combine the mutton and wool producing qualities in the same animal as much as possible, and it is obtained by crossing the Cotswold or some of the Down breeds upon what is known as native sheep, and these grow our common or quarter-blood wool.

There are no official statistics as to the grade of wool grown in each State, but as the great centers of the wool trade where clips are collected, and from whence they are distributed to the mills, the wools from Virginia, Pennsylvania, West Virginia, Kentucky, Tennessee, Illinois, Wisconsin, Iowa, Missouri, and Kansas, are generally known as "quarter-blood" and "common"—it is estimated that 95 per cent. of the wools from these States are of these grades, and it is these ten States which furnish the live-stock markets of the country with the bulk of their supplies for mutton. None of them have ever been called wool growing States; yet the statistics of the Agricultural Department published by the Treasury Department in 1888 give the number of sheep in these States in 1883 as 9,877,841, or about one million head for each State, and as the census of 1880 shows the flocks of these States average about fifty head, there are two hundred thousand people directly interested in these wool and mutton producing sheep. The same authority gives the number of sheep in these States in 1875 as 9,439,200, showing that this grade of sheep under the law in force previous to 1883 but little more than held their own, evidence going to show the wrong done by the low rates of duty on third-class wool even then. During these last ten years, 1875 to 1883 inclusive, the Philadelphia price for quarter blood and common wool averaged 29 cents per pound. The following year the price declined to 23½ cents per pound, and the destruction of these flocks began.

The official figures for the years 1883, 1886, and 1889 are given for comparison with the amounts of third class wools imported in the same years.

	1883.	1886.	1889.
Pennsylvania.....	1, 803, 336	1, 189, 481	935, 646
Virginia.....	502, 262	463, 127	323, 000
West Virginia.....	684, 925	624, 912	427, 000
Kentucky.....	1, 000, 169	903, 223	602, 000
Tennessee.....	675, 478	603, 780	526, 926
Illinois.....	1, 149, 906	1, 005, 653	546, 000
Wisconsin.....	1, 363, 677	1, 218, 800	730, 738
Iowa.....	497, 161	467, 580	408, 478
Missouri.....	1, 458, 919	1, 285, 078	816, 247
Kansas.....	747, 008	1, 190, 163	402, 744
Total.....	9, 877, 841	8, 951, 797	5, 718, 779

The importations of third-class or so-called carpet wools for the same years are as follows (see statistics Treasury Department):

	Pounds.
1883.....	40, 130, 323
1886.....	79, 716, 052
1889.....	97, 163, 850

Cause and effect are here so obvious as to scarcely need attention to be called to the fact. It is not my province here to prove, had sufficient protection been afforded the American producer on this class of wool, against semi-barbarous and slave labor of the countries from which the most of it has been imported, we would to-day be producing at least 75 per cent. of this enormous amount, but rather to show if possible what use has been made of this third-class wool.

When we make inquiry of the manufacturers of carpets, we find them singularly reticent and an effort is being made by them to account for the whole amount by the circulation of the letter of inquiry hereto attached; but it is probable they will prove too much, for of the one hundred and eighty carpet mills of the Philadelphia district, but twenty spin their own yarns. (See letter of Lorin Blodgett in the Treasury Department.) Hence, when the spinner reports the number of pounds used in yarn, and the weaver does the same in weaving, we will have a duplication of figures which destroys the value of the returns.

At a conference of the growers, dealers, and manufacturers of wool, held at the Riggs House in this city, January 15-17 inclusive, 1888, Mr. James Dobson, of Philadelphia, and Mr. Huston, of Hartford, in answer to the inquiry as to the probable quantity of wool it was possible to use on the carpet machinery of the country, answered about 60,000,000 pounds. In a late interview in answer to the inquiry as to the number of square yards of carpet manufactured in this country, Mr. Huston said, "Counting rugs, whole carpets, stair carpets, etc., about 60,000,000 square yards." We have no doubt these two statements are approximately correct. In support of them we have the testimony of Lorin Blodgett, of Philadelphia, formerly of the Treasury Department, and a recognized authority in this particular branch of the woolen industry, who, in the letter referred to, says: "The amount of new wool consumed in the production of a yard of carpet I find varies greatly, running from 2 ounces to 2 pounds, the average not being over 1 pound. The highest claim I have ever seen made by any practically competent man was by Mr. Fairbanks of the Bigelow Carpet Company, who said, 'Some carpets require as much as 6 pounds of raw wool per yard.' Raw wool means wool in the grease, which is equivalent to 2 pounds of scoured. As carpet wools are imported at the same rate, either washed or unwashed, we may safely assume they come washed, and attached hereto is a price list of J. L. Bowes & Bro., of Liverpool, England, giving in red ink an estimate, verified by four importers, of the per cent. of shrinkage in the wools marked, by which we see they are virtually scoured as imported."

It follows then that the statement of Mr. Huston is proven "60,000,000 yards" "consuming 60,000,000 pounds." To be added to the amount imported is the amount of domestic production. This has been variously estimated by Mr. Lynch of New York and others at from 15,000,000 to 25,000,000 of pounds, and taking into consideration the quantity of better qualities used for best carpets, the larger amount is probably correct; but assuming the smaller amount as right, we have a grand total of over 112,000,000 to be accounted for 60,000,000 for carpets and 12,000,000 on hand or "in stock"—an amount beyond the dealers' estimate—and still there are 40,000,000 pounds unplaced.

In seeking finally where this enormous amount of wool has gone, I beg to assure the committee we have found figures a very indefinite article. No one knows how much they have used; no one denies using it; "experimented with it," "used a little," "had to use some," "forced to use it altogether," and similar expressions come from every manufacturer inquired of.

From the dealers in domestic wool we get more definite information. From 12,000,000 to 15,000,000 pounds of "quarter-blood" and "common" wool in 1883 and 1884 was taken by the manufacturers of jeans in Tennessee, Kentucky, and the southern parts of Illinois and Indiana from the St. Louis market. To-day the dealers of St. Louis find these mills fully supplied with this so-called carpet wool. Mr. E. S. Hall, of the Chicago Wool Exchange, tells of all the mills in that section being supplied by importers on the sea-board with this product of foreign labor, at prices which are driving our "quarter" and "common" wools out of the market.

Mr. Consalus, of Troy, N. Y., two years since, said he was supplying the manufacturers of underwear in the Mohawk Valley with this imported third-class wool. The "Cheviot" Mills of Rhode Island and elsewhere have been using it exclusively if the importers are to be believed. For the past two years there have been displayed in the windows of Mr. Wanamaker's store in Philadelphia "All wool pantaloons at \$3.50 per pair," which were made from goods manufactured by John Gear & Co. of this so-called carpet wool. The Henry Brothers, of the same city, manufacturers of flannel underclothing, we are assured, use exclusively wool imported as third class wool. If the importer of carpet wools is asked where he sells such wool, his answer is "everywhere;" and it is everywhere, for even in the far-away wool-growing State of Texas this "third class" wool has entered into possession of the only woolen mill of the State.

We think we have demonstrated the fact that the importations of third-class wool under the present law is diminishing consumption of low-grade American wools, and reducing the production of "mutton sheep." In these ten States we are being driven into the production of wheat, corn, beef, and pork, where already there is a surplus, and a consequent decline in prices below the cost of production. We appeal to you to put a stop to the importation of wool in this third class, which has brought this destruction upon the food-producing flocks of the country, and thus restore prosperity to the farmers of the land by diversifying their agriculture.

Mr. FLOWER. Are you a raiser of sheep in Missouri?

Mr. WALLACE. I have been for thirteen years.

Mr. FLOWER. What is the average of a sheep if you feed them well; eight years or longer?

Mr. WALLACE. There is a great deal of difference in the breeds, but I should say from three to five years; not later than five years.

Mr. FLOWER. What is the fleece on these quarter breeds on the average?

Mr. WALLACE. I can not give you that very well, not having raised many of that breed, but I can on the other breeds. It is about five pounds in the grease.

Mr. FLOWER. Then I suppose each ewe drops one lamb?

Mr. WALLACE. No, sir; they do not average that.

Mr. FLOWER. How much will they average?

Mr. WALLACE. They will average in this breed probably 85 per cent.

Mr. FLOWER. Then if you sold four-fifths of your lambs every year and killed one-fifth of the sheep, you increase your flock and will have at the end of five years young sheep right along?

Mr. WALLACE. You asked me how many lambs would be dropped. I said 85 per cent., but I should judge we do not raise more than 80, say 75, per cent.

Mr. FLOWER. Then if you sold all but 20 per cent. of those lambs, say every year, and that of your old sheep, say 20 per cent. of them, then your flocks would be all young inside of three or five years. What would your lambs sell for in Missouri?

Mr. WALLACE. I live a good ways from the market. Near by the city of St. Louis, where they have more demand for lambs, the lambs sell for a higher price in the early spring and summer.

Mr. FLOWER. For how much?

Mr. WALLACE. \$2.50 to \$4. The lambs in our country are worth 75 cents to \$1 and \$1.25.

Mr. FLOWER. And your fleeces are worth how much on the average for the 5 pounds?

Mr. WALLACE. This grade of wool has been sold at from 20 to 23 cents in the last two or three years in the grease.

Mr. FLOWER. That would be about a dollar for a fleece?

Mr. WALLACE. Yes, sir; about that.

Mr. FLOWER. How many acres of land do you calculate to feed that flock?

Mr. WALLACE. For what number?

Mr. FLOWER. How many acres of land would you estimate would take care of one sheep, two or one?

Mr. WALLACE. There is a variation in regard to the quality of the land. At the variation in the State I am living in, I presume 1 acre will care for one sheep.

Mr. FLOWER. Most all of Missouri will do the same thing. Does not all the land do that there?

Mr. WALLACE. I do not think over half the State will do that.

Mr. FLOWER. One sheep per acre that would be?

Mr. WALLACE. Yes, sir.

Mr. FLOWER. In regard to the care of these sheep: Do you have shepherds and dogs as they do in Europe?

Mr. WALLACE. No, sir. We have our fields fenced and turn the sheep into the fields.

Mr. GEAR. Do you shed them at night?

Mr. WALLACE. Yes, sir; in the winter time.

Mr. FLOWER. If a farm was used just for sheep alone, does not a man have to take care of it, or do you have fences?

Mr. WALLACE. We have fences altogether in Missouri; unless in the extreme southern portion, on the Arkansas line. I am not thoroughly informed in regard to that section. There is a good deal of Government land there.

Mr. FLOWER. What is the land worth per acre?

Mr. WALLACE. Where I live?

Mr. FLOWER. Yes.

Mr. WALLACE. From \$30 to \$40.

Mr. CARLISLE. In what part of Missouri do you reside?

Mr. WALLACE. Three-fifths of the way up the river from St. Louis to Kansas City.

Mr. CARLISLE. How far from Sedalia?

Mr. WALLACE. Thirty-five or 40 miles.

Mr. CARLISLE. Then you say your land is worth from \$35 to \$40 an acre?

Mr. WALLACE. The best of it is.

Mr. CARLISLE. I speak of the land you spoke of. What grade of wool do you produce?

Mr. WALLACE. Myself, individually, or the State?

Mr. CARLISLE. Yourself.

Mr. WALLACE. My own flocks have been the best wool-sheep.

Mr. CARLISLE. What price per pound do you sell in the grease?

Mr. WALLACE. I have sold it at from 15 to 27 cents six years ago.

Mr. CARLISLE. What has been the average price in the last four years?

Mr. WALLACE. It has been 15 to 18 cents for the last four years.

Mr. CARLISLE. What has been the weight of the fleece from your flock—about the average weight?

Mr. WALLACE. That varies a little according to the year. It has run from 6½ to 8 pounds; the average is about 7 pounds.

Mr. CARLISLE. About what would the average fleece sell for? What would you sell an average fleece, say six pounds, or whatever you call the average?

Mr. WALLACE. I should say \$1.50 per fleece.

Mr. CARLISLE. How many lambs do you sell out of your flock in proportion to the number of your flock per year?

Mr. WALLACE. I sell no lambs; I sell only old sheep, what I may have left.

Mr. CARLISLE. What do you generally get for them on the average?

Mr. WALLACE. Four years ago I fed and fattened a flock of Merino sheep, and sent them to St. Louis and realized 47 cents a head, net.

Mr. CARLISLE. What price would you have to sell your wool at to enable you to make a profit in keeping sheep on land worth \$35 to \$40 an acre.

Mr. WALLACE. Following the business exclusively as a wool-raiser, and not any other line of agriculture, I am not prepared to answer.

Mr. CARLISLE. Can you estimate it?

Mr. WALLACE. With sheep in connection with other branches of agriculture by their furnishing valuable manure and keeping land clean of brush, weeds, etc. You know they eat food that no other stock will.

Mr. CARLISLE. Sheep, then, are only valuable for their wool and meat in connection with other branches of farming?

Mr. WALLACE. Yes, sir.

Mr. CARLISLE. Suppose you undertook to make the keeping of sheep profitable for the wool and mutton alone, at what price would you have to sell your wool to enable you to make a profit on land worth \$35 or \$40 an acre?

Mr. WALLACE. I would prefer to give the results of some papers read before the State association for the last three years in order to ascertain the growers' view in regard to the cost of raising wool. These papers were from six or eight different wool-growers in the State, and they made the average cost of wool growing in the State of Missouri 20 cents per pound.

Mr. CARLISLE. And the average cost to produce the wool is 20 cents a pound?

Mr. WALLACE. Yes, sir.

Mr. CARLISLE. Now, can you produce wool at that price, or say twice that price, on land worth \$35 to \$40 an acre?

Mr. WALLACE. Only in connection with other agriculture.

Mr. CARLISLE. You could not speak in connection with other branches of agriculture?

Mr. WALLACE. No sir.

Mr. CARLISLE. You have given the statistics?

Mr. WALLACE. I beg your pardon, a moment. When you come to double that price and make it 40 cents, I do not know but what I would like to raise sheep.

Mr. CARLISLE. Are you certain of that?

Mr. WALLACE. I have not figured it out.

Mr. CARLISLE. It costs you 20 cents to produce the wool, and so your profit would be 20 cents per pound at 40 cents?

Mr. WALLACE. Taking the cost of that wool into consideration we take also the other things I mentioned, the benefit the sheep are to the land. We estimate the manure at so much.

Mr. CARLISLE. You produce crops on your land also?

Mr. WALLACE. I endeavor to raise sufficient corn to feed my stock.

Mr. CARLISLE. You merely make one acre of land support one sheep?

Mr. WALLACE. About that.

Mr. CARLISLE. You do not raise sheep for the market?

Mr. WALLACE. No, sir.

Mr. CARLISLE. You do not produce crops for sale?

Mr. WALLACE. No, sir; but in the regular rotation of crops we are obliged to raise wheat to get a stand of clover.

Mr. CARLISLE. You have given statistics showing a decline in the number of sheep in certain States in the last few years. Will you tell the committee whether the number of sheep has not increased during the same time in the States further west where the lands are cheap, in Texas, Colorado, and other States in that part of the country?

Mr. WALLACE. I think the official report on wool in the last report of the Agricultural Department returns shows that in Montana and a few other points, within the last six years, there has been a considerable increase.

Mr. CARLISLE. If you have that report, you will please file it with the stenographer. This is a public document.

Mr. WALLACE. Yes, sir.

Mr. MILLS. Has there been an increase of flocks in Colorado, south of Wyoming?

Mr. WALLACE. The figures show sheep have decreased in Texas.

Mr. MILLS. Is it not true that sheep raised in that part of the country is mostly for wool?

Mr. WALLACE. I do not know that I am qualified to speak in regard to that. I have understood that Montana was raising good sheep.

Mr. MILLS. Montana is, and sending them through Texas, Colorado, and Wyoming.

Mr. WALLACE. The only way to determine that is by the market quotations, and I think Texas sells wool about the same as we sell it in Missouri.

Mr. MILLS. Is it not true Texas wool and sheep in regard to the breeds is lower in wool than Missouri; smaller weight to the fleece.

Mr. WALLACE. I do not think so. I think at the present time by the improved introduction of Merino bucks they have increased the weight of the fleece until the average is the same as Missouri. That is my information. I can not speak advisedly.

The CHAIRMAN. Missouri is a good way from Texas.

Mr. WALLACE. Yes, sir; I can not speak in regard to that matter.

Mr. BRECKINRIDGE. You say the figures show the production of wool in the last ten years has decreased in the Southern States as a whole.

Mr. WALLACE. I spoke more particularly in reference to the past six years; not a longer time than that.

Mr. BRECKINRIDGE. Your statement then is for the last six years? Does not that statement show that in the Southern States the production of wool has decreased?

Mr. WALLACE. I spoke particularly in reference to Texas and the country in the western portion of the United States—that arid portion.

Mr. BRECKINRIDGE. You do not, then, pretend to assert that in the fourteen or fifteen Southern States the production of wool has decreased?

Mr. WALLACE. That is asserted in so far as these figures go.

Mr. BRECKINRIDGE. You pretend to give the figures. I want to understand the fact; is that or not your statement? I do not remember the figures, of course.

Mr. WALLACE. The number of sheep in the Southern States other than those I have mentioned. I can not give the figures exactly.

Mr. BRECKINRIDGE. Did you mention all the Southern States?

Mr. WALLACE. I mentioned a list of ten.

Mr. BRECKINRIDGE. I understand you, then, to say that in ten Southern States the production of wool in the last ten years has decreased. Is that your statement?

Mr. WALLACE. No, sir.

Mr. BRECKINRIDGE. Please tell me what your statement is.

Mr. WALLACE. With your permission, my statement is as follows: "None of them have been called wool-growing States, yet the statistics of the Agricultural Department, published by the Treasury Department, in 1888, give the number of sheep in these States in 1883 as 9,877,841, or about 1,000,000 head for each State, and as the census of 1880 shows the flocks of these States average about fifty head, there are 200,000 people directly interested in these wool and mutton producing sheep. The same authority gives the number of sheep in these States in 1875 as 9,430,200, showing that this grade of sheep under the law in force previous to 1883 but a little more than held their own."

Mr. BRECKINRIDGE. This is what you read before.

Mr. WALLACE. Yes, sir.

Mr. BRECKINRIDGE. Then you do not say that in any of the ten Southern States there has been a decrease of production by the method of enumeration you have just given?

Mr. WALLACE. I would say this, that in this group of States I was arguing that the article they produce has diminished.

Mr. BRECKINRIDGE. I am not trying to get at your methods, to get at your argument, but I simply wanted to find out what was your statement of the fact.

Mr. WALLACE. I simply group the States together that grow that grade of wool.

Mr. BRECKINRIDGE. In selling sheep on the hoof and hogs on the hoof, which has the greater waste from offal?

Mr. WALLACE. I have always understood the sheep had, but I am not certain in regard to the matter.

Mr. BRECKINRIDGE. Do you know how it compares with beef?

Mr. WALLACE. I have always understood there was a greater loss in the killing of sheep than in the killing of cattle.

Mr. BRECKINRIDGE. Are you prepared to give the committee a statement of the comparative value of the average product in any market like St. Louis, Kansas City, Chicago, and New York of beef, pork, and mutton, taking the average of each animal?

Mr. WALLACE. The best information I could give in regard to that would be the States statistics in regard to the number of animals that exist to-day as compared with five or six years ago.

Mr. BRECKINRIDGE. I was not asking the number of animals. I wanted to know what each animal sells for. I am not asking about any speculative matter, but I just want to know if you have got any information such as furnished daily by the market records, such as can be acquired by any butcher who conducts a slaughtering establishment, as to how much, for instance, beef of a certain quality will average per pound and how much mutton of the same grade will average per pound, so that we may know which is the dearer food. I understand you to make the statement that our people would not pay the same price for mutton as for beef and pork, and I want to know if you have proof of your statement?

Mr. WALLACE. The only proof is the general impression abroad in the land that mutton sells for less.

Mr. BRECKINRIDGE. You have no market quotations?

Mr. WALLACE. The retail market quotations I have not given.

Mr. BRECKINRIDGE. Nor the wholesale?

Mr. WALLACE. No, sir.

Mr. BRECKINRIDGE. Now, another question I want to get information from you about. What kind of sheep produce the best wool?

Mr. WALLACE. That depends altogether upon what use you make of the wool.

Mr. BRECKINRIDGE. I suppose some very fine wools are short and some long, and that very fine wool enters into one use and very fine wool goes into another, and each may be very fine wool of a different class. That wool will bring a good price whatever may be its class. Now, do you not get your high-priced wools from your high-blooded sheep?

Mr. WALLACE. That has not been the case within the last four, five, or six years.

Mr. BRECKINRIDGE. Are we getting fine wools from common sheep?

Mr. WALLACE. We have got larger quotations on the market for what is called medium wool than for the finer breeds. I simply quote the figures, without reference to shrinkage or anything of that kind.

Mr. BRECKINRIDGE. This is not what I want. I want the facts. I understand you to state that of late years you have been getting more money per pound for a medium grade than for the first quality of wool. Is that it?

Mr. WALLACE. I believe that is the case. I do not like to put myself on record without having the figures, but I say that is my impression, that our medium combing wool has obtained a higher price per pound than the finer grades of wool.

Mr. BRECKINRIDGE. That fact is a slight departure from the inquiry I first made as to the kind of sheep that produced the best priced wool. My impression is that it is the low and common sheep that produce the low and common wools, and that it was the high-grade sheep that produced the high priced and fine wools. Is not that generally true?

Mr. WALLACE. That question, if I understand it, I could only answer by taking other matters into consideration. There may be a certain demand this year for one grade of wool, and a certain demand another time for a different grade, and of course that wool is grown to meet the demand and of course it has the higher price.

Mr. BRECKINRIDGE. I understand you to state to the committee now that in this American market the high-priced wools are sometimes forced down to a lower price than the medium or ordinary grades?

Mr. WALLACE. Medium combing wools.

Mr. BRECKINRIDGE. Is that true of the woolen market in London?

Mr. WALLACE. Allow me to ask you to repeat that, if you please.

Mr. BRECKINRIDGE. In regard to the demand for wool you spoke of, is it true in London as well as in this country and in the woolen markets of Australia?

Mr. WALLACE. I do not know that I understand the previous question. I think probably I may have answered it somewhat differently if I quite understood it.

Mr. BRECKINRIDGE. I understood you to say in this country sometimes fine wools brought no better price than common ordinary wools, and sometimes they did bring a better price. Was that your statement?

Mr. WALLACE. The wool grower looks on fine wool as a certain grade of wool; then combing wool is a different grade of wool. The different use of the same terms might produce a different impression than was intended. When you say fine wools, do you mean—

Mr. BRECKINRIDGE. I mean wool, called fine wool, generally brings the higher price. I mean wool of a better class, which it is generally estimated gives the best results.

Mr. WALLACE. We do not take that view of it.

Mr. BRECKINRIDGE. That is the idea I am trying to impart to you, and I would like for you to answer that.

Mr. WALLACE. If there is a fashion in the land that requires a coarser grade of wool it would bring the higher price.

Mr. BRECKINRIDGE. And the better grade of wool would bring the lower price?

Mr. WALLACE. Yes, sir.

Mr. BRECKINRIDGE. Now, is that depression in the better grade of wool inevitable abroad as well as here?

Mr. WALLACE. Yes, sir. Fashions rule there the same as they do here.

Mr. BRECKINRIDGE. You think, then, abroad as well as here fashion rules the prices of the better grades of wool, and at times puts them below the ordinary grades of wool.

Mr. WALLACE. Coarser grades.

Mr. BRECKINRIDGE. Which would not ordinarily bring as much money.

Mr. WALLACE. I believe that is correct.

Mr. BRECKINRIDGE. Now, you spoke of carpet wools being very much discriminated against in this country. Are they produced from those sheep which are suitable for mutton sheep, food purposes, and most high in price?

Mr. WALLACE. That is my impression.

Mr. BRECKINRIDGE. If that be true, and the wool that competes with them from semi-barbarous countries, do you mean to state to the committee that the sheep in the semi-barbarous countries where you say the competition comes from are sheep that make the most highly-prized mutton?

Mr. WALLACE. No, sir; I suppose the best mutton grown in the world is from some of the finer English breeds, bred specially for that purpose.

Mr. BRECKINRIDGE. Do your breeds produce carpet wool?

Mr. WALLACE. No; the combing wools.

Mr. BRECKINRIDGE. What highly-prized mutton sheep produce carpet wools? I ask this in this connection as you stated the importation of carpet wools was especially injurious to the production of mutton as a food production and the development of mutton sheep. Now, I want to know what highly-prized breed of mutton produce carpet wools.

Mr. WALLACE. It does not discourage the production of sheep that grow carpet wools in this country. It discourages sheep that grow low-grade wools, quarter-bred, which are used in the coarser grade of cloth.

Mr. BRECKINRIDGE. That is not my question exactly. I want to know what sheep valuable for mutton purposes are grown that are producers of carpet wools,

Mr. WALLACE. I understand simply by reading that the sheep of Central Asia and Syria and Arabia are of that class.

Mr. BRECKINRIDGE. I am speaking of our own country here. We grow carpet wools, and I don't want to go out of that line of inquiry.

Mr. WALLACE. It is only the better quality of wool.

Mr. BRECKINRIDGE. I am asking you the name of the variety of our sheep that produce carpet wools?

Mr. WALLACE. It is our quarter and common-blooded sheep.

Mr. BRECKINRIDGE. Are those the sheep that are valued so highly for mutton purposes?

Mr. WALLACE. There are foreign sheep that furnish the better kind of mutton.

Mr. BRECKINRIDGE. Is that the class you raise?

Mr. WALLACE. I grow those.

Mr. BRECKINRIDGE. That is the class found in Ohio, Michigan, and Illinois?

Mr. WALLACE. In Ohio, Michigan, and including Illinois.

Mr. BRECKINRIDGE. Therefore, these ordinary things do not apply to the sheep you produce?

Mr. WALLACE. It has an injurious effect upon them, because it destroys the demand for fine wool which otherwise would exist.

Mr. BRECKINRIDGE. As this fine wool, as you have just stated, is sometimes abnormally depressed, is it not probable that the introduction of inferior wools that can be mixed with them would lead to our larger consumption instead of the striking inequality that you have just alluded to? For instance, there is free cotton, and about a million dollars of cotton is imported, but I have never heard that it was injuring any grade of cotton but rather beneficial.

Mr. WALLACE. The importation of a hundred millions of this third-class wool, equal to a hundred and fifty millions of English wool, is one quarter of the entire wool consumption of the United States, which, compared with a million pounds of cotton and the growth of cotton in this country—

Mr. BRECKINRIDGE. The volume I know, but the application is in the same line. However, not wishing to interrupt you, I will ask you from what—

The CHAIRMAN. Mr. Wallace evidently thinks the volume has something to do with that, and he was about to explain that when you interrupted him.

Mr. BRECKINRIDGE. Continue, if I interrupted you, sir.

Mr. WALLACE. I have figures in this statement here showing a decrease of about forty odd per cent. of these mutton-producing sheep in these mutton-producing States. To use the term "abnormally reduced prices," I do not understand what that means. I said reduced prices, and not that the depression was abnormal, as I understand the word to mean, and I did not imply that. When there is a depressed condition in the wool market the first sheep sold are those which will most readily sell, and those are the mutton sheep. They, of course, would do that. They would be consumed at any price; they would be sacrificed and allowed to go. The sheep that produces the broadcloth wool, the fine wool, is not a mutton sheep, because there is not carcass enough there to make good mutton.

Mr. GEAR. They weigh about 80 pounds, do they not?

Mr. WALLACE. Really it is very difficult to tell, but I should say it would be 80 pounds as a rule. When we sell them for—

Mr. BRECKINRIDGE. What is that?

Mr. WALLACE. Of course, some animals weigh more than that. I presume the average is not over 80 pounds. When you send them to market there is some sale for it. As I said, I sent some to market and realized 47 cents a head. I could not keep them, as there was an overstock, and there was no demand for them as a wool-growing sheep, and I was obliged to sell them, and I realized 47 cents.

Mr. GEAR. Is not the growing of mutton sheep a special business, in regard to size, like Southdown and Shropshire?

Mr. WALLACE. Yes, sir; I think such is the case, and the English are understood to be a mutton-eating nation, and will have good mutton at good prices.

Mr. FLOWER. Do you know the difference in consumption in England between mutton and beef?

Mr. WALLACE. No.

Mr. BRECKINRIDGE. In what part of our country do we grow these sheep that grow carpet wools?

Mr. WALLACE. It depends altogether upon what breed and wool you are using in the carpets. If you make a better carpet, you use better wool.

Mr. BRECKINRIDGE. I mean the ordinary use of wools for carpets; I do not mean the exceptions.

Mr. WALLACE. What is ordinarily understood as carpet wool is coarse, hairy wool from sheep that have been cross-bred with Mexican sheep, which they find along the line of the Rio Grande.

Mr. BRECKINRIDGE. I understand taking carpet wools, such as are generally used in making carpets, that the bulk of that produced in this country is from the State of Texas.

Mr. WALLACE. And then they are making a better grade of carpet in which they would use the wool from any of these ten States which I have mentioned.

Mr. BRECKINRIDGE. From what States do they buy the most wool they use to put into carpets? I do not want the details, as I do not care to go into that?

Mr. WALLACE. I am sorry to say my statement here does not contain that and I can not ascertain it from it.

Mr. FLOWER. How far do you live from the railroad in Missouri?

Mr. WALLACE. Probably a mile and a half. There is a station there.

Mr. FLOWER. How far is that from St. Louis.

Mr. WALLACE. One hundred and sixty-five or 170 miles.

Mr. FLOWER. You say the price of your lambs in St. Louis is \$2.50 to \$4.00 apiece?

Mr. WALLACE. No, sir. There is a difference in the way in which they are handled on a farm. A man will nurse a lamb as he will a child and get it in a good, thrifty, fat condition. It is a special production to supply a special demand. On general farms where they are practicing diversified farming they can not give them that attention.

Mr. FLOWER. Well, you are between St. Louis and Kansas City?

Mr. WALLACE. Yes, sir.

Mr. FLOWER. How far from Kansas City?

Mr. WALLACE. I presume two-thirds of the distance.

Mr. FLOWER. You say your land there is worth on the average \$30 or \$40 an acre?

Mr. WALLACE. Yes, sir; in my section of the country.

Mr. FLOWER. There should be a pretty large amount of fine wool sheep raised there?

Mr. WALLACE. The fine wool sheep raise the worst mutton.

Mr. FLOWER. What is the freight from Kansas City to Chicago?

Mr. WALLACE. I do not know. I never had anything to do with that business?

Mr. FLOWER. Is it inside of 30 cents?

Mr. WALLACE. I do not know anything about it and I can not tell you anything about it.

Mr. FLOWER. As I understand it, you have no statistics showing whether sheep have increased in these States where land is cheaper than in New York, Connecticut, and Wisconsin. You have no statistics showing whether the sheep have increased for those States where the land is cheaper?

Mr. WALLACE. There are gentlemen whom I perceive here from that section of the country who can speak in relation to that question more particularly. I speak particularly of the question in regard to these ten States.

Mr. MCKENNA. In speaking of fine and other wools, do you mean when they are in the same condition?

Mr. WALLACE. I speak of them being in the same condition, in the grease.

Mr. MCKENNA. Do you mean to say that in the market the fine wools do not bring any more than the inferior grade of wool?

Mr. WALLACE. I say that it will not bring as much as a lower grade of wool.

Mr. GEAR. Is it not one reason that the fine grade of merino wools shrink much more relatively, and therefore cost more money?

Mr. MCKENNA. That can not be the reason, because I have asked him in regard to the reason.

Mr. WALLACE. When I speak of the condition, I speak of the ordinary term in the grease. That covers the condition as it comes from the sheep's back.

Mr. MCKENNA. Only the fine wool shrinks more than the other?

Mr. WALLACE. They wash it after it leaves the sheep's back, and the fine wool shrinks more in the washing than the coarse wool.

Mr. MCKENNA. You do not mean that in the market fine wool is not as good as coarse wool, taking it in regard to price, taking it that way?

Mr. WALLACE. I do not know, but I suppose the law of supply and demand in the market rules the price of that, and a particular fashion will call for a particular grade of wool. I speak now from a wool-grower's stand-point; in the grease, as it comes from the sheep's back; there will be 5 pounds of wool coming from a quarter-bred sheep, and probably 7 pounds from a fine sheep.

Mr. MCKENNA. I tried to get it from our stand-point, but you will not come to ours, so I must try to come to yours.

Mr. BURROWS. I suppose the fashion has something to do with the price?

Mr. WALLACE. So I have stated.

Mr. BURROWS. The alpaca wool is the highest?

Mr. WALLACE. You must ask the manufacturers.

Mr. BURROWS. It is very coarse?

Mr. WALLACE. I do not know, sir.

Mr. BURROWS. Has not the alpaca wool become very fashionable and advanced in price about double?

Mr. WALLACE. I could not tell you, as I do not know.

Mr. McMILLIN. Does not the cost of wool, the finer grades of wool, sometimes induce the making of fashions that enhances the price of the coarse, hairy wool?

Mr. WALLACE. I could not tell that.

Mr. McMILLIN. You were asked in regard to the cost of lambs; is it not a fact that those who do raise them for the market get from \$2 to \$3 apiece for the lambs, if it is for the eastern market of your country?

Mr. WALLACE. No, sir; I do not know that.

Mr. BRECKINRIDGE. Do not you get them for the eastern market?

Mr. WALLACE. They supply the demand, I know that, and often get high prices.

Mr. McMILLIN. That is so in my country.

Mr. FLOWER. That production is worth more than wool?

Mr. WALLACE. Yes; in that case.

Mr. BRECKINRIDGE. Have you never calculated in those ten States you speak of the difference of the necessity between the protection received by the wool-grower on the wool and the protection he had to pay when he bought his clothing or his cloth?

Mr. WALLACE. I do not suppose I have if I understand your question.

Mr. BRECKINRIDGE. I will put my question in another form. It is this: That there are a given number of farms in these States. The sheep in these ten States will average so much per farm. These sheep produce so much wool, and that the tariff gives a certain amount of protection, or seeks to give it; but, on the other hand, when he comes to buy his cloth there is a protection on the cloth and on the clothing to reimburse the manufacturer for what he had to pay when he bought his wool to also give him a measure of protection. Therefore the man who produces the wool is not the only recipient of protection, but also the producer of the clothing. He receives in one hand and pays out with the other. Have you ever made a calculation whether or not these protected owners in these ten States receive as much as they pay out?

The CHAIRMAN. That is discussed with great ability in the President's message a year ago.

Mr. McMILLIN. I am glad the chairman has become a convert to the doctrine of the late President.

Mr. BRECKINRIDGE. I desire to know whether you have figured whether they receive as much as they pay on this single item?

Mr. WALLACE. May I answer it generally?

Mr. BRECKINRIDGE. Yes, sir; in your own way.

Mr. WALLACE. I will say that the wool-growers as a class—

Mr. BRECKINRIDGE. I mean these ten States. You confined yourself to these ten States.

Mr. WALLACE. I would say, as far my information goes, that these wool-growers in these ten States are as an intelligent class of farmers as there are in the land, and have studied the question—

Mr. BRECKINRIDGE. Will you be kind enough to give me an answer on that point?

Mr. WALLACE. I have studied the question, of course, and I have arrived at this conclusion that protection to the wool-grower and protection to the manufacturer and protection to all labor in this country is absolutely essential to our success.

Mr. BRECKINRIDGE. Is that the answer you give to my specific inquiry? You gave that answer and the chairman referred me to the President's message. So I am left between wind and water.

Mr. WALLACE. I answered generally. If you ask me specifically, I assure you that I think every manufacturer should have full and ample protection because that is necessary to our success, as they are customers for our goods.

Mr. BRECKINRIDGE. Have you ever figured to see whether or not you pay as much as you receive? Have you ever inquired on that point in your aggregate of ten States?

Mr. WALLACE. I believe as farmers and wool-growers, that the benefit of 10 cents a pound in wool is not taken away by what we pay as the result of protection to other industries. I believe that is a specific answer of your question, is it not?

Mr. BRECKINRIDGE. Hardly.

STATEMENT OF MR. FRANK P. BENNETT.

MR. FRANK P. BENNETT, editor of the American Wool Reporter, of Boston, next addressed the committee. He said:

I want to make a slight amendment to what Mr. Wallace said before I begin. I think it has never been true in the whole history of the country that fine wool in the scoured state, ready for actual use, has sold lower than combing wool. I think I am right about that. I do not think that has ever been true in the history of the country. I may be wrong, however.

The CHAIRMAN. Do you mean in the grease?

MR. BENNETT. No; in the scoured state ready for carding. I think in the whole history of the country it has never sold lower than medium wool. Perhaps I am wrong, but as a fact it sells very much higher. And in regard to the carpet wool, I think Mr. Wallace's point was that he would impose a duty not only upon some things which can be produced in this country, but upon some things which never can be produced in this country, and the reason why they ask carpet wool should be included with other kinds of wool is that not only it might be produced to some extent here, but also that it takes the place of other wools. That is just the same as if we should propose to put a duty on camel's hair that takes the place of something else. I wish to state to the committee that in preparing the statement here of the signers of these two petitions I wish to arrange them in connection, as many of these signatures were handed in and many came in almost up to the day I came here. I will be obliged to do that, and I will then hand it to the committee.

The CHAIRMAN. Very well, do that, and hand it to the stenographer.

MR. BENNETT. I will do so in a day or two.

MR. CARLISLE. When you do that, will you state the extent to which these manufacturers are engaged in the business; not only the number, but the extent of their business?

MR. BENNETT. The amount of machinery, cards, etc., I do not know that.

MR. BRECKINRIDGE. And how they compare with the total output.

MR. BENNETT. I will endeavor to prepare something of that kind and send it to the committee in a few days.

At the suggestion of some members of your committee, and at the request of several gentlemen whose business is seriously affected by the present illogical ratio between the duties upon raw wool and those upon manufactured goods, I appear before you mainly for the purpose of stating the facts in regard to two petitions which are to be immediately presented to Congress, signed exclusively by men actually engaged in manufacturing or dealing in wool and woollen goods. One of these petitions is in favor of free wool, and has 530 signatures. The other is in favor of an ad valorem duty on wool in place of the present specific form of duty, and has 206 signatures. It has hitherto been a disputed point whether any considerable number of woollen manufacturers are in favor of a reduction or removal of wool duties. These petitions, which are now to be presented in Congress, will of course be referred to the Ways and Means Committee; but as this will occur after the present hearing is concluded, it has been suggested that some explanation ought to be made respecting these petitions-day.

Among the 400 signers of the petition for free wool are Mr. Moses T. Stevens, of North Andover, Mass., the largest individual woollen manufacturer in the United States; Mr. G. C. Silsbee, treasurer of the famous Middlesex Woollen Company, of Lowell, Mass.; Mr. Arthur T. Lyman, treasurer of the great carpet mills, at Lowell; Mr. Galen C. Moses, treasurer of the Worumbo-Manufacturing Company, the largest woollen manufacturing establishment in the State of Maine; Mr. Jesse Metcalf, one of the largest woollen manufacturers and most influential citizens of Rhode Island; Mr. James Kitchenman, a large manufacturer, and a leading Republican of the city of Philadelphia, and one of the men who helped raise the celebrated Philadelphia campaign fund in the last Presidential campaign.

The CHAIRMAN. You mention Mr. Kitchenman's politics. How about Mr. Metcalf?

MR. BENNETT. Mr. Metcalf to-day acts with the Democrats, but for many years he acted with the Republicans.

MR. FLOWER. He read the President's message.

MR. DOAK. Mr. Kitchenman never was a Republican, and did not contribute anything towards the Republican campaign expenses. He has been a life-long Democrat. I know him very well.

The CHAIRMAN. Do you live near him?

MR. DOAK. Yes, sir; Mr. Kitchenman was a Democratic candidate for sheriff in Philadelphia.

MR. BENNETT. This Mr. Kitchenman?

MR. DOAK. Yes, sir; this Mr. Kitchenman.

Mr. BENNETT. I am ready to stand corrected in regard to any error, but I am not going to withdraw my statement in that particular. There may be two James Kitchenmans.

Mr. Howland Croft, a leading and well-known manufacturer of worsted yarns in Camden, N. J. The astonishing feature of this unexpected list of names in favor of free wool lies not only in the character but in the number of the signers. It has been hitherto asserted on very high authority that the only manufacturers in favor of free wool are a few officers of large corporations, the number of whom does not exceed ten. But this list of signatures shows that the rank and file of smaller manufacturers are as willing to express their opinions in regard to wool duties as are the great leaders of the trade.

Mr. William Whitman got up, I think a year ago, in the city of Boston and said he could count on the fingers of his two hands, and I do not know but what he said he could count on the fingers of one hand, every manufacturer in the United States in favor of free wool. I did not think Mr. Whitman was exactly accurate in that statement at the time. If he was, it shows to you gentlemen the enormous change of sentiment since then, and the change I think must be recognized.

No effort has been made to ascertain the politics of the signers of these petitions. Among the manufacturers who petition for free wool in New Hampshire, Mr. Chas. J. Amidon, of Hinsdale, is a very influential Republican; Mr. A. W. Sulloway, of Franklin Falls, is an influential Democrat of national reputation.

In the State of Rhode Island the total number of looms in woolen and worsted mills is 7,461; and of these, manufacturers representing 4,085 looms, or considerably more than half the whole number in the State, have signed this petition for free wool. But besides these mills which represent the 4,085 looms, several spinning mills containing no looms, but which have in the aggregate 41 sets of cards, 15 combs and 54 knitting machines, have signed the petition for free wool. Among other signers whom I have not mentioned in Rhode Island, are the celebrated Weybosset Mills, of Olneyville, the equally well-known Lippitt Woolen Company, of Woonsocket; the Peacedale Manufacturing Company, of which Mr. Rowland Hazard is treasurer; and the great Atlantic Mills, of Olneyville, by Owen Brothers, agents. These Atlantic Mills make ladies' dress goods, such as are made also by the Arlington Mills, of which Mr. Whitman is treasurer; and the Owen Brothers actually own a considerable share of the mills which they manage. There can be no doubt that this growing demand for a revision of the tariff in the direction of reduced duties has had much to do with taking Rhode Island out of the list of sure Republican States, and putting it into the ranks of the doubtful; and I will confess right here that, as a Republican, one of my reasons for engaging in the distribution of these petitions has been the hope that this growing demand for a revision of the tariff in the direction of reduced rather than of increased duties might be complied with and satisfied under Republican auspices.

The signatures to these two positions, the one in favor of free wool, and the other in favor of ad valorem duties, are from nearly every State and Territory in which woolen manufactories are located. A few wool-growers have signed the petitions, but they were men who found them in neighboring woolen mills and signed them without solicitation. I have no hesitation in saying that a petition for reduced duties upon wool for the benefit of the manufacturers who furnish our domestic wool-growers the sole market for their fleeces, would secure a great many signers among that portion of our agricultural population concerned in the raising of wool. The signers of these petitions do not believe that free wool means free goods. One of the most prosperous periods the woolen manufacturing industry has ever enjoyed in the United States was from 1862 to 1867, and this prosperity was not due alone to the war, but to the fact that the duty on raw wool was low, and the duty on manufactured goods was high enough to afford our mills abundant protection and to bestow upon our wool-growers the blessings of an abundant home market. During that period, American sheep husbandry expanded enormously, and in 1867 the number of sheep in Ohio reached a total of 7,555,507 head. Then came the increased tax upon wool in 1867 which continued unchanged until 1883, and with the exception of the single year 1868, the number of sheep in Ohio grew steadily smaller and beautifully less after that date. In 1875 the number of sheep in Ohio had fallen to 4,100,288 head, under the highest duties upon wool ever known. And now, when a little coterie of Ohio politicians stands in the light of wool-growers and woolen manufacturers alike, and to such proofs of the destructive influence of the high tax upon wool as we have just presented replies merely with threats, we are certainly very sorry that they can not be persuaded to take more reasonable ground. And, as one of the largest manufacturers and strongest protectionists in Philadelphia recently remarked, "I would rather have four years of free wool, even with the risk of free goods at the end of that time, than to endure another four years such as we have just been through."

The woolen manufacturers of the United States almost without exception to-day are sore and discontented because the duties upon woolen goods are in many cases

lower than upon the raw material of which they are made. The preamble to our petition for free wool emphasizes particularly that resolution which has been presented to you here to-day by Mr. Whitman.

"That the wholesale introduction into the United States of foreign wools in the form of finished fabrics, thereby displacing American wool, which would otherwise be consumed in American mills, is due to the unjust and illogical arrangement of the tariff. While the imports of clothing and combing wools have not materially increased, and the American production is materially decreasing of late years, notwithstanding the rapid growth in our population and the increasing per capita consumption of wool by this increasing population, the quantity of foreign wool introduced into this country in the shape of goods and yarns has increased to the enormous total of 141,474,144 pounds in 1888, equaling 44 per cent. of our total home production of wools of all descriptions. The wholesale market value of our annual importations of manufactured wool exceeds by nearly 50 per cent. the value of our annual wool clip."

Our free wool petition further recites that:

"As the only civilized country in the world, so far as we are informed, which levies a duty on raw wool, we ask that American industry may be relieved of this unnatural burden, and that our domestic wool interests may now be put upon the same wholesome basis as the cotton manufacturing industry with free raw material."

I come now to the petition for ad valorem duties, which has received 206 signatures. It is headed by A. D. Juilliard & Co., of New York, who are among the leading selling agents of woolen mills in the United States; and their signature is followed by that of equally well-known merchants and manufacturers. I will call attention only to a few of the 206 signatures. The Assabet Manufacturing Company, which signs by T. Quincy Browne, treasurer, is the largest mill in the United States making carded woollens. It is located at Maynard, Mass., and is a monument of successful manufacturing enterprise. The signature of the great and deservedly famous Pacific mills, by Henry Saltonstall, treasurer, follows that of the Assabet, with a foot-note to the effect that Mr. Saltonstall prefers to have the petition read that "if any duty at all be imposed upon wool" it shall be an ad valorem duty. Other signers to the ad valorem petition are the famous Harris Woolen Company, of Woonsocket, R. I.; the Waterloo Woolen Manufacturing Company, of Waterloo, N. Y.; Mr. W. C. Chapin, of the great Riverside and Oswego Worsted Mills, the largest manufacturers of men's worsted suitings in the United States; Thomas Lee & Co., Philadelphia, wool merchants and stalwart protectionists. The believers in ad valorem duties upon wool, however, are by no means confined to the signers of this petition. One of the best-known protectionists and most experienced manufacturers in the United States (I allude to Mr. Thomas Dolan, of Philadelphia) has said to me within a few weeks that "every intelligent man who knows anything about wool must admit that the ad valorem is the only proper form of duty upon that material." Mr. Dolan is only one of many manufacturers who are willing to be similarly quoted, but who question, perhaps, the possibility of obtaining ad valorem duties, owing to the hostility of some wool-growers.

Among the signers of our petition for ad valorem duties, Messrs. Dornan Brothers, the well-known carpet manufacturers in Philadelphia, append a foot-note, saying: "Providing the ad valorem is not in excess of 20 per cent. on third-class wools costing under twelve cents per pound, and not over 40 per cent. on third-class costing twelve cents and over." Our petition for ad valorem duties on wool does not specify any rates, however, because any ad valorem duty which this committee might be likely to report or Congress to adopt must be in the nature of a reduction, for the following reasons: The present tax upon wool can not be judged by the percentage of duty paid upon the comparatively small quantities of light-shrinkage foreign clothing and combing wools brought into the United States. By that false method the burden of the present tax upon wool would appear to be only 49 or 60 per cent. But the real burden is the ratio which the present duty of 10 cents a pound bears to the heavy-shrinkage foreign wools now entirely excluded from our ports. Upon these, the great bulk of the clothing wools of the world, the duty of 10 cents per pound is nearer 100 per cent than 50. It is because the gentlemen who were here yesterday, pretending to represent the wool growers of the United States, know this, but do not want the public to know it, that they fight so vigorously against ad valorem duties on wool. But these men are no true friends of even the wool-growers, whom they pretend to represent; for while this 100 per cent. duty keeps the heavy-shrinkage foreign wools out of the hands of our American manufacturers, yet the same wools are taken by the foreign manufacturer and made into goods which are put into the American market at duties of 60 to 70 per cent. The average ad valorem duty actually paid upon all the manufactures of wool of every description brought into the United States in 1888 was 68.31 per cent.

And right here I desire to call the attention of the committee to a very important matter concerning which perhaps I may not be able to make my explanation as clear

as the facts warrant. But it is this: The percentage of duty on manufactured goods may be estimated for purposes of tariff legislation by the amount actually paid at the custom-houses upon such goods as enter our ports, which was in 1888 68 per cent.; but the percentage of duty upon raw wool must include not only the wool which came in but that which was shut out, for when the duty upon manufactured goods is high enough to exclude them from our ports they are shut out, and that is the end of the matter. But when raw wool is excluded from our ports by a tax of 75 to 100 per cent., and is subsequently imported in the form of cloth at a duty of 68 per cent., it is evident that the full burden of the 75 to 100 per cent. duty upon the wool is experienced by our manufacturers.

Some little time ago I was shown samples in Boston of Russian merino wool, such as is well known in England under the name of "Odessa," and was then quoted in Liverpool at 6d. Our duty of 10 cents per pound was equivalent, therefore, to 83½ per cent. upon such wool, and the duty upon worsted yarns made therefrom and actually imported into the United States at the same time aggregated but about 65 per cent. The "Odessa" wool, shrinking 70 per cent. and costing 6d in the grease in Liverpool, went into the hands of the foreign manufacturer at 40 cents per scoured pound; but costing 6d in Liverpool, and adding 10 cents duty, together with freights, commissions, etc., bringing it up to 24 cents, the scoured cost to the American manufacturer would be 80 cents per pound if imported in the grease, or just twice what it cost the foreign manufacturer.

This sample of "Odessa" wool, which could not be imported except at a loss, while the yarns made therefrom are being imported at a profit, afforded a very interesting object lesson of the inefficiency of rigid specific duties upon wool, which fail to adjust themselves to the movement of the market. Under the present system the duty of 10 cents per pound is equivalent to about 35 per cent. upon wool costing 29 cents per pound, while it is equivalent to 100 per cent. upon wool costing 10 cents per pound. The result is that the great bulk of fine and desirable wools of the world of heavy shrinkage, like Buenos Ayres, North African, Russian merino, and a great deal of Montevideo and Australian, are thrown into the hands of foreign manufacturers at a low cost, and are subsequently sent to the United States in the form of worsted yarns and goods which undersell the products of American mills, and force the latter to cut down the wages of their help, or to shut down their mills, or even to go into bankruptcy.

In a recent letter to the American Wool Reporter, Mr. Joseph Walworth, the veteran wool buyer of the Pacific Mills, shows also the unsatisfactory relation between the specific duty and the prices of those foreign wools which actually come into our market in the raw state. His letter is as follows:

"LOWER PACIFIC MILLS,
"Lawrence, Mass., December 7, 1889.

"DEAR SIR: Your two petitions were duly received and noted. I have signed the one asking Congress to place an ad valorem duty on wool. I sign this petition, not as an opponent of free wool in the abstract, but so as not to antagonize the farmers, and thinking it the best policy in view of our political situation. Still I know of no other country which puts a duty on wool, and free wool, like many other good things, is greatly to be desired. But if our desire for free wool should lead the farmers to give us free goods also, our latter state would be worse than our present one, which is bad enough. I think, however, the farmers, who are the rulers in this matter, would, if they properly understood our position, be willing to give us an even and equitable duty, namely, an ad valorem duty on all wools.

"Until a few years ago wools all over the world averaged a much higher price than they have of late years. Kent wool in England, for example, a few years ago, was always considered as safe as a gold dollar when it got down to 15 pence per pound, but now it ranges at about ten pence per pound, and with our duty, as now established, Kent wool at 15 pence = 30 cents per pound; duty 10 cents per pound = 33½ per cent. of duty. Kent wool at 10 pence = 20 cents per pound; duty 10 cents per pound = 50 per cent. of duty. So that now for several years we have had to pay 17 per cent. more duty on wool than formerly, and, as the farmers know by experience, they have not improved their condition by it, and certainly the manufacturers and spinners have suffered by it, but the foreign manufacturers and spinners have benefited by it; as witness the increased imports of foreign woolen and worsted goods and yarns.

"With respect, yours truly,

JOSEPH WALWORTH."

Mr. A. D. Juilliard, of New York, who heads our petition for ad valorem duties, has written as follows:

"A few years ago, while in London, I was shown a lot of Australian wool of fine quality, but containing an unusually large proportion of grease and dirt. It was of-

fered at a correspondingly low price, but it was undesirable for shipment to this country, because nobody could afford to pay ten cents per pound duty on so much wastage. There was accordingly no American competition for this and similar lots, and I subsequently learned that it had been sold for English account at two cents a pound below its intrinsic value, through lack of such American competition. This wool, sold under these circumstances, was to be made into cloth for the American market to compete with our own goods. On the same day I was shown another lot of very clean Australian wool which had been sold to one of our large domestic mills; and the price of this lot had been run up by bidders for American account fully 2 cents a pound more than its intrinsic value, because it was, from its cleanness, a peculiarly desirable lot for shipment to this country. In these two cases, the English purchaser who made his wool into yarn or cloth for this market, had an advantage of 4 cents per pound in his grease wool, or 12 cents per pound on his scoured wool, against the American mill that was to make the yarn or wool in this country. This is happening every day in the year. To put the matter in a nut-shell, we are ruled out of everything like a fair competition with foreigners in the wool markets of the world, by the present specific rate of duty; and the very fact that American purchasers are excluded from handling these grades of wools, tends to cheapen them for foreign account, and thus to give the foreign manufacturer a still further advantage over us. For this reason we can not compete with them in certain classes of our goods."

We are in favor of compound duties upon manufactures of wool because of the greater difficulty of determining the values of manufactured articles than of raw material. But the liability of ad valorem duties to encourage undervaluations can not be seriously urged against such duties on raw material like wool, the value of which is known all over the world, and is publicly reported in prices carried by every foreign mail. On this subject I received more than two years ago the following letter from the late James Lynch, of New York, since deceased, but at that time one of the most famous wool experts in the United States. He said:

"NEW YORK, December 9, 1887.

"Editor of the American Wool Reporter :

"The existing tariff law as to wool and woollens, and as administered by the Treasury Department, is an exceedingly bad law, and ought to be changed. In my opinion, the only just and equitable way in which duty can be levied on wool is according to value, ad valorem. Let the rate be one, high or low; it will be equitable; it will appropriately fit the highest as well as the lowest classes of wool, whether in the grease, washed, or scoured.

"Let the law apply only to wool as from the sheep, and—beyond washing or scouring—not advanced or changed by any process of manufacturing.

"My consideration of the subject applies exclusively to the raw material, wool.

"As applied to wool, there would be no difficulty with the ad valorem tariff system. Fraud could not be practiced by evil-disposed importers. Values are too well known, as they prevail in all the markets of the world, by skilled wool experts in every importing city. Rigid revenue laws, strictly enforced, would effectually stop fraudulent importations.

"Truly yours,

"JAMES LYNCH."

During the past year some of our largest mills, by purchasing a portion of their worsted yarns abroad, have been able to keep looms in motion that would otherwise have stopped. In the weaving, dyeing, and finishing of such goods employment has been given to a large number of operatives who would otherwise have been discharged. But a corresponding amount of spinning machinery has lain idle. In what way do you propose to relieve the yarn spinners who are thus idle? Can it be done by taking yarns out of the present schedule and raising the specific duty from 12 cents per pound to 35 cents per pound, and from 24 cents per pound to 40 cents per pound, as is proposed by the so-called "Senate tariff bill?" I have the assertion of leading manufacturers that unless a corresponding increase is made in the duties upon goods, such a course would be likely to close the mills now dependent upon foreign yarns.

The amount of ad valorem duty for which the American Wool Reporter has hitherto argued has been 40 per cent. upon clothing and combing wools, and 20 per cent. upon carpet wools; but some of the signers of our petition prefer rather a single ad valorem duty of 25 per cent. upon all classes of wool. And in conclusion, Mr. Chairman and gentlemen of the committee, thanking you for the kind attention which you have devoted to these crude and hastily prepared suggestions, I want to emphasize strongly the fact that all of the signers of these two petitions, numbering 736 persons, directly affected by the wool tariff, ask immediate relief by such a revision of

duties as shall make the tax upon the raw material less burdensome to manufacturers than it is to-day.

The CHAIRMAN. I do not know whether or not you stated your occupation?

Mr. BENNETT. I publish a newspaper; the American Wool Reporter.

The CHAIRMAN. You are not a manufacturer or grower?

Mr. BENNETT. No, sir; I have undertaken the messenger work of circulating these petitions and bringing them here.

The CHAIRMAN. These are the only two petitions you circulated?

Mr. BENNETT. Yes, sir; these are the only two petitions.

The CHAIRMAN. Which do you favor?

Mr. BENNETT. Personally?

The CHAIRMAN. Yes, sir.

Mr. BENNETT. I do not see that that makes any particular difference. I am perfectly willing to say that I favor the ad valorem.

The CHAIRMAN. You would not be in favor of free wool?

Mr. BENNETT. I am naturally averse to radical changes of any kind. I should say my own preference would be for the ad valorem.

The CHAIRMAN. About 20 or 25 per cent.?

Mr. BENNETT. Forty per cent. on clothing wool and 20 per cent. on carpet wool would be a reduction and overcome a great many difficulties which now exist.

The CHAIRMAN. Do you happen to know what the sentiment of the signers of either one of the petitions or both would be touching a duty upon the finished product on cloth or clothing?

Mr. BENNETT. I should say they would be averse to any increase in the duties on both?

The CHAIRMAN. Would they be willing with free wool to have a reduction of duty on the finished product?

Mr. BENNETT. I could not answer that question positively, but I should assume they would be, on the whole. Of course there are some things, like worsteds and yarns, under the present condition which are not adequately protected.

The CHAIRMAN. If they had free wool, do you know whether the sentiment of the signers of these petitions would be in favor of free cloth?

Mr. BENNETT. I should say not. I do not think any would be in favor of free cloth.

The CHAIRMAN. Will you state to the committee if the manufacturers had free wool would it necessitate a duty on the cloth.

Mr. BENNETT. I should say the necessities of the manufacturing industry here are dependent upon a duty on the goods.

The CHAIRMAN. For what reason?

Mr. BENNETT. For many reasons; because of the difference in labor, which, of course, is the reason mainly recited, and because so many new things originate on the other side, where they have been in the manufacturing business for centuries, and of course you realize that when new concerns are coming into the business they damage the old ones, but the great fact that an old concern has the business gives it an advantage. There is another reason why duty is needed; several reasons.

The CHAIRMAN. You think a duty would be required to maintain the present scale of wages in this country against a cheaper scale on the other side.

Mr. BENNETT. I think it would. That is a debated point, but I think it would.

The CHAIRMAN. Do you think the same principle does not apply to the producers of raw material while a duty ought to be given on the manufactured articles to make up the difference in the cost of wages.

Mr. BENNETT. Of course a good deal can be said in regard to that. The wool-grower is protected by cheaper land where wool growing is feasible in this country. The duty practically adds nothing to it. I do not think the duty adds anything to that. In regard to the rise and fall of the wool growing of Texas and Kansas, I think the duty had nothing to do with it at all. The number of sheep increased a few years ago to thirteen or fourteen hundred thousand sheep.

The CHAIRMAN. This is for what period of time?

Mr. BENNETT. I have not the years exactly in mind. It reached—perhaps Mr. Green will remember—that was probably 1881 or 1882. It got up to about fourteen hundred thousand. It is back to-day to four hundred thousand, and I do not think the tariff had anything to do with that at all in Kansas.

The CHAIRMAN. Was it higher before 1883 or since?

Mr. BENNETT. It was higher before.

The CHAIRMAN. The number of sheep in Kansas?

Mr. BENNETT. I would not be able to answer that question.

The CHAIRMAN. Was it previous to 1883 or since 1883?

Mr. BENNETT. I would not be able to answer that question. I know the sheep there were incident to the development of the country. They were the pioneers in that country. After they had fulfilled their function, that purely pastoral pursuit,

then the sheep disappeared and other industries came in, and the number of sheep to-day in Kansas is about four hundred thousand.

Mr. CARLISLE. Is it not a fact that as the land increases in value per acre the number of sheep diminish and go to the cheaper lands?

Mr. BENNETT. That is true with the exception of a few farm sheep. In fact, wool growing necessitates a ranch and range.

Mr. CARLISLE. I mean that the sheep industry carried on for the purpose of producing wool diminishes in the States as the value of the land increases.

Mr. BENNETT. Unquestionably.

Mr. CARLISLE. But the farmers keep about an equal number of sheep.

Mr. BENNETT. I was very much interested in Mr. Wallace's remarks. Now, fancy a man in Missouri, one of the loveliest countries on the face of the earth, having 8,000 acres of farm land and keeping 8,000 sheep, which is a sheep to an acre. If he keeps a thousand sheep, which is a comparatively small number for some men, and if Wallace had 8,000 sheep, he would have 8,000 acres. It seems to me it is ridiculous with that high-priced land. Take the United States through, I think I make this assertion without fear of contradiction, where the sheep have diminished the scale of prosperity of the inhabitants has vastly increased. It is so with Texas, Kansas, and New York State. New York used to keep great numbers of sheep in the lake regions, but as those people grew more prosperous the sheep disappeared.

Mr. CARLISLE. Is not that because of the rise in the value of the farm lands for other purposes?

Mr. BENNETT. Yes, sir.

Mr. MILLS. You made a statement that you thought it necessary to increase the duty on yarns.

Mr. BENNETT. I am not clear about that.

Mr. MILLS. I think you stated that.

Mr. BENNETT. I said the present inadequate rate between the duty on raw material and the duty on worsted and yarns should be rectified, and I think it can be rectified.

Mr. MILLS. Do you propose to reduce the duty on wool?

Mr. BENNETT. Rather than increase it on the yarns. I think that would bring about the desired result.

Mr. MILLS. I was through one of the largest manufactories at Lawrence yesterday, and the manager told me that he was not able to obtain foreign wools to mix with the domestic wools; that if the duty was increased on foreign yarns he would have to close up the whole concern. I do not think it would be a beneficial measure to the workmen, then, to increase the duty.

Mr. BENNETT. This is an instance like the kind I allude to; where a man is buying foreign yarns he is able to keep weaving and keep his spinning machinery going and keep his men employed. I think it would be better for this country if that man could always keep his spinning machinery in operation. If he can keep that in operation he would not only use foreign wool, but use a vastly greater amount of domestic wool to mix with it than to-day.

Mr. MILLS. Do you think it specially necessary to keep up the duty because labor is cheaper on the other side of the ocean than here? How is the labor paid in the factories—by the piece or day?

Mr. BENNETT. Many by the piece.

Mr. MILLS. Do our people make more by the piece or by the day than they do on the other side of the water?

Mr. BENNETT. Unquestionably.

Mr. MILLS. I was told yesterday by a gentleman at Lawrence that one operative on the other side ran some four looms, while our operatives ran six. If they are paid by the piece, it seems to me the high wages are because our people turn out more work in the day than the people on the other side turn out.

Mr. BENNETT. That, of course, in some measure equalizes the wages; but we could not compete if you took off the duties. Then the labor would come in competition with the labor elsewhere. This, however, is a debated question.

Mr. MILLS. Why can not we compete if we can do the work cheaper than they can? If we can turn out a third more work than they, our work must be cheaper than theirs.

Mr. BENNETT. I have always found a sufficient answer to that in the fact that emigration is all in this direction. I run in connection with my business a labor bureau, which I run because I was asked to. Every little while a man says he wants to go back to the old country. It is a feeling of pride, and he wants to go back and show how well he has done to his neighbors.

Mr. MILLS. But he comes back when the importations come in largely and the prices are high and the money is distributed all over the country and there is a demand for that man's employment.

The CHAIRMAN. He comes here because he thinks he does better?

Mr. BENNETT. He knows he does.

Mr. McMILLIN. You spoke of the emigration to this country. Has not that been so under all forms and systems of tariff from the love of free institutions as compared with monarchical forms of government, and that we have emigration whether there is high protective duty or a low duty?

Mr. BENNETT. I have not the statistics in regard to the emigration.

Mr. McMILLIN. Is not that your knowledge?

Mr. BENNETT. I have the general impression that the general policy of the country is protective.

Mr. McMILLIN. But what I am speaking of is, is not the tide of emigration turning to this country rather than from it under all forms of tariff laws. Back to when the tariff averaged less than 15 per cent. was not the tide this way? Is not that the history of the country?

Mr. BENNETT. That is the history of the country, I think.

Mr. McMILLIN. So free institutions were worth something to the average man who lived abroad?

Mr. BENNETT. I think the additional money had something to do with that.

Mr. McMILLIN. You think our free institutions have no part in bringing these people here as compared with mere dollars and cents?

Mr. BENNETT. I think they have something to do with it.

Mr. McMILLIN. I should say that man had reached a great depth of degeneration when it did not.

Mr. FLOWER. Is not the woolen yarn made in England from a peculiar wool, which, owing to the climate, can not be spun here, and is that not used in our manufactures?

Mr. BENNETT. I do not think there is anything in that at all as near as I have been able to find out. Of course a manufacturer's opinion on that would be a good deal better than mine. I do not think there is anything made over there that can not be in this country as far as climate is concerned.

Mr. FLOWER. I mean in regard to climate and the spinning of it there?

Mr. BENNETT. I do not think there are any wools or worsteds that can not be made here as well as there.

Mr. BAYNE. Do you know what the total production of woolen manufacture is in the United States?

Mr. BENNETT. I have not the figures in mind.

Mr. BAYNE. It is a vast aggregate, though.

Mr. BENNETT. Yes, sir.

Mr. BAYNE. The importations, I see, of woolen manufactured products for the fiscal year ending June 30, 1889, amounted in value to \$52,564,000.

Mr. BENNETT. Yes, that is the thing which is making the manufacturers, who are suffering, discontented on account of it, and they are demanding this relief.

Mr. BAYNE. That importation compared with the home production is relatively small, is it not?

Mr. BENNETT. I think not. I think it is sufficient to give us a great disturbance in our market.

Mr. BAYNE. Could you approximate the total production of woolen manufactures in the United States?

Mr. BENNETT. I can not; but probably there are gentlemen here who can. Even if it was a thousand million dollars, and it is not anything like that—

Mr. MILLS. It is nearer \$350,000,000.

Mr. BENNETT. Call it \$350,000,000; then \$50,000,000 would create a disturbance in the market; quite a disturbance in the market. It is worse than the old woman's pound of butter, of which I presume you have all heard. When she had 101 pounds the market only demanded 100 pounds, and that 1 pound depressed the whole market.

Mr. BAYNE. You are familiar with the total production of wool. It is about three hundred millions?

Mr. BENNETT. A little under that.

Mr. BAYNE. I see by the same report that importations of wool for the fiscal year ending June 30, 1889, amounted to 126,487,000 pounds. The importation of manufactured woolen goods amounts to about one-half, if Mr. Mills is correct in his hypothesis, with the aggregate of three hundred and fifty millions. If we import fifty-two millions, and the imported manufactured product amounts to about a half, whereas the importation of raw wools amounts to about one-quarter under that condition of things, has not the farmer got a right rather to complain than the manufacturer?

Mr. BENNETT. If you will allow me to call attention not only to the fact that the grower suffers from these importations of raw wool, but he suffers very much more from the large quantity which is brought in here in the form of goods and because the amount of wool which is brought in here in the form of goods is greater than the amount brought in in the raw state.

Mr. BAYNE. My proposition is (and these figures show it), that the total importa-

tions of manufactured woolen products is \$52,000,000; the total home production is \$350,000,000. That would make a total consumption of about \$400,000,000 by our markets here in one year. That would indicate that one-eighth of the total consumption of manufactured woolen products is imported into the country while seven-eighths are manufactured in this country, and when you apply the same principle to the production of wool itself you find that the imports of wool are 126,000,000 pounds and the total production is about 300,000,000 pounds. Consequently the foreign competition is more severe with the wool producer by a million and a half than it is with the manufacturer. Why do you say in view of that fact that the duty should be reduced?

Mr. BENNETT. I can answer that question in this way: Suppose you should put \$1 a pound duty on that wool, and shut it out. What good will it do if you have these goods coming in? Suppose you put \$1 a pound on wool and shut it out, shut out every pound of wool. What good will that do if it continues to come in?

Mr. BAYNE. But we have not shut out the importation of foreign wool, because we imported 120,000,000 pounds last year.

Mr. BENNETT. And if you do not import that the chances are you would not have so large a consumption of the domestic wool.

Mr. BAYNE. I am simply taking from these facts the fact that according to my information the farmer is entitled to as much protection as the manufacturer, and he needs it.

Mr. BENNETT. It wants to be logically and rationally adjusted.

Mr. BAYNE. But it is not rationally and logically adjusted in the importation of raw material when the importation of raw material is about one-fourth of the entire consumption and when the importation of manufactured woolen products is about one-eighth of the entire consumption.

Mr. BENNETT. The amount of foreign wool which comes in in the form of goods as I have already stated is vastly larger than the amount of that which comes in the form of raw wool. Take the whole amount of raw wool imported, and when you consider the fact that of that wool a large proportion is carpet wool, then the ratio between the clothing and combing wool imported in the raw state and that imported in the form of manufactured goods becomes still greater on the side of the manufactured goods. The necessity of the grower is that he shall have a home market for his production, not only for his wool but for every agricultural product. Where wool is an incident in the development of the country it will be cheap under almost any circumstances.

The CHAIRMAN. Do you not think free wool would interfere with the home market?

Mr. BENNETT. I am not prepared to answer that question.

Mr. BAYNE. Do you know that Australasia is becoming an exporter of wool?

Mr. BENNETT. Yes, sir.

Mr. McKENNA. Your reasoning has led you to this conclusion; if I did not understand you correct me accordingly: Where wool is produced the industry is only followed in connection with other pursuits.

Mr. BENNETT. I do not know that I could make that bare statement in just that way, because there may be some tracts of country in which wool-growing will always be a permanent pursuit.

Mr. McKENNA. And this follows inevitably from your reasoning. You say it is a pioneer industry which disappears owing to the advancement of better industries and that it marks the progress of a country towards cultivation.

Mr. BENNETT. Yes, so far as the ranch sheep are concerned.

Mr. McKENNA. It disappears from these States when a higher cultivation appears. As soon as that country settles it will disappear from it and the tendency is to the extinction of that inevitably?

Mr. BENNETT. Yes, sir.

Mr. BAYNE. What is the highest price paid for rams?

Mr. BENNETT. I have not those figures in mind.

Mr. BAYNE. Are they not \$2,000, \$3,000, and maybe \$4,000?

Mr. BENNETT. Yes, sir. We can beat the world on fine sheep without any tariff at all.

Mr. BAYNE. And fine production of wool?

Mr. BENNETT. Yes, sir.

Mr. BAYNE. Do you think any business in this country established for the purpose of producing fine wool will be driven out when such an extensive plant is required?

Mr. BENNETT. I do not understand the question.

Mr. BAYNE. When the farmer pays as much as \$2,000, \$3,000, or \$4,000 for his choice rams, choice ewes, and produces here the finest quality of wool produced in the world, do you suppose that any other farming industry would drive him out if a sufficient protection be given to encourage the production of that fine wool?

Mr. BENNETT. My impression is that these high prices for rams have been paid

more largely for exports to Australia and Montevideo and other points than for herd use.

Mr. BAYNE. Exports of what?

Mr. BENNETT. These rams to Australia and Montevideo.

Mr. BAYNE. If we can succeed in exporting rams and getting good prices it will be a good thing.

Mr. BENNETT. But the tariff has nothing to do with it, because we can beat the world on these animals.

Mr. BAYNE. We export them and therefore we do not need any tariff on them.

Mr. BENNETT. As I understand it, the climate of Australia has some peculiar advantages for the production of certain desirable wool, but it has no advantages for the production of the kind of sheep to keep up that wool, and therefore we supply these merino rams to keep up the character of the Australian wool.

Mr. BAYNE. Do you know of any rams being exported to Australia at these prices, say \$2,000 or \$3,000?

Mr. BENNETT. I imagine I could find instances.

Mr. BAYNE. I am told no such thing has ever occurred.

Mr. BENNETT. I have not the things in mind, but I know that we hail a buyer from Australia with great satisfaction.

Mr. CARLISLE. Do we get a rate on rams from abroad?

Mr. BENNETT. I do not know how the tariff is on this.

Mr. CARLISLE. You know that bulls and heifers sell for enormous prices.

Mr. BENNETT. The breed of rams brought in from a foreign country is different from the breed taken out. Ours are merino, and those taken out Southdown and Shropshire.

Mr. LAFOLLETTE. What is the average price of land per acre in the countries from which we chiefly import wool?

Mr. BENNETT. I could not tell you.

Mr. LAFOLLETTE. You stated in answer to a question of the Chairman that the cheapness of the land in this country was something of a protection to the producer.

Mr. BENNETT. Protection to the farmer.

Mr. LAFOLLETTE. How are you able to make that statement when you do not know the prices in the countries with which the farmer competes?

Mr. BENNETT. I know our land is much cheaper than lands in England and on the continent of Europe.

Mr. LAFOLLETTE. We do not import our wool from England.

Mr. BENNETT. Yes, sir, some.

Mr. LAFOLLETTE. That is not the country with which the producer in this country chiefly competes.

Mr. BENNETT. They produce a good deal of wool in England.

Mr. LAFOLLETTE. They produce combing wool quite largely in England and Scotland, but that is not the wool with which the farmer in this country chiefly competes.

Mr. BENNETT. I should say it is difficult to give the prices themselves to answer such a question as that. I should say there is as much English and Irish wool comes into the market as there is Australian wool. I may be wrong about that, but I should think for many years there has been as much English and Irish wool imported as Australian.

Mr. MILLS. Do you think the small production of the woolen manufactures of this country has prohibited the importation of woolen goods?

Mr. BENNETT. I think it would.

Mr. MILLS. Do you think the small production of wool growing in this country would prohibit the importation of wool?

Mr. BENNETT. This is a principle I have endeavored to explain, that the wool is absolutely good for nothing unless the manufacturing industry consumes it.

Mr. MILLS. Do you not know the fact that the kind of wool we import is not the wool that we produce here; do you not know that there are various grades of wool?

Mr. BENNETT. As I explained—

Mr. MILLS. Take the English wool, for instance, that you were talking about just now.

Mr. BENNETT. I stated in regard to that that while the wool may not be of the same kind as that which is produced here, yet it may displace the wool which is produced here, so that I do not think the question can be decided.

Mr. MILLS. I was told yesterday by a wool expert who was employed at a salary of \$10,000 a year to select wools, and he showed me wools which he said were imported from Yorkshire, that some of the wools made a certain kind of goods that can not be produced in this country at all, that some admitted of a lustrous sheen and gloss, and that that kind of wool can not be produced in this country, and because they could not get those wools they got other wools and mixed them. Tell me whether that man was telling me the truth or not.

Mr. BENNETT. It seems to me the answer to that is, we can not produce sufficient quantities of certain kinds of wool at certain times to supply the demands of the market.

Mr. MILLS. Do we do it? Where is that wool produced in this country? That man told me these wools were a different class of wools from any grown in this country. Is that true or not?

Mr. BENNETT. We produce some of the best combing wools in the world, and with as much luster as is desired in every way.

Mr. MILLS. Then there is no necessity in this country for the importation of that wool at all.

Mr. BENNETT. Yes, sir, when the market turns that way.

Mr. MILLS. Then it is not in competition with ours. We take in the entire consumption of wool, and the wool-grower can not furnish it. Therefore there is no competition. Answer that, if you please.

Mr. BENNETT. I should answer yes, and no to that question. I think it would be better if the wool markets generally were to adjust themselves to each other in the way I have indicated here, so that the American manufacturer would not be hampered as compared with the foreign manufacturer. There is another answer to the question, which I suppose would be the wool-grower's answer, and that is that the tariff looks ahead to see what we would like to produce in this country, and to encourage the production in this country as far as possible of the wools that we need.

Mr. MILLS. But when you don't do it. Here is a demand for consumption right to-day, and there is a season of great prosperity. The people have worn out their old clothes and want new ones. They want wool clothes, and they want it twice as much as some other country. How does that supply of a foreign country come in competition with ours?

Mr. BENNETT. I think it would be of advantage to encourage our people to produce the things we need.

Mr. CARLISLE. You do not think the protection of the wool industry has reduced the price of wool?

Mr. BENNETT. That is a matter of opinion.

Mr. CARLISLE. What is your opinion?

Mr. BENNETT. My opinion is it has not raised it any.

Mr. CARLISLE. You think a specific rate of duty or an ad valorem rate of duty would increase the price of wool, do you?

Mr. BENNETT. In a series of years?

Mr. CARLISLE. Yes, sir; any number of years you choose to indicate.

Mr. BENNETT. I am not quite sure how the ad valorem duty would work as far as the wool-growers are concerned. I do not think a specific duty would. It would adapt itself to the conditions of the market. It constantly benefits the foreign manufacturer who wants to send goods.

Mr. CARLISLE. By getting cheaper material than the American manufacturer gets?

Mr. BENNETT. Yes, sir, and allowing him to send his goods into this country at a lower rate of duty than wool.

The CHAIRMAN. And that cheaper material on the other side brought here would affect the price here?

Mr. BENNETT. The price might be made higher here because of the demand for domestic wool.

The CHAIRMAN. I understood you to say to Mr. Mills that we do not have to go abroad to buy wool because we are not capable of producing the wool, but because at times we do not have a sufficient quantity.

Mr. BENNETT. I think this country is not able to produce a sufficient quantity of some kinds of wool. What is called fine delaine; I do not think this country has produced a sufficient quantity of that.

The CHAIRMAN. Why not?

Mr. BENNETT. Because of this climate. It is produced in Ohio, Michigan, Wisconsin, and Pennsylvania, and we have a fancy it would be produced in Texas. We think that we could get elegant fine delaine in Texas in five or ten years.

The CHAIRMAN. It is not because we do not produce the wool, but because we do not produce enough of it.

Mr. BENNETT. Because we can not. I know there is an idea throughout the United States that Montana would give a kind of delaine wool, or it ought to. My impression the past year is that it ought.

Mr. McKENNA. Is it not inevitable from your reasoning that foreign production of wool necessarily competes with ours and occasionally drives it out of the market because it is not produced under as favorable conditions and cannot be? That is the tendency of your remarks.

Mr. BENNETT. I do not think it is the tendency of my remarks, because, as I have said, it only applies to a portion of the wool. I do not know but what having easy

access to our markets, these wools which are not produced here to a sufficient extent, and can not be produced here to a sufficient extent, may attract the attention of some farm sheep-growers into the direction of a kind of wool which will be used and to improve their fancy wool, and thus create that industry and develop it.

Mr. McKENNA. Can they do it in competition with such possibilities as Australia?

Mr. BENNETT. For some kinds of wools, yes, sir. My impression is that we can not produce medium wools here in competition with the world.

Mr. McKENNA. Do you think the moderate quantity produced in Australia would drive out the lesser quantities produced in these three or four States you have mentioned, control the market, and make it unprofitable to produce it?

Mr. BENNETT. I do not know whether it would drive it out.

Mr. McKENNA. I am only extending your proposition. Is it not the inevitable extension of your remarks that it would have that effect, not immediately, but that the tendency is that way by these processes you have explained to us?

Mr. BENNETT. I could not give an affirmative answer to that question.

Mr. CARLISLE. As I understand you, you have said that the tendency is towards diminution of the number of sheep kept in large flocks, the range and ranch sheep; but I do not understand you to say anything will occur which will diminish the sheep kept by the ordinary farmer?

Mr. BENNETT. At the same time that might increase with free wool, but without free wool I should think it might not.

Mr. CARLISLE. As the lands rise in value, as improvements are made and other industries come in, you think the sheep industry on these large ranges and ranches would be reduced?

Mr. BENNETT. They will be reduced in any event also. The competition of higher forms of agriculture will drive them out.

Mr. LA FOLLETTE. They will disappear the same as cattle?

Mr. BENNETT. Much the same.

Mr. CARLISLE. But the cattle farmer as the land becomes more valuable, will keep the ordinary sheep on the farm, and will continue to do so?

Mr. BENNETT. Yes, sir; of course.

Mr. GEAR. You stated there was an exceptionally large demand for the wool of Montana; was the crop short last year?

Mr. BENNETT. Yes, sir.

Mr. GEAR. Do you know the reason of that?

Mr. BENNETT. As I understand it, the quality of the wool was affected by the season. They tell me that in Montana you can take the fibers of the fleece of wool and you can tell the exact spot in the growth of the wool where the sheep suffered from drought. You find that in Australia in those places where they do not have even seasons.

Mr. GEAR. Do you know that year before last was an exceptional season?

Mr. BENNETT. I do not know about that; I simply know the fact.

Mr. GEAR. Do you know there is a vast amount of semi-arid country which is adapted to sheep raising?

Mr. BENNETT. I do not know it. I know people are going to Boston to secure farm mortgages for agricultural purposes.

Mr. GEAR. You said you did not know the value of the lands in this country?

Mr. BENNETT. No, sir; I do not.

Mr. GEAR. I believe you said that in your judgment sheep raising was the pioneer industry?

Mr. BENNETT. Yes, sir.

Mr. GEAR. You know that South America, the Argentine Republic, and other southern countries are very large producers; that the people have gone to raising sheep.

Mr. BENNETT. I am not surprised to hear that, but I did not know that it was so.

Mr. GEAR. You did not know that?

Mr. BENNETT. I did not know that, but I am not surprised to hear it.

Mr. GEAR. That is so. Do you know the fact that the climatic changes are extending also to Australia, as much as to that country, and possibly more so?

Mr. BENNETT. Very likely. I know we fill out the principal supply of delaine wool almost every year from Australia. These are facts.

The committee thereupon took a recess for half an hour.

The following are the petitions presented by Mr. Bennett:

To the honorable Senate and House of Representatives in Congress assembled:

The undersigned, being each and all of us engaged in growing, manufacturing, or dealing in wool, respectfully petition that the duties on raw wool may now be removed or greatly reduced for the benefit of our domestic wool growers and woolen manufacturers alike. At a recent meeting of woolen manufacturers in Boston it was

correctly stated "that the wholesale introduction into the United States of foreign wools in the form of finished fabrics, thereby displacing American wool, which would otherwise be consumed in American mills, is due to the unjust and illogical arrangement of the tariff. While the imports of clothing and combing wools have not materially increased, and the American production is materially decreasing of late years, notwithstanding the rapid growth in our population and the increasing per capita consumption of wool by this increasing population, the quantity of foreign wool introduced into this country, in the shape of goods and yarns, has increased to the enormous total of 141,474,144 pounds in 1888, equaling 44 per cent. of our total home production of wools of all descriptions. The wholesale market value of our annual importations of manufactured wool exceeds, by nearly 50 per cent., the value of our annual wool clip."

As the only civilized country in the world, so far as we are informed, which levies a duty on raw wool, we ask that American industry may be relieved of this unnatural burden, and that our domestic wool interests may now be put upon the same wholesale basis as the cotton manufacturing industry with free raw material.

Jesse Metcalf, agent Wanskuck Company.
 George B. Nichols, of Nichols, Dupee & Co.
 William R. Dupee.
 William J. Follett, of George Follett & Co.
 M. T. Stevens, of M. T. Stevens & Sons.
 Robert Bleakie, of Robert Bleakie & Co.
 Henry C. Weston, of Weston, Whitman & Co.
 Henry Whitman.
 William Farnsworth.
 Eben Sutton, of Sutton's N. A. Mills.
 B. W. Evans, treasurer Blackstone Woolen Company.
 Evans, Seagrave & Co.
 Rowland Hazard, treasurer Peacedale Manufacturing Company.
 Walter Stanton, of Converse, Stanton & Cullen.
 Henry Martin, of Martin, Lawrie & Co.
 G. Z. Silsbee, treasurer Middlesex Company.
 Noah Sagendorph, East Brookfield, Mass.
 A. S. Morrison, Braintree, Mass.
 M. Appel, New York, yarns and hosiery.
 R. Elmer Morrison, Braintree, Mass.
 Arthur T. Lyman.
 George Watson Beach, of Beach Manufacturing Company.
 Ibrahim Morrison, Braintree, Mass.
 Edw. W. Hooker, acting treasurer and secretary Broad Brook Company.
 T. B. Beach, secretary Beacon Falls Mills and Power Company.
 John W. Croft, of Howland Croft, Sons & Co., Camden.
 A. Priestley & Co., of Priestley Worsted Mills, Camden.
 William M. Ayres, of William Ayres & Sons, Philadelphia.
 George W. Patton & Co., 38 North Front street, Philadelphia.
 John Elliott, 1158 South Broad street, Philadelphia.
 James Kitchenman, Huntington and Jasper streets.
 S. Wood & Ward, Howard and Lehigh avenue.
 George W. Emlen, Third and Cumberland streets.
 Z. Talbot, treasurer Holliston Mills.
 J. B. Little, treasurer Bay State Felt Boot and Shoe Company.
 C. J. Amidon & Sons, Hinadale, N. H.
 Thomas Radcliffe, of Radcliffe Brothers, Birwingham, Conn.
 Joseph Dews, treasurer Phoenix Woolen Company, East Greenwich.
 Charles Dawson, Dawson Manufacturing Company, Holden, Mass.
 F. W. Adams, Glendale, Mass.
 Walter Aiken, Franklin, N. H.
 W. L. Swan, Athol, Mass.
 Frank Bottomly, Athol, Mass.
 A. H. Weaver, Stafford, Conn.
 William A. Lomas, Colebrook, N. H.
 Frank H. Colony, of Colony Brothers, Wilton, N. H.
 Fred Colony, of Colony Brothers, Wilton, N. H.
 The Brussels Tapestry Company, New York.
 B. B. Lyons, secretary Brussels Tapestry Company, N. Y.
 Samuel L. Lyons, superintendent.

Edwin Farnell, Woonsocket Worsted Mills.
 James Anderson, Craftsbury, Vt.
 J. H. Anderson, Craftsbury, Vt.
 Joseph C. Eveleth, Hampden Mill, Me.
 George W. Olney, Cherry Valley, Mass.
 E. D. Thayer, Worcester, Mass.
 O. H. Perry, agent Middlesex Company, Lowell, Mass.
 O. Saunders, superintendent Middlesex Company, Lowell, Mass.
 A. A. Haggett, paymaster Middlesex Company, Lowell.
 Connor Brothers, Holyoke, Mass.
 Ralph H. Damon, president Damon Manufacturing Company.
 George C. Moses, treasurer Worumbo Manufacturing Company, Bath, Me.
 S. E. Lee, agent Vassalborough Woolen Mills.
 W. H. Reddick, superintendent, Vassalborough woolen mills.
 H. Sturaberg, jr., agent Germania Mills.
 C. Fox & Co., Stafford Springs, Conn.
 John H. Gahde, Canastota Knitting Mill.
 J. H. Gahde, jr., Canastota Knitting Mill.
 Eli Collier, Cherry Valley, Mass.
 George H. Nye, Nye & Wait Carpet Company, Auburn, N. Y.
 William F. Wait, Auburn, N. Y.
 William F. Gibbs, Auburn, N. Y.
 I. L. Pearl & Co., Johnson, Vt.
 J. A. Pearl, Johnson, Vt.
 D. M. Read, treasurer Read Carpet Company.
 C. S. Read, president Read Carpet Company.
 F. W. Read, secretary Read Carpet Company.
 H. Oldroyd, Howell's, N. Y.
 Joshua Oldroyd, Howell's, N. Y.
 Byam Heaton, Howell's, N. Y.
 Kent Woolen Company, Centreville, R. I.
 George B. Waterhouse, treasurer, Centreville, R. I.
 R. E. Waterhouse, superintendent, Centreville, R. I.
 B. F. Waterhouse, Centreville, R. I.
 Edward Pranker, treasurer Pranker Manufacturing Company, Saugus.
 Owen Bros., agents Atlantic Mills, Providence, R. I.
 Saxony Woolen Mills, Newburgh, N. Y.
 J. A. Harrison, Newburgh, N. Y.
 Michael Collins, Collinsville, Mass.
 R. Berry, Vesta Knitting Mills, Providence.
 George E. Boyden, Vesta Knitting Mills, Providence.
 C. L. Blanding Manufacturing Company, Providence, R. I.
 Hudson River Woolen Mills, Newburgh, N. Y.
 Lawrence, Webster & Co., Malone, N. Y.
 J. F. Wright, Malone, N. Y.
 E. W. Lawrence, Malone, N. Y.
 F. A. Howarth, Oxford, Mass.
 Andrew Howarth, Oxford, Mass.
 Mt. Kineo Woolen Company, Gilbert, Me.
 Charles M. Beach, treasurer Broad Brook Company, Broad Brook, Conn.
 Edward Delabarre, Conway, Mass.
 W. E. Delabarre & Co., Conway, Mass.
 F. A. Delabarre, Conway, Mass.
 George W. Irvine, Conway, Mass.

- E. C. Reinhardt, Conway, Mass.
 Ellison Tinkham, president Carolina Mills Company, Carolina, R. I.
 Franklin Metcalf, treasurer Carolina Mills Company, Carolina, R. I.
 P. S. Peckham, jr., of P. S. Peckham & Co., Washington, R. I.
 Samuel H. Edes, proprietor Eagle Flannel Mills, Newport, N. H.
 Benjamin Lucas, of B. Lucas & Co., Poquetanuck, Conn.
 Samuel Lucas, of B. Lucas & Co., Poquetanuck, Conn.
 Aaron Lucas, of B. Lucas & Co., Poquetanuck, Conn.
 Albert Stafford, of B. Lucas & Co., Poquetanuck, Conn.
 George S. Minot, agent Lamoille Mills, Fairfax, Vt.
 George Mabbett, agent Central Falls Woolen Mills, R. I.
 Frank E. Seagrave, treasurer Central Falls Woolen Mills, R. I.
 J. F. Phetteplace, president Central Falls (R. I.) Woolen Mills.
 Stephen O. Metcalf, treasurer Steere Worsted Mills.
 Berwick Woolen Mills, West Fitchburg, Mass.
 James McTaggart, West Fitchburg, Mass.
 David McTaggart, West Fitchburg, Mass.
 Perseverance Worsted Company, Woonsocket, R. I.
 James H. Singleton, Woonsocket, R. I.
 George F. Singleton, Woonsocket, R. I.
 Robert T. Grant, East Brookfield, Mass.
 Horace A. Kimball, Mantion, R. I.
 Richard Howard & Son, Apponaug, R. I.
 Alexander Carmichael, Westerly, R. I.
 The Matteawan Felting Company, Matteawan, N. Y., by H. G. Walcott, secretary.
 The New York Felting Company, Matteawan, N. Y.
 Horatio Colony, Keene, N. H.
 J. B. Colony, Keene, N. H.
 F. A. Faulkner, Keene, N. H.
 George D. Colony, Keene, N. H.
 John C. Faulkner, Keene, N. H.
 W. F. Spink, Warwick Worsted Mills.
 W. J. Reynolds, Silver Lake Worsted Mills.
 E. A. Hoagland, New London, Conn.
 G. D. Workman, president Union Manufacturing Company, Torrington, Conn.
 Thomas Kitson, Stroudsburg (Pa.) Woolen Mills.
 W. M. Keith, treasurer Fort Ann (N. Y.) Woolen Company.
 Mahaffy Bros.'s Woolen Mills, Pulaski, N. Y.
 Edward Murk, superintendent Detroit (Mich.) Alaska Sock Company.
 Arthur Brown, Jacob Brown & Co., Detroit, Mich.
 Jacob Brown, president Detroit (Mich.) Alaska Sock Company.
 Benj. C. Potts, Rose Valley Mills, Media, Pa.
 Patrick Cole, clothier and furnishing goods, Georgetown, Mass.
 E. Barry, merchant, Georgetown, Mass.
 John J. Henderson of Parker River Mills.
 S. and G. Susholz, Schenectady, N. Y.
 Geo. Pollett, New York.
 Samuel Barron, knit goods.
 Theodore Barron, knit goods.
 Max H. Strauss, knit goods.
 James Scott, of Scott Bros.
 V. H. Smith & Co., New York.
 E. Stuart, of Mechanicsburgh (Ohio) Woolen Mills.
 J. Mickle, of Mechanicsburgh (Ohio) Woolen Mills.
 G. F. Roby, treasurer Halifax Mills Company, Lake Village, N. H.
 Henry Tucker, superintendent Halifax Mills Company, Lake Village, N. H.
 L. W. Duncan, agent, Nutting, N. J.
 Jacob K. Erb, Moravia, N. Y.
 C. M. and G. P. Pelton, Poughkeepsie, N. Y.
 James Ingalls, Methuen, Mass.
 Joseph Hall, of Hall Brothers.
 Benjamin Hall, of Hall Brothers.
 George Hall, of Hall Brothers.
 Chas. A. Dayton, superintendent of Hall Brothers.
 N. Everett Lucas, overseer of Hall Brothers.
 Frank Hall, overseer of Hall Brothers.
 Charles H. Bedent, overseer of Hall Brothers.
 Weybosset Mills, Taft, Weedon & Co., agents, Providence, R. I.
 Persian Rug and Carpet Company, New York.
 Robert Struntz, New York.
 Adam Bolleulin, New York.
 Gustavus J. Poznanski, New York.
 Henry A. Francis, Worcester, Mass.
 Frank S. Fay, Worcester, Mass.
 Joseph H. Carpenter, treasurer Glendale Woolen Company.
 R. L. Whitney, secretary and treasurer Falls City Jeans and Woolen Company, Louisville, Ky.
 O. H. Hayes & Co., New York.
 Francis & Muller, New York.
 Mills & Davenport, New York.
 Schoff, Fairchild & Co., New York.
 Geneva Worsted Mills, by M. S. Ulman, treasurer, Providence.
 Rockfellow & Shepard, New York.
 John Lunn, Philadelphia.
 Esterheld & Co., Pekin Mills, Manayunk, Pa.
 James Legg & Co., Mapleville, R. I.
 W. R. Lawler & Co., Allentown, Pa.
 W. S. Woodman, Allentown, Pa.
 Refual Mills, Allentown, Pa.
 J. H. Lawler, Allentown, Pa.
 H. C. Thacher, of H. C. Thacher & Co.
 T. C. Thacher, of H. C. Thacher & Co.
 Fred Hartley.
 John Greer & Co., Philadelphia.
 Farnum & Roper, Providence, R. I.
 G. H. Falconer, New York.
 Ammon P. Platt, New York.
 J. B. Mackinnon, New York.
 Frank J. Primrose, New York.
 Paterson Bros., New York.
 William Ryan, New York.
 Doe River Woolen Mills, E. E. Hunter, secretary, Elizabethton, Tenn.
 C. H. Lewis, Bristol Woolen Mill, Tenn.
 Powell River Woolen Company, Big Stone Gap Mill, Tenn.
 Franz & Pope Knitting Machine Company, William Pope, president, Bucyrus, Ohio.
 L. B. Cushing, director Bayley Hat Company, Newburyport, Mass.
 Alex. Caldwell, director Bayley Hat Company, Newburyport, Mass.
 William R. Johnson, director Bayley Hat Company, Newburyport, Mass.
 John J. Currier, treasurer and director Bayley Hat Company, Newburyport, Mass.
 Fr. Uhrik, of B. Uhrik & Weed, Philadelphia.
 E. B. Weed, of B. Uhrik & Weed, Philadelphia.
 P. Boutet, of B. Uhrik & Weed, Philadelphia.
 A. W. Wittig, of B. Uhrik & Weed, Philadelphia.
 Swenarton & Keiser, New York.
 Mills & Co., New York.
 J. M. Valentine & Co., New York.
 T. B. Snow, New York.
 Rochester Knitting Works, Max Lowenthal, proprietor, Rochester, N. H.
 Alfred Bayliss, of Bayliss & Crandall, Utica, N. Y.
 C. P. Crandall, of Bayliss & Crandall, Utica, N. Y.
 Empire Scotch Cap Factory, Utica, N. Y.
 S. Bradley & Sons, Allegheny City, Pa.
 Wm. Barker, jr., of S. Bradley & Sons, Allegheny City, Pa.
 James A. Bradley, of S. Bradley & Sons, Allegheny City, Pa.
 Wm. H. Bradley, of S. Bradley & Sons, Allegheny City, Pa.
 E. B. Smith, of Smith & Penfield, Delhi, N. Y., woolen mills.
 L. J. Rossman, of Rossman Knitting Company.
 B. P. Ilaiigh, of Rossman Knitting Company.
 Wm. Oliver, secretary, treasurer, and general manager Mississippi Mills, Wesson, Miss.
 W. P. Sharp, of Home Knitting Works.
 C. E. Sharp, of Home Knitting Works.

- S. A. Sharp, of Home Knitting Works.
 Jefferson Woolen Mills, by Frank Stoppenbach,
 manager, Jefferson, Wis.
 Robert A. Allison, secretary Jackson (Tenn.)
 Woolen Manufacturing Company.
 W. T. Earnshaw, superintendent Jackson (Tenn.)
 Woolen Manufacturing Co.
 P. J. Murray, manager oil mills, Jackson, Tenn.
 N. S. White, banker, Jackson, Tenn.
 Jno. V. Keith, wool raiser, Jackson, Tenn.
 W. S. Small, farmer and sheep raiser, Jackson,
 Tenn.
 W. P. Robertson, merchant and planter, Jackson,
 Tenn.
 M. V. B. Ekum, farmer and wool grower, Jack-
 son, Tenn.
 Jno. W. Theuz, banker and farmer, Jackson,
 Tenn.
 Asbley Stonfield, sheep raiser, Jackson, Tenn.
 Miles Standish, farmer, Jackson, Tenn.
 Bruce Douglass, farmer, Jackson, Tenn.
 Manley Arnfield, planter Jackson, Tenn.
 J. C. Gooch, Jackson, Tenn.
 A. C. Treadwell, Jackson, Tenn.
 Jno. Goodrich, and one hundred others, Jackson,
 Tenn.
 D. Crowther & Son, Germantown, Pa.
 Thomas P. Cope, jr., of Cope & Co., Philadelphia,
 Pa.
 Alfred Cope, of Cope & Co., Philadelphia, Pa.
 F. Hazen Cope, of Cope & Co., Philadelphia, Pa.
 Howland Croft, of Howland Croft, Sons & Co.
 Smith Lightbottom.
 Geo. Bustle, jr.
 Michael Collins, Collinsville, Mass.
 Christian Hess.
 Isaac Reldon.
 John Hammond.
 Joseph B. Underwood.
 A. Heillwell.
 Benjamin Lobley.
 Joseph Lobley.
 L. D. Rodibaugh, New Paris, Ind.
 Claude Neilson, New Paris, Ind.
 W. H. Reinehl, of W. H. Reinehl & Co., Read-
 ing, Pa.
 O. E. Wetherhold, of W. H. Reinehl & Co.,
 Reading, Pa.
 O. R. Delsart, of W. H. Reinehl & Co., Reading,
 Pa.
 Montgomery Merritt, of Henderson, Ky., woolen
 mills.
 Jas. S. Alves, wool grower.
 W. S. Johnson, of Henderson (Ky.) Woolen Mills.
 Paul J. Marrs, Henderson (Ky.) Woolen Mills.
 James E. Barich, Henderson (Ky.) Woolen Mills.
 Dr. B. Alors, secretary Henderson (Ky.) Woolen
 Mills.
 James Morning, superintendent Henderson (Ky.)
 Woolen Mills.
 D. W. Boone, subsuperintendent, Henderson
 (Ky.) Woolen Mills.
 A. N. Taylor, carder boss Henderson (Ky.) Woolen
 Mills.
 John Gust, spinner boss Henderson (Ky.) Woolen
 Mills.
 B. T. Linton, loom boss Henderson (Ky.) Woolen
 Mills.
 Philetus Beal, finisher Henderson (Ky.) Woolen
 Mills.
 Edward Obredorfer, wool dealer, Henderson, Ky.
 George Metz, wool dealer, Henderson, Ky.
 Morris Metz, wool dealer, Henderson, Ky.
 Mann Bros.
 Morris Baldauf, merchant.
 Ed. Starr, clothier, Henderson, Ky.
 Berry & Co., dry goods merchants, Henderson,
 Ky.
 Schlesinger & Gribel, merchants, Henderson,
 Ky.
 Thomas Soaper, Henderson, Ky.
 I. W. Levan, Reading, Pa.
 I. W. Levan & Son, Reading, Pa.
 A. Erskine, manufacturer of blankets, shawls, etc.,
 Third and Cumberland streets, Philadelphia, Pa.
 Thomas Huston, North Salem, N. H.
 W. P. Hewitt & Co., Menasha (Wis.) Woolen
 Mills.
 Shuttleworth Bros., Amsterdam, N. Y.
 O. H. Nordstraw, South Side, Punxatawny, Pa.
 D. W. McAllister, overseer, Punxatawny, Pa.
 F. W. Choney, agent, Athens (Ga.) Manufactur-
 ing Company.
 Kanawha Woolen Mills, Frank Woodman, pro-
 prietor, Charleston, W. Va.
 A. J. Cameron & Co., of New York and Philadel-
 phia.
 C. B. Robinson for Beargrass Woolen Mills,
 Louisville, Ky.
 Lippitt Woolen Company, by C. H. Merriman,
 treasurer, Providence, R. I.
 Reedsburg Woolen Mill Company, W. H. French,
 manager, Reedsburgh, Wis.
 The J. Turner and Sons Manufacturing Company,
 Cleveland, Ohio.
 Joshua Turner, Cleveland, Ohio.
 John G. Turner, Cleveland, Ohio.
 A. K. Wein, Cleveland, Ohio.
 N. H. Turner, Cleveland, Ohio.
 C. F. Keatley, manager of the Keatley Hosiery
 Manufacturing Company, Galena, Ill.
 Stewart Bro. & Co., 1219 Temple street, Philadel-
 phia, Pa.
 James S. Cochran, Tenth street and Columbia
 avenue, Philadelphia, Pa.
 Rice, Bean & Co., Manayunk, Pa.
 Fitzpatrick & Holt, Manayunk, Pa.
 D. Lewis Moore, Alpaca Company, Philadelphia,
 Pa.
 Thomas A. Pearce, Pennsylvania Hosiery Mills.
 D. Edwards & Sons, Ithaca, N. Y.
 R. O. Edwards, Ithaca, N. Y.
 D. D. Edwards, Ithaca, N. Y.
 David Ellwood's Sons, Ithaca, N. Y.
 C. H. Sanford, glover, Sanford & Sons, Bridge-
 port, Conn.
 H. B. Sanford, glover, Sanford & Sons, Bridgeport,
 Conn.
 E. C. Sanford, glover, Sanford & Sons, Bridge-
 port, Conn.
 Charles G. Sanford, of Glover, Sanford & Sons,
 Bridgeport, Conn.
 T. H. Sanford, of Glover, Sanford & Sons, Bridge-
 port, Conn.
 Glover E. Sanford, of Glover, Sanford & Sons,
 Bridgeport, Conn.
 Halfpenny, Campbell & Co. (Limited), Antes
 Fort, Pa.
 H. T. Doebing, manager Davenport Woolen Mills,
 Davenport, Iowa.
 S. A. Jennings, president Davenport Woolen Mills
 Company.
 J. M. Eldridge, stockholder in Davenport Woolen
 Mills.
 W. C. Wadsworth & Co., wholesale dry goods,
 Davenport, Iowa.
 Robert Krause, jobber of woolens, Davenport,
 Iowa.
 N. Moritz & Bro., jobber of woolens, Davenport,
 Iowa.
 M. Neidemann, jobber of woolens, Davenport,
 Iowa.
 A. B. Hainpe, manufacturer of knit goods, Daven-
 port, Iowa.
 August Steffin, jobber of dry goods, Davenport,
 Iowa.
 J. H. C. Petersen's Sons, dry goods, Davenport,
 Iowa.
 W. D. Petersen, Davenport, Iowa.
 H. F. Petersen, Davenport, Iowa.
 Joseph Froehlich, dealer in woolens, Davenport,
 Iowa.
 Isaac Rothchild, dealer in woolens, Davenport,
 Iowa.
 W. S. Richter, director, Davenport (Iowa) Woolen
 Mills Company.
 I. H. Sears, Davenport (Iowa) Woolen Mills Com-
 pany.
 L. M. Ficher, sheep-raiser.
 A. Stratilek, dealer in dry goods, Davenport,
 Iowa.
 J. H. Hiner, dealer in dry goods, Davenport,
 Iowa.
 John Dutton, overseer in woolen mill, Daven-
 port, Iowa.
 James W. Robertson, general manager Porter
 Manufacturing Company, Clarksville, Ga.
 James Williamson & Co., Germantown, Pa.

William Jameson, Germantown, Pa.
 C. A. Reynolds, King Phillip Mills, Daviessville, R. I.
 William F. Berry, president Forest Mills Company, Bridgton, Me.
 J. F. Bralier, superintendent Forest Mills Company, Bridgton, Me.
 Louis Kraemer & Co., Stony Creek Mills, Reading, Pa.
 W. Ward, superintendent Riverside and Oswego Mills, Providence, R. I.
 Seth Humphrey, Lower Merion, Montgomery County, Pa., owner.
 Charles Ohara, superintendent Mills & Co., New York.
 Swenarton & Kiser, New York.
 J. W. Dodge, president Dodge-Davis Manufacturing Company.
 H. C. Whipple, treasurer Dodge-Davis Manufacturing Company.
 C. H. Proctor, overseer Dodge-Davis Manufacturing Company.
 H. Beckman, Northern Ohio Blanket Mills, Cleveland, Ohio.
 Samuel Lea & Son, 1148 St. John street, Philadelphia, Pa.
 M. H. Heynemann, of Heynemann & Co., San Francisco, Cal.
 Sig. Greenebaum, of Greenebaum & Co., San Francisco, Cal.
 J. R. Manury & Co., Philadelphia, Pa.
 J. R. Sullivan, dry goods, Oswego Falls, N. Y.
 Connell & Patterson, dry goods, Oswego Falls, N. Y.
 Bennett & Stewart, dry goods, Oswego Falls, N. Y.
 Farrell & Son, merchant tailors, Oswego Falls, N. Y.
 H. Amdursky, clothing, Oswego Falls, N. Y.
 J. C. O'Brien, dry goods, Oswego Falls, N. Y.
 A. R. Nery, dry goods, Oswego Falls, N. Y.
 H. Rosenbloom, dry goods and clothing, Oswego Falls, N. Y.
 H. J. Peeples, clothing, Oswego Falls, N. Y.
 J. H. Lee, department overseer, Riverside and Oswego Mills.
 W. R. Hamilton, department overseer, Riverside and Oswego Mills.
 J. B. Phillips, department overseer, Riverside and Oswego Mills.
 J. H. Wilson, department overseer, Riverside and Oswego Mills.
 R. Harrison, department overseer, Riverside and Oswego Mills.
 Charles B. Sheard, department overseer, Riverside and Oswego Mills.
 A. F. Williams, overseer, Riverside and Oswego Mills.
 Henry Pollard, section overseer, Riverside and Oswego Mills.
 Wright Motham, section overseer, Riverside and Oswego Mills.
 Thomas G. Gill, section overseer, Riverside and Oswego Mills.
 Crossley Holmes, section overseer, Riverside and Oswego Mills.
 William Bower, section overseer, Riverside and Oswego Mills.

Joseph Bower, section overseer, Riverside and Oswego Mills.
 John Burns, section overseer, Riverside and Oswego Mills.
 C. A. Van Leuvan, section overseer, Riverside and Oswego Mills.
 C. H. McCaffry, section overseer, Riverside and Oswego Mills.
 David Hartigan, section overseer, Riverside and Oswego Mills.
 James Winters, overseer, Riverside and Oswego Mills.
 J. H. Fairguere, section overseer, Riverside and Oswego Mills.
 William F. Read, Victoria Mill, Philadelphia, Pa.
 George Grayson & Co., Darby, Pa.
 J. A. Bugney, superintendent Waumbeck Company, Milton Mills, N. H.
 Carl Freschel, of Kalamazoo Knitting Company, Milwaukee.
 L. L. Tabor, Kalamazoo Knitting Company, Milwaukee.
 Louis H. Elbromer, Kalamazoo Knitting Company, Milwaukee.
 George G. Granger, 22 Broad street, Boston, Mass.
 E. C. Caswell, of E. C. Caswell & Co., Bloomsburgh, Pa.
 J. M. Stayer, of E. C. Caswell & Co., Bloomsburgh, Pa.
 John F. Hayle, carder for E. C. Caswell & Co., Bloomsburgh, Pa.
 C. W. McCaslin, spinner for E. C. Caswell & Co., Bloomsburgh, Pa.
 E. L. Caswell, boss weaver for E. C. Caswell & Co., Bloomsburgh, Pa.
 George W. Yost, engineer for E. C. Caswell & Co., Bloomsburgh, Pa.
 Miles M. Bet, finisher for E. C. Caswell & Co., Bloomsburgh, Pa.
 Elias E. Shaeffer, weaver for E. C. Caswell & Co., Bloomsburgh, Pa.
 Joseph Ruckle, dresser for E. C. Caswell & Co., Bloomsburgh, Pa.
 John Custred, weaver for E. C. Caswell & Co., Bloomsburgh, Pa.
 Daniel L. Jones & Co., Philadelphia, Pa.
 Concord Woolen Mills, Nicojack, Ga.
 Porter Manufacturing Company, Clarksville, Ga.
 Sulloway Mills, A. W. Sulloway, treasurer, Franklin, N. H.
 John S. Collins, Gilsum, N. H.
 L. Farr & Son, of Ogden Woolen Mills, Ogden City, Utah.
 Enoch Farr, of Ogden Woolen Mills, Ogden City Utah.
 Newton Farr, Ogden City, Utah.
 Ezra Farr, Ogden City, Utah.
 J. D. Simpson, of Mayfield (Ky.) Woolen Mills
 W. M. Wilson, of Mayfield (Ky.) Woolen Mills.
 Harry Hendley of Mayfield (Ky.) Woolen Mills.
 William Smith, of Mayfield (Ky.) Woolen Mills.
 C. M. Russell, of Mayfield (Ky.) Woolen Mills.
 Robert Lewis, Philadelphia, Pa.

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

The undersigned, being each and all of us engaged in manufacturing or dealing in wool and woollen goods, respectfully represent that the present rates and form of duty upon wool are burdensome and injurious to us and to everybody concerned in our domestic wool manufacturing and wool growing industries. The present depression in the wool manufacturing industry is due largely to the fact that the percentage of duties on the manufactures of wool is less, in many instances, than upon the wool itself, thus giving the foreign manufacturer a distinct advantage in entering the American market, and we ask that a single ad valorem duty on all classes of wool may be substituted therefor. The values of foreign wools are a matter of common notoriety at every auction sale in the world, and quotations are made every week by all the leading dealers, and can always be determined with exactness by experts, and the undervaluations arising from an ad valorem duty on wool would be less frequent even than those arising from defective classification under the present specific rates.

Under the present specific rates of duty we are precluded from purchasing many desirable lots of foreign wools on account of their condition, and such wools, consequently, go to foreign manufacturers at a reduced price and to our great injury.

A. D. Juilliard & Co., New York.
George Campbell & Co., Philadelphia.
Thomas Lee & Co., Philadelphia.
H. J. Libby & Co., Philadelphia.
Bacon, Baldwin & Co., New York.
Wendell, Fay & Co., New York.
Assabet Manufacturing Company, by T. Quincy Browne, treasurer.
J. W. Bnesiel & Co., Laconia, N. H.
Henry Saltonstall, treasurer Pacific Mills.*
Edward C. Damon, treasurer Damon Manufacturing Company, Westvale.
R. A. Colgher, Dedham, Mass.
Everett Woollen Company, Great Barrington, Mass.
Parley A. Russell, Great Barrington, Mass.
George E. Russell, Great Barrington, Mass.
Isaac Hahn, Providence, R. I.
National Braid Works, S. Barr, President.
Arthur Patchett, Montgomery, N. Y.
William Crabtree, Montgomery, N. Y.
William B. Tobey, treasurer North Berwick Company.
George A. Pearce, Phoenix, R. I.
Joseph W. Pearce, Phoenix, R. I.
John Pearce, sr., Phoenix, R. I.
Nathaniel Winns, Phoenix, R. I.
Somerville Manufacturing Company, Somerville, Conn.
R. Keeney, president, Somerville, Conn.
G. E. Keeney, treasurer, Somerville, Conn.
Charles F. Easton, president Providence Hosiery Company.
F. Herzig & Co., New York.
J. K. Cilley & Co., New York.
Sullivan, Vail & Co., New York.
Tingue, House & Co., New York.
Deering, Milliken & Co., New York.
Leavitt & Mitchell Bros., New York.
Whitman & Phelps, New York.
Kibbe, Chaffee & Co., New York.
Leland, Whitney & Co., New York.
Case, Dudley & Batelle, New York.
Leopold Herzig, New York.
R. Bartol, New York.
H. Fuchs, superintendent, New York.
W. E. Myers, New York.
Louis Schlesinger, New York.
Wright Manufacturing Company, Lawrence, Mass.
A. W. Stearns & Co., Lawrence, Mass.
A. W. Stearns, Lawrence, Mass.
C. Swift, Lawrence, Mass.
C. W. Stevens, Lawrence, Mass.
William Oswald, Lawrence, Mass.
Joshua Perkins, Nasonville, R. I.
J. J. Jarvis, proprietor, Defiance, Ohio.
H. L. Powell, superintendent, Defiance, Ohio.
J. S. Wethby, Defiance, Ohio.
Germania Knitting Works, New York.
E. S. Rockwell & Co., Titus, Ohio.
R. S. Douglass, agent Plymouth Woollen Company, Plymouth, Mass.
Detroit Alaska Sock Company, Detroit, Mich.
Jacob Brown & Co., Detroit, Mich.
Albert G. Gebhardt, Park River Mills.
George Reilley, Park River Mills.
William Henderson, Park River Mills.
Patrick Holland, Park River Mills.
Joseph Brav, Georgetown, Mass.
Jarvis Ellis, of Pennsylvania Ches. Company, Downingtown, Pa.
William R. Branson, of Pennsylvania Ches. Company, Downingtown, Pa.
F. H. Irvin, of Pennsylvania Ches. Company, Downingtown, Pa.
James Ellis, of Pennsylvania Ches. Company, Downingtown, Pa.
Jarvis Ellis, jr., of Pennsylvania Ches. Company, Downingtown, Pa.
F. Mulhauser & Co., Cleveland, Ohio.
S. & G. Susholz, Schenectady, N. Y.
Solomon Susholz, Schenectady, N. Y.
George Susholz, Schenectady, N. Y.
Richard W. Street, secretary of Amazon Hosiery Company.
P. W. Driscoll, Michigan City, Ind.
George B. Fettig, Michigan City, Ind.
R. M. Hutchison, Michigan City, Ind.
Robert Sulton, Michigan City, Ind.
William Highgate, Michigan City, Ind.
E. Murdock, wool grower.
R. H. Calvert, wool grower.
Luke M. Fleumming, wool grower.
T. E. Donnelly, wool grower.
A. P. Griffith, superintendent Amazon Hosiery Company.
Bennett Sprencil, of Amazon Hosiery Company,
J. G. Leinbach & Co., Reading, Pa.
H. C. Ball Company, Philadelphia, Pa.
Henry C. Ball, secretary and treasurer, Philadelphia, Pa.
Frederick Robinson, New Brunswick, N. J.
Thomas Ginner, New Brunswick, N. J.
George Willis, New Brunswick, N. J.
Charles A. Studemund, New Brunswick, N. J.
John Legg, of Worcester (Mass.) Woollen Mill.
Dorman Brothers, Philadelphia, Pa.
Frank S. Prescott, of Prescott Bros., West Ep-
ing, N. H.
Willis C. Prescott, of Prescott Bros., West Ep-
ing, N. H.
Gilday & Gillis, East Greenwich, N. Y.
H. H. Mase, Matteawan, N. Y.
Matteawan Manufacturing Company, Mattea-
wan, N. Y.
Maugre & Avery, Boston.
Charles F. Pierce, Providence, R. I.

* Mr. Saltonstall has signed a petition similar to the above, except that the words "if any duty be imposed upon wool" were inserted in the fifteenth line before the words "a single ad valorem duty."

† Providing the ad valorem is not in excess of 20 per cent. on third-class wools costing under 12 cents per pound, and not over 40 per cent. on third class costing 12 cents and over.

Serome B. Farnum, Providence, R. I.
 Seed & Denby, New York.
 J. Koshland & Co., New York.
 Taylor Brothers, New York.
 A. Polhemus.
 Salter Brothers.
 James S. Polhemus.
 C. B. Day.
 Edward H. Wilson.
 George Overno & Co., Chicago, Ill.
 Belt, Butler & Co., New York.
 Racine Woolen Mills, Blake & Co., Racine, Wis.
 Prescott Brothers, West Epping, N. H.
 W. M. Keith, treasurer Fort Ann Woolen Com-
 pany, Fort Ann, N. Y.
 Cautrell & Faulkner, proprietors Tennessee
 Woolen Mills, McMinnville, Tenn.
 A. W. Steffan, secretary and treasurer Woolen
 Company, Limited.
 D. Dunn, superintendent Pennsylvania Woolen
 Company, Limited.
 Louis Rhell, Pennsylvania Woolen Company,
 Limited.
 N. Edward Loyer, Pennsylvania Woolen Mills,
 Limited.
 Theodore Sattler, Pennsylvania Woolen Com-
 pany, Limited.
 Arthur A. Chalker, Pennsylvania Woolen Com-
 pany, Limited.
 Joshua Heaton, Pennsylvania Woolen Company,
 Limited.
 Robert Anderson, Pennsylvania Woolen Com-
 pany, Limited.
 William J. Eunis, Pennsylvania Woolen Com-
 pany, Limited.
 E. V. Steffan, Pennsylvania Woolen Company,
 Limited.
 Andrew Kelly, Pennsylvania Woolen Company,
 Limited.
 Joseph Kyle, Pennsylvania Woolen Company,
 Limited.
 Alfred Thackery, Pennsylvania Woolen Com-
 pany, Limited.
 George B. Waterhouse, treasurer Dundee Woolen
 Company, Passaic, N. J.
 Coulter, Rogers & Co., manufacturers, etc., Mun-
 cy, Pa.
 Tallman & McCarty, merchants, Muncy, Pa.
 Noble & Peterman, Muncy, Pa.
 James Coulter, of Coulter, Rogers & Co., Muncy,
 Pa.
 Samuel Rogers, of Coulter, Rogers & Co., Muncy,
 Pa.
 George H. Rogers, of Coulter, Rogers & Co.,
 Muncy, Pa.
 W. H. Bowen, of Coulter, Rogers & Co., Muncy,
 Pa.
 Alma Knitting Company, Alma, Mich.
 S. F. Anderson, president Alma Knitting Com-
 pany, Alma, Mich.
 D. H. Dailey, yarn, Chester, Pa.
 Richard Hey & Son, blankets, Manayunk, Pa.
 Wall & Ireland, wool, Philadelphia.
 Folwell Bros. & Co., Philadelphia.
 M. A. Furbush & Son, Philadelphia.
 Charles J. Webb & Co., wool merchants, Philadel-
 phia.
 T. F. Halvey, wool merchants, Philadelphia.
 George Buell, president The Buell Manufacturing
 Company, St. Joseph, Mo.
 Oriental Worsted Mills, by E. D. Browne, treas-
 urer.
 Brown & Driver.
 M. M. Inman.
 William C. Chapin, of Riverside and Oswego Mills,
 Providence, R. I.

Harris Woolen Company, by O. J. Rathburn,
 president, Woonsocket, R. I.
 Gowing, Sawyer & Co., New York.
 Waterloo Woolen Manufacturing Company, by A.
 M. Patterson, Waterloo, N. Y.
 Patterson & Greenough, New York.
 Tebbetts, Harrison & Robins, New York.
 James C. Cooley, of Knower & Cooley, N. Y.
 John A. Farnsworth & Co., Saxton's River, Vt.
 J. P. Alexander, of Farnsworth & Co., Saxton's
 River, Vt.
 R. E. Smith, of Farnsworth & Co., Saxton's River,
 Vt.
 James Macnaughton (Wm. Macnaughton's
 Sons).
 Merced Mills, by A. Ingalsbe, superintendent,
 Merced Falls, Cal.
 Abe Rosenbloom, dry goods and clothing, Oswego
 Falls, N. Y.
 C. E. Choppell, dry goods, Oswego Falls, N. Y.
 Dixon & Ferris, Oswego Falls, N. Y.
 A. Hanna & Co., clothing, Oswego Falls, N. Y.
 D. C. More & Co., Oswego Falls, N. Y.
 H. S. Mardiner, wool merchant, Oswego Falls, N.
 Y.
 A. F. Spitzli, assistant superintendent Riverside
 and Oswego Mills.
 C. R. Guile, overseer wool department Riverside
 and Oswego Mills.
 Miles Ellis, department overseer Riverside and
 Oswego Mills.
 Henry Rowland, overseer Riverside and Oswego
 Mills.
 J. M. Watson, overseer Riverside and Oswego
 Mills.
 John Pickles, overseer Riverside and Oswego
 Mills.
 James Greenwood, overseer Riverside and Oswego
 Mills.
 Alexander Pitt, overseer Riverside and Oswego
 Mills.
 Harry Brown, overseer Riverside and Oswego
 Mills.
 Thomas Rayley, clerk Riverside and Oswego
 Mills.
 Samuel Andrews, section overseer Riverside and
 Oswego Mills.
 W. Beckwith, section overseer Riverside and Os-
 wego Mills.
 F. H. F. Balion, superintendent Riverside and
 Oswego Mills.
 J. F. Willard, cashier Riverside and Oswego
 Mills.
 C. T. Currier, department overseer Riverside
 and Oswego Mills.
 Everett Knitting Works, Edward Dorsey, treas-
 urer, Manchester, N. H.
 Phillip Dorr & Son, Philadelphia.
 A. M. Dodge, J. G. Clark, Clark & Dodge, Tilton,
 N. H.
 Joseph Walworth, Lawrence, Mass.
 Samuel Wallin, Amsterdam, N. Y.
 W. McCleary, Amsterdam, N. Y.
 J. A. Howgate.
 Howgate, McCleary & Co.
 H. Heynemann, late president the San Francisco
 Pioneer Woolen Factory, San Francisco, Cal.
 Rio Vergen Manufacturing Company, St. George,
 Utah.
 Richard Bentley, superintendent St. George,
 Utah.
 Samuel Thomson's Nephew & Co., New York.
 Wm. F. Perry, of Forest Mills Company, Bridg-
 ton, Me.

[From The American Reporter.]

To the Ways and Means Committee:

Having promised the Ways and Means Committee that we would send them a statement of the proportion of woolen machinery in the United States represented by the recent petitions to Congress circulated by the American Reporter, we have had a careful calculation made by one of the clerks in our office with the following result:

"BOSTON, January 17, 1890.

"This is to certify that I ascertained from Dockham's Directory the number of sets of cards represented by each of the signers of the petition in favor of free wool headed by Mr. Jesse Metcalf, and the petition in favor of ad valorem duties headed by A. D. Juilliard & Co. In the case of dry goods commission houses, I was particular to deduct any machinery represented by manufacturers already accounted for. Some of the signers, as for instance braiders, knitters, and weavers, having no preparing or spinning machinery, are represented in this calculation by spindles, looms, etc. Thus I found the total number of braiders 1,300, looms 2,429, hosiery machines 1,004, combs 165, and spindles 80,948, and in addition thereto 2,374 sets of cards. I am told that the 1 300 braiders, 2,429 looms, 1,004 hosiery-machines, 165 combs, and 80,948 spindles would be in all equivalent to 996 sets of wool-cards. This would make the total amount of machinery represented by the two petitions in favor of a revision of the tariff in the direction of reduced duties 3,328 sets of cards.

"GEO. P. ELWELL."

"SUFFOLK, ss.:

"JANUARY 17, 1890.

"Then personally appeared the above-named George P. Elwell, and made oath that the statement above subscribed by him is true to the best of his knowledge and belief

"Before me,

ARTHUR H. WELLMAN,
"Justice of the Peace."

The total number of sets of wool-cards reported in Dockham's Directory is 7,915, but the whole amount of wool machinery in the United States is probably equivalent to 10,000 sets of cards.

All of the signers to our petitions, whose names have already been printed in full in the Reporter, meant that there should now be a revision of the tariff in the direction of reduced duties. But we are perfectly willing to admit, and have already admitted, that some of them care far less about any theory of tariff revision than they do that the ratio between the duties upon wool and goods should be right. If Congress should give the manufacturers a thoroughly protective bill, even with higher rates of duty, at the present session, then the demand for free wool another year would be weaker. But if Congress fails to give our manufacturing industries such a bill, then a petition for reduced duties may be expected in the winter of 1890-'91 which will surpass in force and magnitude anything of the kind which has been attempted within a quarter of a century.

For ourselves we confess that we have no hope of permanent relief for our depressed woolen manufacturing industry, and for that portion of the wool-growing interest engaged in farm sheep husbandry, except by a revision of the tariff in the direction of an entire removal of the duties upon wool or a substitution of ad valorem in place of the present specific form of duty. The recent statement of president Philip L. Moen, of the great Washburn & Moen Iron Works, of Worcester Mass., will apply equally well to the wool trade. Mr. Moen referred to the necessity of reducing the duties on imported ores and Bessemer steel, and declared that the position taken by himself and other Republican manufacturers is entirely consistent with their previous records. "In Republican conventions for years," said he, "it has been stated over and over again that the tariff needed revising, and the point at issue has been as to who should be trusted with the revision—its friends or its enemies. We have said all along 'Give us a Republican President, a Republican Senate, and a Republican Congress, and we will remedy the faults in the present tariff laws,' and that is exactly what we are laboring for now."

STATEMENT OF J. F. GIBBS.

The committee met pursuant to adjournment.

Mr. J. F. GIBBS, of Greeley, Colo., president of the Colorado Wool Growers' Association, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I am to state a few facts concerning the cost of raising wool in Colorado, the cost of marketing the same, and the present condition of the industry there.

My ranch is situated in northern Colorado, about 80 miles northeast of Denver, on the South Branch of the Platte River, about 50 miles south of the boundary line between Nebraska and Wyoming, about midway of the United States north and south. The average number in our flocks is two thousand. Most of the wool-growers in our vicinity own but one flock. We sometimes see statements of the profits of the business figured upon the basis of flocks of all young ewes. There are no such flocks there. In a flock of two thousand usually one-third are lambs or less than one year old; two or three hundred, or usually more, wethers; and one thousand, usually less, are breeding ewes.

I have seen 1,000 or more lambs accredited to 1,000 ewes—on paper. In 1,000 ewes of all ages out on the plains some die, some for some reason do not have lambs at all, some refuse to own their lambs, some lambs refuse to suckle, some are still-born. So that a gain of 700 in lambs is very unusual in such a flock. Taking into account the loss in old sheep throughout the year, a net gain of 600 is as unusual.

In the summary of expenses I give our herder \$30 per month and \$5 per month additional for board. Thirty dollars is the amount I am now paying, and have paid for some time. Some pay only \$25. Some in Wyoming and Montana give \$40. Five dollars per month for board is less by \$3 or \$4 than is usually reckoned. I have inserted \$500 for hay and grain for horses and sheep; this will keep two thousand sheep one month, but is generally enough. The amount necessary to cover these items is increasing every year. We put up more hay—chiefly alfalfa—we buy more grain, take better care of our sheep every way we can. No matter what the winter may be, when the new season opens there is no old supply on hand. In the statement I will now give you I shall include at first nothing for interest on sum invested in the business—take no account of special or unusual losses by disease or accidents. I will give only actual and necessary yearly expenses.

Statement of actual and necessary yearly expenses in running a flock of 2,000 sheep in Northern Colorado.

One herder, twelve months, at \$35 per month	\$420
One farm hand, twelve months, at \$35 per month	420
Two extras, two months each, lambing and shearing, at \$35	140
Shearing, \$150; sacks, \$20, and twine, \$5	175
Salt, two tons	40
Interest on improvements or loss in wear and tear	200
Support of owner and family	1,000
Hay and grain for horses and sheep	500
Taxes	50
Total	2,945

If now we allow a credit of six hundred lambs, at \$1.25 each, we reduce thereby the balance of the account to \$2,195. Six and one-half pounds of wool per head is better than the average clip of the past, though the average is rapidly increasing because of the better grading of our flocks. This gives us 13,000 pounds of wool, produced at a cost of \$2,200, or very nearly 17 cents per pound.

This is the cost of the wool at the Colorado ranch; to get it sold at the sea-board requires an additional expenditure of about 5 cents per pound. Every year previous to this, I think, it has cost me not less than 2½ cents for freight, the commission is 1 cent per pound; storage, drayage, insurance, and interest on advance made by the commission men usually raises these expenses to 5 cents per pound. Our wool then costs sold at the seaboard 22 cents per pound. In a rough way 3 pounds of our wool in the dirt and grease is reckoned as equivalent to 1 pound scoured. Our wools scoured costs about 66 cents at the sea-board.

Suppose we allow the usual interest of 10 per cent. on our plants, the interest we have to pay, except where we pay more, thus would raise the cost of running such a business to \$3,200, as our plants cost us about \$10,000. This would raise the cost of the wool in Colorado to nearly 25 cents; sold, at the seaboard to nearly 30 cents, and scoured to nearly 90 cents.

We can not care for our sheep as they ought to be and secure anything for a rainy day at much less than 20 cents net. Every one is desirous—even the wool-grower desires—to be put in the way of recovery in case of contingencies that may arise. Some say, you have free range and often no winter—you ought to be able to compete with the world. We have other things free besides, among them free blizzards, free hail-storms, free sleet-storms, lambing time, free prairie fires, free sand-storms to scatter sheep even in summer time, free wolves, wild cats, and in places free bears and mountain lions, herders, who are freest of all, free diseases, like scab and grub in the head. Shall I explain some of these things more precisely?

I am here to-day, not Mr. Wight, of Trinidad, who was chosen to come. I quote from his letter written November 20 in reply to one written October 31, and less than three days distant from his home, condensing and omitting, yet only to get precisely what is wanted: "I had gone to the ranch before yours of the 31st came to hand; have been snowed in on the ranch ever since; got home yesterday. Had one of the worst blizzards the country ever experienced. Had twenty-five horses frozen to death, and their herder. Loss in sheep so far nothing; but if winter continues severe losses will be heavy. My business requires my personal attention." One day several years ago I saw a dense, black smoke across the river from my ranch and lower down. When fully explained, it amounted to this: The prairie caught fire, the wind was blowing strong, a flock of sheep in the path of the elements was unable to escape them. Fifteen hundred sheep lay dead and died because their mouths were so sore they could not eat.

A cloud bursting at night near a corral in which sheep were penned for the night, before the sides of the corral could be torn away or the sheep otherwise removed a large proportion of three thousand were drowned. One summer's day a hail-storm passed, stones of enormous size fell; one was weighed that weighed nearly sixteen ounces. Roofs were broken: boards splintered; one horse had his skull broken; one flock of sheep left a pile of fifty dead, and lost in all, in consequence of that storm, one hundred and twenty. A winter's blizzard drove a flock of sheep over a railroad embankment. Eighty dead were taken out afterwards. My own flock in seven years has failed of reaching their corral at night three times; twice besides would have failed except for timely aid. Once they were lost in about a foot of snow, and found 5 miles away. They were away that time six days. Had the wolves found them many of them would have been away forever. Two lambing seasons I have seen storms, lasting three days, in which scarcely a lamb dropped was saved except where unusually sheltered.

I think now that a few facts will enable you to judge at once what must be the present condition of the business in that country. Wool was sold in Colorado this year at 15 and 16 cents, last year from 11 to 14 cents, the year before at about 15 cents. You can see that the interest on our investment has been a minus quantity. That most of us have had to support our families on less than \$1,000. Other facts only add to the emphasis of these statements. There is hardly a man in the sheep business to-day who for the last six years has been dependent upon his flock for a living. There have not been any important improvements made by such an one, so far as I know, in as many years. All other sheep than the merinos have been forced from the field, with only here and there an exception, in favor of the mutton breeds.

Ten years ago the coarse-wooled American sheep were abundant. The low duty on carpet wool has driven them all from the field. They were the poor man's sheep, good rustlers, good mothers, and prolific. They were the sheep for plain lands where there was no chance to put up hay for winter. But when 4-pound fleeces had to sell at 10 cents per pound this breed of sheep had to go. One of the flocks of sheep nearest me was held all through the fall and early winter, three or four winters ago, at \$1 per head. As the spring opened they were sold at \$1.65 per head. The wool on their backs and the lambs to be expected from them would pay for them. But they were not wanted. Many of us for years have continued in the business because we could not get out of it whole.

An ex-president of our association said in our last meeting that some of his neighbors in the last Presidential canvass bantered him to bet on the election. Just before the election I told one of them, said he, that I was ready. "You have 25,000 sheep and have I. If Mr. Cleveland is elected you may have my sheep, provided you will surrender yours to me if Mr. Harrison is elected." He remarked in explanation that he did not consider that he risked anything, but if he gained he gained the whole. If Mr. Cleveland should be re-elected, he said, he did not consider his sheep of any value. I tell you, gentlemen, the majority of us felt that in the last Presidential election every dollar invested in sheep was staked upon the issue.

So far as I have been able to learn, sheep raising in Nebraska and some adjoining States is a thing of the past. Sheep are still fed there in large numbers, but they are not kept there as stock sheep. A few years ago their flocks were numerous. In Colorado the larger owners have reduced their numbers in every possible way, many of the smaller owners have been forced out, all of us have gone through the last po-

litical change that they care to with sheep on their hands. Others may step in, but many of the older members of the fraternity have had enough.

There are hundreds of thousands of acres of plain lands in Colorado that are now vacant or soon will be. Some of it has been taken up by would-be settlers, but the rain supply is insufficient. The range-cattle business is doomed if for no other reason because the watering places have nearly all been secured by individuals and fenced. It requires three or four acres of this land to support one sheep, thirty or forty to support a cow or horse. It is good for nothing except for grazing until it can be irrigated. Much of it can never be irrigated. Refuse to protect the wool-grower and much of this land will soon be given up, where it is not now, to the coyote and prairie dog, to the jack rabbit and antelope.

I am at home in matters connected with the conduct of our business on the plains. With other matters that will come up for discussion before you I know less. But in this wool men are agreed; that is, we must have relief or go to the wall. It is as general an opinion that manufacturers need protection as well as we, and we want them to have it.

Mr. BAYNE. How much does it cost to transport that wool to Boston?

Mr. GIBBS. Two and a half cents. For years it has generally been higher than that.

Mr. BAYNE. And the wool you sell at 11 or 12 cents a pound could be delivered at Boston for about 13½ or 14 cents per pound?

Mr. GIBBS. Yes, sir.

Mr. FLOWER. I want to talk to you a little about that weather you have out there. Is this actually true about the weather that you have stated?

Mr. GIBBS. I have been there for ten years, and I ought to know about it.

Mr. FLOWER. I have been there two or three times, and they give it a different color, and say it is the only place in the world where consumption can be cured.

Mr. GIBBS. I will tell you in reference to that that you may be there for three hundred days in the year, and there is hardly a cloud to be seen from one end of it to the other, but we have these blizzards all the same.

Mr. FLOWER. I found that out in Denver, but the inhabitants told me they never had one before.

STATEMENT OF MR. E. N. BISSELL.

Mr. E. N. BISSELL, of Shoreham, Vt., next addressed the committee.

The CHAIRMAN. What is your occupation?

Mr. BISSELL. I am a farmer.

Mr. Chairman and gentlemen of the committee, By the request of Hon. Columbus Delano, president of the National Wool Growers' Association, I address you on the cost of foreign wools competing with American productions in American ports, and shall confine my statements to New South Wales, Australia. I take this colony, as I am more conversant with this by personal observation and interviews with prominent wool-growers that reside there. My personal observations were made in 1883, my last interview was with Mr. Samuel McCanghey, of Coonong, Urana, New South Wales, who visited Vermont in 1887 and 1888, and who made his headquarters at my home when purchasing merino sheep to ship to Australia. His home farm is located 400 miles from Sydney. He owns 1,200,000 sheep, which graze on 3,500,000 acres of land; 2,000,000 acres he owns, and 1,500,000 he rents of the government at 2 cents per acre, the lease running in some instances thirty-five years, and all permanent improvements made by him on this rented land is paid for by the government. He estimates that on an average it takes 3 acres of land to keep a sheep one year; and as they have no frost or snow during the year they require no hay or grain, and his farm being inclosed in paddocks or fields containing 1,000 to 2,000 acres, he requires no shepherd to herd his flocks. Mr. McCanghey has at different times in the years past hired others to keep sheep for him, and paying 9 cents per head for one year's keeping; and at this price he claims that the person keeping the sheep clears 3 cents a head, as he rents the land of the government at 2 cents per acre, and it takes only 3 acres to keep a sheep a year. Mr. McCanghey's sheep shear on an average 5 pounds per head, and it costs a trifle less than 2 cents per pound to grow wool in New South Wales, when you hire them kept, or a trifle over 1 cent when kept on rented land. The cost of transporting wool from Coonong to Sydney by rail is one-half cent per pound. From Sydney to New York or Boston by sailing vessels the freight is 1 cent per pound, and by steamer from Sydney to San Francisco, and thence by rail to our Atlantic sea-ports, costs 3 cents per pound, making the total cost of growing and transporting wool a trifle less than 5 cents per pound. Of course this does not cover the original cost of the sheep, shearing or baling the wool, which will not vary much from what it would cost here.

With these plain facts I think it will need no argument on my part to convince you that any lower duties on wool would be ruinous to the wool-growing industry of this country.

Mr. BAYNE. Mr. Bissell, you have sheep in Vermont?

Mr. BISSELL. Yes sir.

Mr. BAYNE. A good many of them?

Mr. BISSELL. No, sir; not a large flock, but a small flock of about two hundred.

Mr. BAYNE. How many sheep to the acre do you average?

Mr. BISSELL. I keep other stock. I have about sixty head of cattle and I have about ten horses. I have four hundred acres, but I do not keep to the full extent of the farm.

Mr. BAYNE. How many sheep have you?

Mr. BISSELL. About two hundred.

Mr. BAYNE. Your farm in Vermont can supply more, probably, than lands in New South Wales?

Mr. BISSELL. Yes, sir; the land in New South Wales takes 3 acres to keep a sheep, and the reason is the grass is cured during the wet season so as to stand during the drought.

Mr. BAYNE. So the conditions here in our country are more favorable than in New South Wales?

Mr. BISSELL. No; I claim New South Wales is the best sheep country I ever saw in my life. The land can be rented for 2 cents an acre from the government, and there is no feeding of hay.

Mr. McMILLIN. The climate here, the winter, is against you?

Mr. BISSELL. Very much, as we have to feed six months of the year.

Mr. McMILLIN. There they do not feed at all?

Mr. BISSELL. No, sir; they do not even salt the sheep. They have a salt plant there.

Mr. McMILLIN. They are even supplied with salt?

Mr. BISSELL. Yes, sir; I call it a salt plant; I do not know the name for it.

Mr. McMILLIN. You were asked about your farm. Do you keep your sheep for wool exclusively, or for selling the lambs, or selling the sheep for mutton or for breeding purposes?

Mr. BISSELL. My sheep are for breeding purposes. It is a stud flock.

Mr. McMILLIN. This is a flock to supply blood to other flocks.

Mr. BISSELL. Yes, sir.

Mr. McMILLIN. What do you sell your sheep at when ready for exporting?

Mr. BISSELL. Until the last four years my trade has been the home trade, virtually, but within the last four years my trade has been with Australia.

Mr. McMILLIN. What do you sell for export?

Mr. BISSELL. From the 1st of July, 1887, to the 1st of April, 1888, I sold ninety-nine to foreign trade, South America and Australia, amounting to \$6,280. For that ninety-nine head it was a good deal lower price than I used to sell to the home trade. I had sold my surplus sheep at \$125 a head, but that was about 1883 or 1884. To-day there is a good trade, but not quite as high an average.

Mr. BRECKINRIDGE. You consider your principal business is the raising of sheep for breeding purposes?

Mr. BISSELL. Yes, sir.

Mr. BRECKINRIDGE. What do you consider your competing country in this line of business?

Mr. BISSELL. There is no competing country.

Mr. BRECKINRIDGE. Is not Canada your competing country?

Mr. BISSELL. No, sir; they have no fine wools in Canada at all. They raise coarse wools, and they do not compete with mine.

Mr. BRECKINRIDGE. Is not Spain a competing country in breeding sheep?

Mr. BISSELL. No, sir; our sheep originated in Spain, but they are better sheep now than those imported from Spain.

Mr. BRECKINRIDGE. Neither England, France, nor Germany?

Mr. BISSELL. No, sir.

Mr. BRECKINRIDGE. I understand you to say this is the only country raising fine-grade sheep for breeding purposes?

Mr. BISSELL. No; they have finer wools in Germany, but they are not desirable for crossing in Australia. The result of crossing the merino rams with Australian ewes has been that without injuring the quality of the ewe it has increased the weight.

Mr. BRECKINRIDGE. This is rather more in detail than my question looked to. My point is simply, do the South American people buy breeding rams from any other country except America?

Mr. BISSELL. Yes, sir; from France and Germany.

Mr. BRECKINRIDGE. Then France and Germany are competitors with us for the raising of sheep for breeding purposes?

Mr. BISSELL. Yes, sir.

Mr. BRECKINRIDGE. Do you consider they are more favorably situated for raising breeding sheep than we are?

Mr. BISSELL. No; they are raising a different class of wool from what we are raising; that is, in regard to stud purposes.

Mr. BRECKINRIDGE. So that they do not compete in your class?

Mr. BISSELL. No, sir.

Mr. BRECKINRIDGE. Your breeding sheep are on the free list

Mr. BISSELL. Yes, sir.

Mr. BRECKINRIDGE. You have no protection on your main business at all?

Mr. BISSELL. No, sir.

Mr. BRECKINRIDGE. You are not asking for any?

Mr. BISSELL. No, sir; not on live animals any more than we have now.

Mr. GEAR. What does the fleece on your wool weigh per sheep?

Mr. BISSELL. They have averaged as high as 18 pounds, and in the last two or three years back it has dropped to 16. I have not kept them as well as I used to.

Mr. BURROWS. How do you send your sheep to Australia?

Mr. BISSELL. By way of London. When I first began shipping them I sent them by way of London.

Mr. BURROWS. How do you now?

Mr. BISSELL. By way of London. They are quarantined. They require all stock to be shipped from the port of London. They are inspected by the veterinary surgeon, who examines the stock in London to see if they are all right. If not they are slaughtered without compensation to the owner. When they arrive at Australia they are quarantined for three months, and if they are not satisfactory they are there slaughtered without compensation to the owner.

Mr. BURROWS. I gather from what you say that you have been in Australia?

Mr. BISSELL. Yes, sir.

Mr. BURROWS. You say wool can be produced in Australia and shipped to this country at 5 cents per pound?

Mr. BISSELL. Yes, sir.

Mr. BURROWS. To what market?

Mr. BISSELL. Boston, New York, or any Atlantic sea-port.

Mr. GEAR. How is that?

Mr. BISSELL. That is taking it at 3 cents a pound if it is shipped by sailing vessel.

Mr. LA FOLLETTE. State if you can the total amount of wool imported.

Mr. BISSELL. I am not acquainted with the statistics at all. I do not keep posted on that subject.

Mr. GEAR. Anybody can go to Australia and use land?

Mr. BISSELL. They can go there under the quarantine regulations.

Mr. GEAR. But you could go there and lease the lands?

Mr. BISSELL. Certainly.

Mr. GEAR. The government will permit that?

Mr. BISSELL. Yes, sir.

The CHAIRMAN. Where do you buy your sheep—from whom in Australia?

Mr. BISSELL. I take sheep to sell there; I do not buy there. But I can buy the average grade of sheep there at \$1 a head cheaper than here. But for our purpose, the breeding purpose, of course these are stud flocks, and it would make a difference.

The CHAIRMAN. How about fencing there?

Mr. BISSELL. The fencing is done mostly with wire fence and iron posts.

Mr. FLOWER. What is the quality of that wool?

Mr. BISSELL. It is fine in New South Wales. In Queensland they have mostly the coarse wool. Victoria and Tasmania have fine wool and New Zealand has coarse.

Mr. LA FOLLETTE. They take your sheep and increase the weight in order to maintain the business.

Mr. BISSELL. Yes, sir.

Mr. McMILLIN. What does that grade of wool sell for in this market?

Mr. BISSELL. I do not know exactly.

Mr. McMILLIN. What is your last observation made concerning it? I want to get at about the price.

Mr. BISSELL. You could get it better from wool dealers than from me, as I am not posted.

Mr. BRECKINRIDGE. You do not know what rate of duty it would take to keep up the present prices, provided that you assume the imposition of a tax would enhance the price?

Mr. BISSELL. I do not know that I exactly understand your question.

Mr. BRECKINRIDGE. I asked you if you knew what rate of duty would keep wool at its present price in this country at the rate you have quoted, imported at the figures you have given the committee.

Mr. BISSELL. I can not tell; it has been depressed generally up to this present year.

Mr. McKENNA. You have omitted some items of cost. Will you supply them?

Mr. BISSELL. I can supply the cost of shearing sheep there. The average price is 2 cents a head for shearing. They are not particular there about shearing the sheep close. They say, "What wool we leave this year we will get the next." Consequently they rarely shear them smooth.

Mr. BURROWS. I move we adjourn until to-morrow morning at 10 o'clock.

The motion was agreed to, and thereupon the committee adjourned until Friday, January 3, at 10 a. m.

COMMITTEE ON WAYS AND MEANS,
Friday, January 3, 1890.

The committee met pursuant to adjournment.

STATEMENT OF HON. THOMAS H. CARTER.

Hon. THOMAS H. CARTER, a Representative from the State of Montana, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee: I note with pleasure the presence of many persons qualified by special study and practical experience to furnish the committee with accurate data concerning sheep husbandry and the conditions necessary to its successful prosecution in this country. Not feeling thus thoroughly equipped, personally, I will at least have the merit of being brief, and will confine my remarks to the special locality from which I come.

The Rocky Mountain country, and particularly the easterly slope of that chain of mountains, is probably as well adapted to sheep husbandry, from the northern to the southern boundary of the United States as any section of country in the world. There is a combination of favorable conditions there not ordinarily found. The foot rot is not known in that high and dry country; the scab when imported is very readily exterminated, so that our flocks are healthy, and the flock masters as a rule have been successful and progressive. About one year ago, or probably it would be fairer to state two years ago, we had some practical experience in the effects which would follow a serious reduction in the tariff on wool. At the time the measure was pending before the House of Representatives to place wool upon the free list our sheep men became apprehensive that the measure might become a law in so far as wool was concerned; and the price of wool depreciating gave strength to this apprehension, and in consequence many of the wool-growers of that country sold their flocks at ruinous figures in some cases, and the sheep husbandry of Montana and that Rocky Mountain country received a very serious setback. The better prices in the last market season, however, gave renewed hope, and the industry is progressing there again. The competition apprehended by the people of that country is one which we could not meet successfully.

The best data we have been able to obtain indicates that the Australian can maintain his flocks at an average annual cost of about 9 cents per head, and the cheap labor in Australia will average probably, at a high estimate, \$7 per month per man. I have heard it stated that this was an overestimate of the wages of that country; but accepting this high estimate, together with the freight rates from Sydney to Boston and other points, it is instructive to compare the competition which free importation of wool would present to the people of the Rocky Mountain country. We pay sheep herders \$35 per month, and in many cases as high as \$50 per month, but I set down \$35 as a reasonable average. Owing to the severity of the climate during certain seasons of the year, one herder can not possibly care for more than two thousand sheep. That is a very large flock for one man to handle. Further still, the climatic conditions there existing require to be put up in the summer season hay sufficient to feed the flock for at least three months in the winter. It is not always necessary to feed them three months, but prudence dictates a preparation for that length of severe weather. In addition to the pay of the herder the flock owner is compelled to board him. He is compelled in addition to pay for the shearing of the sheep. The interest on his money invested in the flock will average at least 10 per cent. in that country. Repairs and use of sheds constitute an item, while the driving or hauling of the wool from the sheds to the station and the shipping of it is another. I have made some figures upon the expense annually under the conditions there existing of a single flock of two thousand head of sheep, not taking into consideration at all the value of the time of the flock owner. Herder's wages, at \$35 per month, \$420; his board, at an average cost of \$15 per month, would be \$180; 100 tons of hay put up, at an average cost of \$5 per ton, \$500; shearing 2,000 head of sheep, at an average cost of 7 cents per head, would be \$140; the taxes, which average about 20 mills in that country, on the val-

nation of \$1.50 per head, which is the average in reference to sheep, would make the taxes \$60; interest on \$5,000 (the value of 2,000 sheep in that market), would be \$600 per annum; repairs and use of sheds would be at least \$150 per annum; marketing the wool would be at least \$60. In addition there are various incidental expenses connected with the prosecution of that class of enterprise too numerous to give in detail, but which still in the aggregate make a considerable sum annually.

Mr. McMILLIN. What does it aggregate?

Mr. CARTER. It aggregates about \$2,100 of cash outlay per annum.

Mr. McMILLIN. That includes interest on the money?

Mr. CARTER. That includes interest on the money at 10 per cent. This does not, however, include the time of the individual owner of the flock. It will be seen from this statement the expense, and I have endeavored to keep within the limit of a fair average, it will be observed, I suggest, that unless we have freight and other conditions in our favor we can not compete on existing terms with the wool-grower of Australia, who can maintain his flock at 9 cents a head per annum.

Mr. McMILLIN. In that 9 cents you have not embraced interest charges?

Mr. CARTER. No, sir.

Mr. McMILLIN. Nor marketing?

Mr. CARTER. No, sir. I understand shearing is in addition to the 9 cents a head, which will make 2 cents per head for shearing. That would place the Australian wool in a marketable condition. It will be observed in the calculation here made I add \$60 for marketing the production, that is, hauling it to the railway station. Having arrived at that point, I find from the published wool schedules of the Northern Pacific and the St. Paul, Minneapolis and Manitoba Railways that we pay on wool in sacks, uncompressed, at a minimum of 10,000 pounds from points in Montana, taking Great Falls, which is about the center east and west of the wool producing district of that Rocky Mountain country, \$2 per hundred to Boston and common points. Wool compressed would be \$1.60. That would be a fair average from the State of Montana. From the best sources of information at my command I have ascertained that the rate from Sydney, New South Wales, to Boston by sailing vessel is 1 cent per pound, or \$1 per hundred, and the freight has been as low as 85 cents per hundred pounds from that point. It is probable that the rate from South American ports is lower, as the distance is much less, and the same mode of transportation is available. I have not been able to procure accurate figures concerning freight rates from South American ports.

I submit to the committee that the apprehension which was generally entertained by the wool-growers of our country while the measure commonly known as the "Mills bill" was pending before the House, was well founded in fact, and that the passage of that measure or the passage of any kindred measure seriously reducing the tariff on wool would effectually and absolutely drive the people of our section of the United States entirely out of the wool-growing industry. We have 3,000,000 head of sheep in Montana, employing a considerable population and yielding under conditions which give us 20 cents per pound for wool, a very fair remuneration to the individuals engaged in that business and the capital invested. The remuneration, however, to capital and labor is not extravagant, nor is it of such a character as will suffer a serious reduction. The conditions that have heretofore existed have resulted in the building up of that branch of industry in our country, and we are extremely solicitous that the prosecution of this industry be not impaired, and we know that any change of legislation may injuriously affect it.

Mr. McMILLIN. While on the subject of capital involved there, do you not know that the rate at which you have fixed the interest is above that which the law allows to be taken in a number of States of the Union—I mean the 10 per cent. alluded to?

Mr. CARTER. Yes, sir; I believe that is true; I know it to be true; but in Montana parties may by contract designate any rate of interest.

Mr. CARLISLE. You have estimated the capital invested in 2,000 sheep at \$6,000, which is \$3 per head.

Mr. CARTER. Yes, sir.

Mr. CARLISLE. Is that the average price of sheep in your country?

Mr. CARTER. That is about the average price. We sell with reference to the mutton market at less than that sometimes.

Mr. CARLISLE. What would be the average number of pounds of wool taken from 2,000 sheep in a year?

Mr. CARTER. Ten thousand pounds would be a fair average.

Mr. CARLISLE. And for that you get 20 cents a pound?

Mr. CARTER. No, sir; we have not received that of late years; but we received somewhat more than 20 cents a pound last year.

Mr. CARLISLE. Taking one year with another, what would be the average, say for five years? Of course it is like wheat and corn and everything else; sometimes it is higher and sometimes it is lower.

Mr. CARTER. I am not conversant with the average for five years past, as condi-

tions have been changing. I will explain the causes. Transportation in our country by rail character is of recent date, and our sheep ranges have been more or less remote from the railroad stations. The cost, therefore, of hauling by wagon to the stations has frequently been as high as 1 cent per pound; but as railroads have been constructed wagon freights have diminished.

Mr. CARLISLE. Is it usually sold at the station after being transported by the producer himself or usually sold at the actual place of production?

Mr. CARTER. It is usually sold at the station.

Mr. CARLISLE. To whom?

Mr. CARTER. To the agents of the Eastern brokers and manufacturers.

Mr. CARLISLE. Do not these agents visit the ranges themselves and make the purchases there?

Mr. CARTER. They undertake to do that. They travel through the country.

Mr. GEAR. Are not the purchases contingent upon delivery at the station?

Mr. CARTER. Yes, sir; in nearly all cases. I will explain, Mr. Carlisle, that the sheep are sometimes driven to the station and sheared at that point, and then driven back to the range again.

Mr. CARLISLE. From your information, has the price of wool to the producer in Montana during the last five years averaged 20 cents a pound?

Mr. CARTER. Yes, sir; probably; but I do not so state, as I have not carefully examined the average.

Mr. CARLISLE. If it yielded 20 cents a pound then the income to the producer from his wool would be \$2,000 on 10,000 pounds, would it not?

Mr. CARTER. Yes, sir.

Mr. CARLISLE. Yet, according to your statement, the expenses of a flock of 2,000 sheep, including nothing for the time of the owner and nothing for the incidental expenses to which you referred, and which you could not enumerate, amount, according to my addition, to \$2,140.

Mr. CARTER. Yes, sir; I think it amounts to more than that.

Mr. CARLISLE. Then the meaning of your statement is the wool industry is not a profitable one in Montana.

Mr. CARTER. The wool industry, if dependent entirely upon the proceeds of wool clipped, could not be maintained. We depend upon the increase of the flock for compensation to the flockmaster. The combined result of wool clips and increase of the flock indicate total proceeds.

Mr. CARLISLE. We are looking now to the duty on wool alone. It does not pay to produce sheep in Montana for the wool alone?

Mr. CARTER. I think not.

Mr. FLOWER. Have you a market for the lambs there?

Mr. CARTER. There is a limited market for lambs, which are sold to butchers for home consumption for the limited population around the mining camps. The exact prices I do not know.

Mr. FLOWER. They do not kill many of them, because they wish to keep the flocks increasing?

Mr. CARTER. No, sir. The only sheep we market are mutton—wether sheep.

Mr. CARLISLE. The local demand for mutton is very limited?

Mr. CARTER. Yes, sir; but we ship to Eastern markets.

Mr. CARLISLE. As the population is sparse?

Mr. CARTER. The population is sparse, and the flocks are distant from the centers of population.

Mr. CARLISLE. They are distant from the cities?

Mr. CARTER. They are sold to butchers as a rule at Helena, Butte, and other towns and cities, and the butchers usually keep a small flock in the vicinity of the market place.

Mr. CARLISLE. Are you actually engaged yourself in producing wool?

Mr. CARTER. No, sir. I have had considerable experience in the management of the kind of business under consideration, as I have been a stockholder in sheep companies to some extent. I have had personal knowledge of a management of a band of 20,000 head of sheep on one range in our country. In that case under the most favorable conditions that I have known in Montana, where the sheep were purchased at reasonable prices, with hay available in any abundance and sheds already constructed, capital without any practical limit, the owner with an experience of something over five years, this last season sold his entire flock of sheep with the exception of a few thousand and invested his money in cattle, finding that the sheep business was not as profitable a line of business as the cattle-raising.

Mr. CARLISLE. Do you not know that in every locality the people are going out of the cattle business and into the sheep business?

Mr. CARTER. That has been in the last six or eight months. As I have heretofore suggested, the price of wool has increased with the confidence of the country that the present tariff duties will not be changed.

Mr. CARLISLE. Do you know the present price of the class of wool you produce in Montana?

Mr. CARTER. I am not familiar with the present quotations in Montana; but I will state that the prices received there ranged from 19 to 23 cents a pound last year.

Mr. CARLISLE. Will you tell the committee whether these ranges are owned by the company who own the sheep?

Mr. CARTER. The sheep men of Montana usually locate under the homestead, pre-emption, or desert-land law, what is known as a home ranch, which is about 160, and sometimes it reaches as much as 640 acres. The larger tract is taken up under what is known as the desert-land law. That piece of land is selected with special reference to its hay-producing quality.

Mr. CARLISLE. And water?

Mr. CARTER. Yes; and water in the vicinity as well as the shelter of the locality. The land-holding is limited so far as the actual ownership is concerned.

Mr. CARLISLE. And they have free range from there?

Mr. CARTER. Yes, sir; free as the summer air.

Mr. CARLISLE. It is entirely free. Now, I understand you to say with this free range, which costs nothing, except the homestead, whatever that may cost, with an average price of 20 cents a pound in the last four years, does not compensate the wool grower.

Mr. CARTER. No, sir. The wool clip alone has not paid a profit on the investment.

Mr. CARLISLE. Now, if you take out entirely the \$450 which you pay to the herder—suppose that costs nothing; that you do not pay the herder—and the whole cost of shearing the sheep, could you still compete with the Australian wool-producer?

Mr. CARTER. The individual who could send out his boys to herd the sheep and induce his wife to assist in shearing, practically doing all the work necessary, could, of course, compete with any condition of affairs that would permit him to get a sufficient amount of flour to make bread to eat with his mutton; but he would not do that for the reason that an individual is not ordinarily willing to have his wife work in sheep shearing. His sons could be more profitably employed, and he himself could procure employment at other occupations that give him a fair remuneration.

Mr. CARLISLE. Of course I am not expecting that to be done. I am trying to find out what it is that prevents the sheep industry from being a profitable one to the wool-grower in Montana. I want to know whether this labor cost of \$450 a year for the herder, and that which you pay for shearing over and above what is paid elsewhere, or something less, which constitutes the difficulty in your way?

Mr. CARTER. It is a complication of causes and existing conditions which prevent it. The labor is one of the causes of considerable significance.

Mr. CARLISLE. Leave that out entirely.

Mr. CARTER. The cost of living constitutes an item of significance, inasmuch as \$15 per month for the actual supply sent to the herder is greater than would occur for a man in South America.

Mr. CARLISLE. Then your shedding.

Mr. CARTER. Shedding is rendered necessary by the occasional storms of great severity which sweep over that country. Then there is the fact of having to cut hay.

Mr. CARLISLE. Now, no tariff can remedy that, however high it may be.

Mr. CARTER. I think it could. No law can operate to remove some of these causes. For instance, it can not temper the climate or "temper the wind to the shorn lamb."

Mr. CARLISLE. Nor can it get rid of the hay and sheds.

Mr. CARTER. No, sir; but it can reduce the price of putting up the hay. It will induce increase of population and extension of the industry to such proportions as to supply our domestic consumption and reduce the cost on an American scale of competition.

Mr. CARLISLE. How?

Mr. CARTER. By a reduction of the cost of labor and living simultaneously.

Mr. CARLISLE. Do you think the tariff will reduce the cost of labor?

Mr. CARTER. No, sir; I do not think it will reduce it, as the cost of labor in our sparsely settled country is much in excess of the labor cost prevailing in a more thickly populated section of the country, but with increase of population and production in all branches of industry, the cost of labor and living will decrease.

Mr. CARLISLE. I have no doubt of that.

Mr. CARTER. We hope to have an additional population and greater diversity of occupations.

Mr. CARLISLE. And when an additional population comes into that country, it will be on account of the cultivation of this soil, which in a measure will diminish these sheep ranges.

Mr. CARTER. I beg pardon, however, for this suggestion. Our country is so remote from the sea-board that agriculturists will be at all times, I apprehend, depend-

ent upon the home market created by the increase of population in the mining camps along the mountains.

Mr. CARLISLE. For what?

Mr. CARTER. For market for our wheat and potatoes and all the cereals raised in a farming country. Until that population shall have been settled in these mountains we can not depend on the ordinary farming enterprise there. As a source of production for export from the State, agriculture does not engage our attention.

Mr. CARLISLE. Have not you got irrigation upon all the lands in the cultivation of crops of wheat, corn, and rye and whatever agriculture is produced? Will not inevitably higher forms of cultivation take the place of the sheep industry?

Mr. CARTER. It will. At present the herds are very large, and in some instances controlled by a combination of capital. The number of sheep will continue to increase in that country under favorable conditions as the population of the country increases and the number of farms increase. Grazing land will be abundant after all arable land is cultivated. That will be readily comprehended when I suggest that approximately only about one-fifth of the surface of the 146,000 square miles of country within the limits of that State is considered capable of cultivation and raising agricultural crops.

Mr. FLOWER. What is the lowest altitude?

Mr. CARTER. It will run down to 2,000 feet.

Mr. FLOWER. What is the highest?

Mr. CARTER. On the mountain tops probably 6,000 feet.

Mr. FLOWER. And Helena itself?

Mr. CARTER. Forty-two hundred feet above sea-level. The average altitude will range about 2,500 feet above sea-level.

Mr. CARLISLE. Have you finished that statement?

Mr. CARTER. I was going to say, in view of the fact that only about one-fifth of the surface can be successfully cultivated, leaving four-fifths for the range, it follows that every farmer settling upon the one-fifth arable lands will desire to the fullest possible extent a portion of the four-fifths remaining outside for stock range, and he will therefore confine himself to the sheep industry largely. Cattle are now owned by every farmer in Montana.

Mr. CARLISLE. How much of the four-fifths which you spoke of as fit only for range is unfit even for sheep raising?

Mr. CARTER. Not to exceed one-tenth part of the entire surface of the country is unfit for grazing.

Mr. CARLISLE. Four-fifths is not fit for cultivating and one-tenth of the whole is unfit for ranging?

Mr. CARTER. That is upon the very top of the mountains, the sides and the summits.

Mr. CARLISLE. You have stated the point I was trying to get at. Would it be more trouble for a man who cultivates a farm to produce wool from the sheep in connection with his other productions than it is for a man who has nothing but sheep on a range? Can not he do it at less relative cost to himself?

Mr. CARTER. I do not feel able without calculation and a good deal of reflection to answer that question. I believe that making the growing, shipping, and hauling of wool a mere incident to agriculture might make the cost or the loss less perceptible, and as giving greater variety to employment on the farm sheep raising would be profitable and desirable.

Mr. CARLISLE. That is to say, when this arable land is all settled, will not the people be compelled to invest money not only in sheep, but in the land itself, of which they now have the free use?

Mr. CARTER. It is quite probable.

Mr. CARLISLE. So you have not taken that into consideration in showing what the future of sheep raising must inevitably be in that country?

Mr. CARTER. Under the present laws much of the surface of Montana can never be regularly taken up in good faith and title acquired by individuals. Title to much of the four-fifths of the surface to which I have referred will, under existing laws, remain vested in the Government.

Mr. CARLISLE. It can be taken now under the desert land law.

Mr. CARTER. It can be taken, but the title can not be acquired, for the reason water can not be placed upon the land. It can not be taken under the desert land law, because the men can not get the water from the mountains to place upon the land to get it under cultivation.

Mr. CARLISLE. If the water can not be obtained, is it fit for grazing purposes.

Mr. CARTER. Most assuredly.

Mr. CARLISLE. In connection with other portions where there is water?

Mr. CARTER. Yes, sir.

Mr. CARLISLE. Suppose people come along and take up all the land under the law where the water is, then what is to become of that other land?

Mr. CARTER. That will call for the exercise of the most careful statesmanship. We hope that we can manage this.

Mr. CARLISLE. We are all supposed to be statesmen, and you are one of them, and I want to get your opinion about it.

Mr. CARTER. I think I could not justly plead guilty to the soft impeachment. I think our State legislature will take the necessary steps in regard to the exigency of our situation and provide the proper remedies for the purpose of preventing a monopoly of the banks of the streams by freeholders.

Mr. CARLISLE. By passing some water-right laws in regard to the same?

Mr. CARTER. By passing some laws by which herds may go backward and forward to the streams.

Mr. BAYNE. Unless that four-fifths grazing land is utilized for grazing purposes what use would it be good for?

Mr. CARTER. Unless it is so utilized the grass growing upon that land would be a positive menace and detriment to the surrounding country, as it would furnish a medium through which prairie fires would be communicated all over the country, which would be very destructive to the property of individuals.

Mr. BAYNE. It would be lost?

Mr. CARTER. Unquestionably an absolute loss.

The CHAIRMAN. Do you think the preservation of the wool industry in Montana is important to the agricultural interests of that State?

Mr. CARTER. I regard it as a matter of great importance to the continuance of the general prosperity of that State.

The CHAIRMAN. Let me ask you, if you had no tariff at all upon wool, what would be the effect upon the wool produced in Montana?

Mr. CARTER. The wool production would be absolutely destroyed there.

The CHAIRMAN. It would wipe you out.

Mr. CARTER. Unquestionably.

Mr. FLOWER. Does the Australian wool and the Montana wool grade the same?

Mr. CARTER. I think that the Montana wool is what is known as high-grade wool, that is speaking in a general way. The sheep have been graded up there so that the Merino blood prevails now throughout the State very generally.

Mr. FLOWER. Is that the same as the Australian?

Mr. CARTER. I think that the Australian clips are to some extent what is known as gloss wool. That is a small proportion of the production of that country, however, and that does not come in competition with us.

Mr. FLOWER. Is there any wool in Australia that does come in absolute competition with you.

Mr. CARTER. Yes, sir; I think the bulk of Australian wool.

Mr. FLOWER. Have you an English trade paper of last year from which you could state?

Mr. CARTER. I have not. I believe I would prefer to have some gentleman here present who has made a special study of that question to answer it with the information here given that the production of Montana is chiefly Merino wool.

Mr. FLOWER. One question more. You stated a new point, that Montana had conditions for raising wool which were equal to any in the country. This is simply a Western phrase as compared with Australia?

Mr. CARTER. I do not wish to be so understood. I will say this, that the health of the flock is such that many of the conditions which ordinarily harass sheep husbandry are eliminated entirely. The dryness of the climate enables the herder to pasture on the lands through all seasons of the year, unless when the snow falls very heavily. The hay, known as bunch grass, cures on the stalk, so that the grass seemingly as dry as a chip in February is still as nutritious standing on the ground as that cut the preceding August and stacked.

Mr. FLOWER. And your cattle feed along on that grass in the fall?

Mr. CARTER. Our cattle will fatten on it. If this weather continues I will guarantee the cattle owners can drive in beefsteers in the month of March from the range.

Mr. FLOWER. Are you acquainted with the Eastern snows in the winter?

Mr. CARTER. Yes, sir.

Mr. FLOWER. Your snow is different?

Mr. CARTER. It is different in this, that it is a much drier snow than that which falls at this low altitude. The lightness of the snow causes it to blow away in the high winds in the winter season and these flocks find the grass upon the ground.

Mr. FLOWER. They can put their noses in the snow and feed on the grass below.

Mr. CARTER. We regard a moderate amount of snow upon the ranges as a positive benefit in the winter for the reason the streams freeze over and the snow affords water to the flocks.

Mr. BRECKINRIDGE. What per cent. of the sheep in Montana are now held upon what is known as the ranch system?

Mr. CARTER. All of the sheep of Montana are held under that system, I believe. A ranch in Montana would be a farm in Illinois. We use that term indiscriminately as applicable to all farms or agricultural holdings.

Mr. BRECKINRIDGE. Have you a very large number of farmers now who raise sheep as a mere incident to farming, as in the older States?

Mr. CARTER. No, sir, not a very considerable number. The amount of attention required to carefully look after a large flock of sheep seems to make that a special industry.

Mr. BRECKINRIDGE. As I understand you, substantially, the sheep of Montana are in possession of those who make a business of sheep-raising; do nothing else except that which contributes to sheep-raising.

Mr. CARTER. Other lines of business and agricultural enterprises connected with the ranch are merely incidental to the sheep-raising.

Mr. BRECKINRIDGE. Instead of the sheep being incident to other business?

Mr. CARTER. Yes; only in course of time the reverse will be the fact.

Mr. BRECKINRIDGE. Such, I believe, has always been the experience of our States. What is the average size of the ranch in general terms—I speak of the number of sheep?

Mr. CARTER. The average number of sheep would probably run about two bands—about four thousand.

Mr. BRECKINRIDGE. The average number is about four thousand sheep to the range?

Mr. CARTER. Yes, sir. There are some ranges with a greater number, and some few that have only two thousand, and some fifteen hundred. I will say that in our country there is no line of business so readily engaged in as sheep-raising, for the reason the large owners are extremely anxious to divide their large bands by giving them to a prudent and careful man on shares, and the herder of this year becomes a sheep owner next year.

Mr. BRECKINRIDGE. Are the owners of the sheep generally residents of the State or non-residents?

Mr. CARTER. They are generally residents of the State, and live at the home ranch.

Mr. BRECKINRIDGE. Is no other considerable amount of outside capital invested by companies or corporations that conduct the sheep and wool business there?

Mr. CARTER. I know of very few non-residents of Montana who are thus engaged there.

Mr. CARLISLE. Could you let the reporter have these figures so he can verify them, or furnish them to him afterwards? Figures are sometimes very hard to get accurately.

Mr. CARTER. These figures I have used are approximations merely, and the reporter has taken them down.

Mr. BRECKINRIDGE. For the keep of your sheep, that is, so far as the wages of the herdsmen go, if they were gratuitous do you believe the ranch business would be profitable with any amount of protection.

Mr. CARTER. I do not know to what extent contributions would have to be made to the business to offset the protection. I doubt whether the mere contribution of the herdsman's pay would be sufficient, considering all the contingencies connected with it.

STATEMENT OF MR. A. E. SHEPARD.

Mr. A. E. SHEPARD, of Marathon, Tex., president of the Texas Wool-Growers' Association, next addressed the committee.

The CHAIRMAN. Please state your residence to the committee and your business.

Mr. SHEPARD. I am a wool-grower of Texas. I live at Marathon, in Buchel County, formerly called Presidio County.

Mr. Chairman and gentlemen of the committee, the subject assigned me by the president is our ability to produce carpet wools and the cost of raising wools in Texas.

These wools may be produced (1) in Texas and other Southern States; (2) in the Territories and southern California; (3) from the belly, skirting, and breech wools, from all the coarse-wool sheep; (4) from the quarter-blood sheep, and (5) from the inferior long-wool sheep.

This will be proved by at least four sources of evidence:

- (1) Official evidence.
- (2) Evidence of publications devoted to the interests of wool manufacturers.
- (3) Evidence of eminent wool-dealers.
- (4) Evidence of practical wool-growers who testify from experience.

CARPET WOOLS, OUR ABILITY TO GROW THEM IN THE UNITED STATES, AND COST OF PRODUCING WOOL IN TEXAS.

These wools are represented in the United States by the native Mexican sheep, or similar native sheep and their crosses.

Our competitors in these wools are the growers of southern Russia, South America, Turkey in Asia and Europe, the British East Indies, and small amounts from other countries.

I say most assuredly that with sufficient protection the United States can produce a sufficient quantity of carpet wools to supply the carpet demands of this country. The area upon which carpet wools can be grown profitably is nearly as large as the entire portion of the United States east of the Mississippi River, and consists of Texas, New Mexico, Arizona, Utah, southern California, and southern Colorado.

The region mentioned is peculiarly adapted to the raising or management of the coarse-wool (native) Mexican sheep, chiefly in immense herds; the topographical and climatic conditions being similar to those of foreign countries where carpet wools are produced.

Perhaps there is no sheep in the world so prolific, and that have the maternal instinct so strongly developed as the Mexican sheep. They can be made to quadruple in three years. I, myself, have raised 21,000 grade sheep in five years from 3,000 Mexican ewes, averaging as high as 90 per cent. increase in ordinary years, while at the same time I have not been able to raise over 40 per cent. of fine merino sheep, with the same climate and surroundings. The Mexican sheep are especially adapted to the arid plains and tablelands of the country that I have described, it not being suitable to the raising of cattle or other stock on account of its great lack of water.

To keep on in raising of carpet wools we should use the native Mexican ewes, with rams from Missouri, Kentucky, or Scotland, of the Cotswold, Shropshire, or other Down breeds.

As a considerable portion of the region named can not be irrigated for cultivation, and is not well adapted to merino or full-bred long-wooled sheep, it must be utilized to produce the carpet wools, or run to waste.

We also have a class of people along the border of the United States next to Mexico, extending from the Mexican Gulf to the Pacific Ocean, who are chiefly Mexicans, and they run their sheep in large herds in a primitive way, and do not have the ambition of the Americans to increase the wool-producing qualities of their sheep, and some of them have large numbers which would serve as a nucleus for an increase in the growing of carpet wools if the proper protection was granted us, so that the capital invested and the labor employed in raising of carpet wool would be equally remunerative as the same amount of capital employed in the manufacturing of wool or in raising the finer wools of Ohio and Pennsylvania. If we can have this protection there is no good reason why we can not raise all the carpet wool needed in this country. I quote from a speech made November 11, 1889, by Hon. William Lawrence, who says:

"It is practicable under proper fostering influences, and within a few years at most, to raise all the sheep and to produce substantially all the wool we need. We have the lands awaiting occupation for this purpose. From Mexico to the British possessions, from the Missouri River to the Pacific Ocean, are millions of acres that can be used for no other purpose and will be idle, uninhabited wastes unless so utilized."

He further says: "But can we raise all the carpet wools we need?" I answer "Yes, all we need; soon and very soon." In this I am fortified by abundant evidence. The Bureau of Statistics, in a recent elaborate, able, and instructive report on wool, etc., quotes from Mr. James Lynch, of New York, a recognized authority on wool statistics, this declaration: "It may be said that the coarse wools from any section may be used for carpets." The same report quotes with approval the statement of the profound and eminent statistician, J. R. Dodge, "that the carpet-wool product of the United States is almost exclusively the fleece of the sheep of Mexican origin, which are raised chiefly in Texas, New Mexico, Arizona, and certain of the Territories of the mountain region country situated between the Mississippi Valley and the Pacific slope."

A well-informed authority says: "Even for carpet purposes one of the largest manufacturers (of carpets) claims our wool to be the best (for carpets) and worth more intrinsically, but the demand for cheap carpets (in price, not in wear) prevents him using it." He then proceeds to say that even for the purpose of making the cheap and inferior carpets for such demand as there is for them, that 5,000,000 pounds of this (inferior foreign carpet wool; no more) may be a necessity; all the balance should be and can be raised here.

Texas had in 1884, 35,000,000 pounds of wool, and in 1887, 25,000,000 pounds, a shrinkage of 10,000,000 pounds in these years, or two-sevenths of her entire clip.

Texas had in 1884, 7,500,000 sheep, but on January 1, 1889, only 4,659,451, a decrease of 3,000,000—a decrease of six-fifteenths in five years, and this may be attributed to the

disastrous effects of the change to the tariff of 1883, and to the stupendous frauds in importations of wool-nails and wastes, etc.

It is a fact that fine merino sheep deteriorate in our southern climate, and do not as a rule keep up the length of staple and fineness of quality, as they do in a more northern climate where they are housed and fed in winter, and kept in a constant condition of thrift the year round, being run in small numbers in pastures that can be changed and renewed by frequent removals to fresh ones; the grain they consume is raised upon the same farms with them, and the cost is nominal, while with us we run our sheep in large herds, and at some seasons of the year they are likely to have poor forage by reason of droughts in winter and spring, together with now and then a norther that sometimes creates sad havoc with our flocks, and in consequence our sheep become thin in flesh, and as a result, weak spots in the staple. If we had to import corn to feed them it would cost almost as much as they are worth, as the price of corn at my place is now from 75 to 80 cents per bushel. The excessive railroad freights is the cause of this.

To keep up our flocks to the same standard of fineness, strength, length, and density of staple production, we must annually import Northern and Eastern rams at a large expense, and in this way introduce new blood to replenish that which is being deteriorated by climate and other causes. Owing to the depreciation of our business we have been driven to use commoner rams, and have been raising for the last few years a quality of wool that is being supplanted by the finer qualities of carpet wools (or by those wools that have been imported under the name of carpet wools), which, together with ring wastes, are supplanting and taking the place of our short Texas wools, and where we used to sell large quantities to the hosieries and jean mills we now sell but very little. So true is this, that even Texas, in about the only mill in the State, situated at Waco, they are using to-day imported third-class wools to take the place of the coarse medium wools that I used to sell to the same mill; and what is true in this case is equally so of many mills in Missouri and elsewhere, the importing of clothing-wool as third-class wools, noils, and wastes under the duties of 1883, has driven us since then to try to grow the fine clothing wools of Ohio, Pennsylvania, and other Northern States, but from my own experience and that of many others in our section we find it impossible to grow these wools, especially in the sections where our soils are of the chalky, alkali nature, for the dust of such soils invariably makes the growth of fine wools coarser and harsher; but in the central and eastern portion of Texas they can and are growing fine wools and are coming into competition with the growers of fine clothing wools, and if I am rightly informed, Ohio and those States adjoining her are forced into raising the medium wools also, and thus the importer of clothing wools as third-class wools comes in direct competition with the growers of Ohio, Pennsylvania, and Michigan, as well as those of Texas and the Territories.

What we need in Texas and the Territories is sufficient protection to grow the medium or coarse clothing wools and the better or finer sorts of carpet wools (or in fact all the carpet wools).

Ohio, Pennsylvania, Michigan, and the Western States and Territories should not be forced to come in competition with Australian and similar fine wools, for the cost of growing wool in Texas, which is nearer like Australia and other foreign countries that are competing than any other portion of the United States, is from 15 to 18 cents on fine wools. I have itemized figures to submit if necessary, and attach them hereto:

First cost of raising wool with 18,000 sheep, shearing 6 pounds each, producing 180,000 pounds of wool. Value of sheep, \$2 per head.

[By A. E. Shepard, at Iron Mountain ranch, Marathon, Tex.]

Eighty-six thousand acres of land leased at 4 cents per acre.....	\$3,440
Twelve herders, at \$21 per month, including board.....	3,024
One bossier, at \$25 per month, including board.....	300
One foreman, at \$75 per month, including board.....	972
One boy to pack water, salt, move camps, etc., at \$16.....	192
One man, \$31, teamster and extra hand.....	372
One person, work in house, \$25.....	252
My own labor and board.....	2,000
Forty-eight extra men, \$21, lambing fifteen days.....	1,512
Shearing twice a year, 3½ cents per head each time.....	1,260
Ten extra men twice a year, \$25 per month, shearing.....	399
Five hundred gallons sheep-dip, at \$1.25 per gallon.....	625
Six extra men forty days, \$25 per month and board.....	200
Six hundred sacks and seven hundred pounds twine for wool.....	296
Interest on investment in sheep and horses, at 10 per cent.....	3,700
Grain to feed horses and rams.....	275

Interest \$20,000, cost of improvements, at 10 per cent	\$2,000
Losses of sheep, at 6 per cent., 1,080 head, at \$1	2,160
	22,979
Less 6,000 lambs, at \$1 each	6,000
	16,979

Cost of producing wool, $15\frac{3}{4}$ cents per pound; cost of getting to market and selling, $3\frac{1}{2}$ cents, or total of $19\frac{1}{2}$ cents per pound.

Cost of raising wool with 5,000 sheep, shearing 7 pounds each, producing 35,000 pounds wool; value of sheep, \$1.50 per head.

Twenty-five thousand acres land, 10 cents an acre, lease	\$2,500.00
Four herders, \$25 a month each, including board	1,200.00
One foreman, \$35 a month, including board	420.00
Shearing twice a year, 6 cents each time	600.00
Fifty sacks salt, \$2.25	112.50
Extra labor, etc.	250.00
Dipping twice	200.00
Grain for horses and rams	75.00
One hundred and seventy-five sacks and 200 pounds twine for wool	100.00
Freight on wool from ranch to Galveston, $1\frac{1}{2}$ cents	525.00
Expense of selling wool, storage, and insurance, 40 cents; $2\frac{1}{2}$ cents commission ..	245.00
Incidental expenses (cooking outfit, worm medicine, etc., tar, repairs, wagons, barrels, tents	200.00
Losses of sheep, 10 per cent	750.00
Interest on investment, sheep and horses, 10 per cent	800.00
	7,977.50
Less 1,500 lambs, at \$1 each	1,500.00
	6,477.50

Cost of producing wool, $18\frac{1}{2}$ cents per pound.

Total cost of getting the wool to market and selling same is $3\frac{1}{2}$ cents per pound, or total cost to market my wool of $18\frac{1}{2}$ cents per pound. And to grow and market similar wool in Menard County, 200 miles further east, is $19\frac{1}{2}$ cents per pound.

The cost of raising sheep in Texas of the class I have is from 90 cents to \$1 per head per annum, while in Australia it costs only 30 cents per head or 6 cents per pound, as sheep can be kept in large or small numbers there at 9 cents per annum per head (and the average of each sheep is 5 pounds of wool). It costs 2 cents per head to shear them, and one-half per cent, per head to get their wool from 500 miles inland to their ports of shipment, and from one-half to 2 cents freight from such port to our ports, thus bringing the cost of their wool to not more than 6 cents per pound, or, in other words, to no more than one-third the cost of our better Texas wools.

Thomas Scott, a prominent wool-dealer of New York City, in a letter of December 31 to Hon. Columbus Delano, says:

"We can grow carpet wool; and in 1885, when coarse wools of Missouri, Indiana, and Kentucky were at a low point, all the low edge of these wools were used in carpets, but since then the large cheviot demand has taken all our coarse domestic wool and a large amount of so-called carpet wool. And this shows not only that we can produce the carpet wools, but that the better class of imported carpet wools are in demand for clothing goods. Our wool-growers want a market for this 'skirting wool'; they do not want the market of this wool ruined by the competition of foreign carpet wool."

Again, Professor Dodge, in a letter dated October 1, 1888, addressed to Hon. J. M. Rusk, Secretary of Agriculture, says:

"With our sectional experience with improvement of farm animals in many sections so painfully slow, there will long be a proportion of coarse wool suitable only for carpets. I know there are those who claim that such unimproved sheep are hardy, suited to districts of scanty or rough herbage where neither English nor merino would thrive or be profitable; they will also live and thrive under careless or neglectful usage, while sheep bearing fine fleeces would decline and prove unprofitable under similar circumstances."

In another letter of Professor Dodge, dated November 11, 1889, addressed to Hon. William Lawrence, of Ohio, after referring to cotton, etc., says: "Another important industry is the manufacture of wool, for which the South is well adapted. The farmer

should pave the way by entering actively into wool-growing. In cotton-seed, field-peas, winter forage, etc., the cotton States have the advantage of every other section of the country for the combined production of mutton and wool from Cotswold and Down families or crosses between them and the native long-wooled sheep, now available in small numbers. The price of good mutton in the markets of the cities and the rapid increase in the numbers slaughtered are indicative of the possibilities in this branch of the industry. The grasses of the South, many of them peculiar to the region, are nutritious and valuable, especially should this region undertake at once the supply of all the carpet wool required by our manufacturers, which is now about the only foreign wool manufactured in the United States. Indeed, not an ounce of any sort of wool need be imported; there would be returned the profit on its manufactured cloth at reasonable price, could be worn by all, and the money for the purchase would be retained in the country."

Here, then, is abundant official evidence of our capacity to produce all carpet wools needed under sufficient protection.

The general ground on which it is claimed our wool-growers will not raise carpet wools is that they are produced by the native Mexican sheep, or native wild sheep in other countries, producing a coarse, hairy, kempy wool of little value, and that improved sheep can be grown more profitably.

In wool statements before Senate Finance Committee, January, 1889, page 100:

"With a hundred million sheep, as we should have, with vast herds in Texas and the Territories, the native sheep slightly improved, grazing without shelter the year round, there will be a sufficient number of coarse sheep to produce all the coarsest carpet wools required."

Also in the same statement (page 66) it was practically admitted by one of the largest carpet manufacturers that the native carpet-wool sheep have all or nearly all been improved by the admixture of merino or English blood. The statistics show that much of the so-called carpet wool as imported is so valuable that it is difficult to distinguish it from clothing wool.

The whole importation of the real native coarse and hairy carpet wool it is very hard to get at, and I have no way to get at the exact amount, and the carpet wool our growers would produce would be something superior to the foreign, and if a proper duty would compel its use rather than the foreign neither the manufacturers nor the consumers of carpets would suffer any loss. It would only be a substitution of a better article worth all it would cost.

The evidence of one of the leading low-tariff papers devoted mainly to the interests of manufacturers. The Boston American Wool Reports of September 19, 1889, says:

"Carpet wools are produced to only a slight extent in the United States, and it is merely a question of opinion whether such wools might not have been grown here more largely if the tariff had not discriminated in favor of merino wools and against the development of every other breed of sheep, than the merino in all these years since 1867. A few wealthy carpet manufacturers have been very powerful in shaping wool tariff legislation in the United States during the last twenty-two years, and have so discriminated as to secure their wool at a tax one-quarter as great as that enforced upon the raw material of the cloth manufacturer."

A Philadelphia correspondent in the Boston American Wool Reporter of September 26, 1889, says: "We not only grow carpet wool in Mexico, Colorado, and parts of Texas, but wherever one-fourth blood wools are grown, we have the breech and belly wool, which is carpet stock, and the skins of the coarser grades of sheep are excellent for the manufacture of fine gloves. For the last fifteen years our coarse-wooled sheep have steadily kept decreasing, because of the low duty on the so-called carpet wools, the better grades of which are used for clothing manufacture, taking the place of our home-grown coarse wools."

It has been shown that we need and should have in the United States a hundred million sheep. If we had eighty millions with the proper proportion of merino sheep to produce merino clothing wool in the older States, with the long wool and superior mutton sheep partly in all the States, but more largely in the Gulf States, with improved merino and quarter-blood sheep in Texas, the Territories, the new States, and on the Pacific Slope, the skirting belly and breech wools, with what is grown upon the Mexican sheep, would produce all the carpet wool we need. The Southern States would produce short wools, and the Northern States long wools. * * *

Twenty years ago long wools were raised in Colorado and New Mexico; fleeces run from 5 to 8 inches length of staple, and 7 to 10 pounds weight of fleece.

THE EVIDENCE OF PRACTICAL WOOL-GROWERS WHO CERTIFY FROM EXPERIENCE.

Practical experience can not be mistaken. Carpet manufacturers, learned and useful in their valuable industry, as they are, but when without actual experience in the wool-growing industry can not have that full reliable knowledge which we must concede to

men who from a practical experience certify that American wool-growers can, and with fair and adequate protection will, produce all the carpet wools required in the United States. To this effect I now present the testimony of such experts, men of intelligence and candor, and who know whereof they certify.

I present this evidence as follows:

(1) Letter of S. J. Woodhull, of December 2, 1889, an experienced wool-grower of Texas.

(2) Letter of W. J. Black, also a prominent wool-grower of Texas.

(3) Letter of J. F. Gibbs, president Wool-growers' Association of Colorado, and a prominent grower.

(4) Proceedings of a meeting of wool-growers of Menard, Schleicher, and Sutton Counties, Texas, held at Fort McKavett, Tex., November 30, 1889.

One of the largest wool-growers in Texas, living at a point 230 miles southeast of my home, is Capt. S. J. Woodhull, who, in answer to the question "Can Texas and the Territories produce all the carpet wool needed in the United States?" in a letter dated at Spofford, Tex., December 2, 1889, addressed to Hon. William Lawrence, of Ohio, says:

"Would give as my opinion that with proper protection Texas alone would be able to produce and would produce all the carpet wool that there could be a demand for. The tendency has been here more to a different class of wool, as the demand has not called for carpet wools. With protection enough to ensure a fair price and steady demand, the business would receive such an impetus as would place the supplying of the United States beyond a shadow of doubt. After an experience extending over a period of twenty years I am firmly convinced that this is the natural home of the carpet-wool sheep, and that adequate protection would open up a great future for that branch of the industry in Texas and the Territories. The only and sole reason that no more carpet wool is raised here is that so much has been imported under fraudulent classifications as to destroy the demand here at living prices. All of the material for the business is here, needing only the certainty of returns for the capital invested that is now employed in other business to induce men of capital and experience to engage in it. In my opinion two years after adequate protection is enforced will see Texas and the Territories producing enough carpet wool to supply the demand of the United States and to spare. These are my views and I believe the views of every intelligent sheep man north of the Rio Grande, and if you can place them before the world in shape to win their recognition you will be doing us an everlasting favor.

"I remain yours respectfully,

"S. J. WOODHULL."

Col. W. L. Black, in a letter dated Fort McKavett, Tex., November 15, 1889, addressed to Hon. William Lawrence, of Ohio, says:

"DEAR SIR: Replying to your inquiry of the 6th instant, I beg to say that in my opinion there is no doubt that Texas and the Territories can produce all the carpet wools that are needed by our manufacturers. Indeed, I may say that the popularity that mutton is assuming in the markets of our country will justify the raising of coarse-wooled sheep, which in the past has been unprofitable to many of the older States. I would remark that there is a belt of country in the border of the Rio Grande that is peopled by a Mexican class of inhabitants who are carrying on very much the same state of sheep husbandry as is followed in old Mexico. These Mexicans have large herds of sheep and run them in their nomadic way, and are contented with a comparatively less price for their wool.

"Without exaggeration, I think the election of a Republican protective Administration has added \$100,000,000 to the wealth of our nation in the advance of our sheep alone, and I am convinced that it will take but a few years to recover from the fearful losses that resulted from the unfortunate change in the tariff of 1883.

"Very respectfully,

"W. L. BLACK."

J. F. Gibbs, president of the Wool-Growers' Association of Colorado, in a letter dated at Greeley, Colo., December 1, says:

"DEAR SIR: In answer to your question contained in your favor of November 22d, will say that there are in our vicinity hundreds of thousands of acres of range now vacant, and other hundreds of thousands of acres almost vacant, and which will very likely soon be entirely so, where sheep of any and all kinds could be ranged, provided it could be made profitable by a well-regulated tariff to do so.

"Yours,

"J. F. GIBBS."

On November 30, 1889, since leaving my home, the wool-growers of Menard County, Texas (a point 200 miles northeast of my home), have held a meeting and expressed their appreciation of affairs as forced upon them by their practical experience, and I beg leave to read you the preamble and resolutions unanimously adopted at that meeting:

"Whereas there is evident intention on the part of a certain class of wool manufacturers to demand free wool or low ad valorem duty on the same; and

"Whereas carpet manufacturers are endeavoring to convey the impression that our country is not capable of raising carpet wools profitably; and

"Whereas the price of American wool is now governed to a large extent by the prices current in foreign markets and our manufacturers are therefore not burdened with any taxation except upon a comparatively small deficiency existing at present in the American supply; and

"Whereas the rapidly increasing demand for mutton in our larger cities will make it possible in the future to produce the coarse (carpet) wooled sheep profitably: Therefore, be it

Resolved, That we appeal to the wisdom of Congress not to repeat the sad experience that followed the change in the tariff of 1883, which resulted so seriously to our industry, and is entirely responsible for the present deficiency in our wool product.

Resolved, That the arguments advanced by the few designing wool manufacturers and wool dealers for free wool, or a reduction of the duties below a protective basis, are untrue, and are prompted by a selfish desire to demoralize the wool business of the United States for their own selfish purposes.

Resolved, That since the election of President Harrison, under an assurance of protection to American industries, there has been a return of confidence in the wool-growing industry and an increase in the value of sheep amounting to more than \$50,000,000 in the aggregate.

Resolved, That we strongly recommend the adoption of a scale of duties similar to the tariff of 1867; and it is our opinion that if such is adopted, and the tariff so amended as to prevent the fraudulent importations of wool under the name of wastes and noils, it will be but a short time before there will be a surplus in our wool product.

Resolved, That any reduction of duty below a protective basis, viz, 10 cents a pound, or a change to an ad valorem system, will have a tendency to shake the confidence of the wool-growers and would result disastrously to the wool industry.

Resolved, That we recommend an advance in the tariff on worsted and worsted manufactures to a point that will protect the American manufacturer; and we also recommend that sheep pelts and goat skins and other incidental products of the sheep and goat industry be taken off the free-list and restored to the tariff. Also that the duty on live sheep be advanced from the present duty, 20 cents ad valorem, to a specific duty of \$1 a head."

I wish to show by the letters introduced and the preamble and resolutions read that the wool-growers of the different sections of the country in our State agree with me in the statement we can grow all the carpet wool needed in the United States if guaranteed an adequate protection with other industries.

BURBANK & BABBITT,
Fort McKavett, Menard County, Tex., December 24, 1889.

DEAR SIR: Replying to your favor of the 15th, asking what it costs me to grow wool, I send you the inclosed estimate, which shows the cost to be 18½ cents a pound. Though this seems high, yet it is really a very conservative estimate, as I have charged nothing for my own services as manager, which should really be included, and have only put the use of the land at 10 cents an acre, including improvements, which is less than land is leased here at without improvements. I have and use for my sheep over 35,000 acres, but have counted but 25,000. I have only valued the sheep at \$1.50 a head, and have underestimated all expenses rather than put them larger than they really are. I have figured the cost of selling the wool and freight at just what it costs me, if wool is sold on arrival at Galveston; but my wool has usually been held some months at my expense, and I have to pay inter-est on freight, as well as increased cost for storage, insurance, etc. You know enough about sheep-raising that you can explain this statement if anything is not clear enough. Call the attention of the committee to the cost of freight in getting our wool to market. It costs me 1½ cents to Galveston, and then 60 cents per 100 pounds or more to Boston, while wool from Australia or London can be laid down there for less than a cent a pound. Hoping this statement will be of assistance to you and the wool-growing industry, I am,

Respectfully yours,

C. G. BURBANK.

Capt. A. E. SHEPARD.

Also, the average sheep do not shear 7 pounds, while expenses are nearly as great, except in the case of very coarsesheep, which class of wool can be raised very much cheaper, as they can be handled in larger flocks, and losses are not so heavy and increase greater.

Mr. CARLISLE. Did you say you are a producer of wool?

Mr. SHEPARD. Yes, sir.

Mr. CARLISLE. How many sheep have you?

Mr. SHEPARD. About eighteen thousand.

Mr. CARLISLE. How much land have you for a range?

Mr. SHEPARD. Eighty-six thousand acres.

Mr. CARLISLE. What is that land worth per acre?

Mr. SHEPARD. Two dollars per acre, Government land. By the way, I own alternate sections and lease the other section, for 4 cents an acre, and in that I have figured my own land at 4 cents an acre, the same as I pay for the alternate sections of the land.

Mr. CARLISLE. You have considered the use of the land at 4 cents an acre?

Mr. SHEPARD. Yes, sir; in figuring the expense of raising wool.

Mr. CARLISLE. How many acres do you require to support one sheep?

Mr. SHEPARD. About 5 acres.

Mr. CARLISLE. Are you engaged in any other business at all?

Mr. SHEPARD. No, sir; only horses and a few cattle to supply the ranch.

Mr. CARLISLE. Are you engaged in this business on your own account?

Mr. SHEPARD. I am, with the exception of my partner.

Mr. CARLISLE. It is not a corporation?

Mr. SHEPARD. No, sir.

Mr. CARLISLE. Now, you have stated the wages which you say your part of the country pay for the production of this carpet wool, and you say, notwithstanding these wages, you can not produce it without "sufficient protection," as you say in some places, and "proper protection" in others. What do you consider a "sufficient" or "proper protection?"

Mr. SHEPARD. Sufficient protection to make it remunerative to us to raise that class of wool as to raise fine wool and nothing more. I mean that you should give us equal protection to do that.

Mr. CARLISLE. What rate of duty do you consider a sufficient protection?

Mr. SHEPARD. Enough to make the price of this wool equal to the other.

Mr. CARLISLE. What is that rate sufficient to raise it equal to the other?

Mr. SHEPARD. My carpet wool sold this fall at 11 cents per pound. My best wool sold for 17½ cents per pound, and it would require a duty of 7½ cents to make the carpet wool equal and bring it to what the best wool sold for.

Mr. CARLISLE. In other words, you want a duty which will make your grade of wool sell for as much in the market as the best wool?

Mr. SHEPARD. I would like to see a duty on all wools; as much on these wools as on the fine wools.

Mr. CARLISLE. Is it not your purpose and idea to impose a duty on the low grade of wool which would enable you to sell that wool in the market for as much as fine grade wool sells for?

Mr. SHEPARD. I mean by this that the same duty should be upon every pound of wool.

The CHAIRMAN. In the same amount and in the same price for the fine wool?

Mr. SHEPARD. No, sir.

Mr. CARLISLE. If you do not mean the same amount, what do you mean by the same duty?

Mr. SHEPARD. I mean that the duty put on the wool should be the same per pound.

Mr. CARLISLE. Then if you had your way you would put the same rate of duty on all cloth without regard to value?

Mr. SHEPARD. I do not know anything about that.

Mr. CARLISLE. In other words, if I am producing an article worth \$2 a pound and you are producing an article worth 10 cents, you want to put on a duty sufficient to make your article sell for as much as mine?

Mr. SHEPARD. I think it is the duty of the Government to protect me in that industry, and make it equally remunerative as all other industries and no more.

Mr. CARLISLE. If it is not a remunerative industry at all, why engage in it? Why not go into an industry that is remunerative?

Mr. SHEPARD. When I went down there in the sheep business in the spring of 1882, I bought two thousand Mexican ewes at a very low price.

Mr. CARLISLE. What was the flock worth then?

Mr. SHEPARD. Two dollars per head.

Mr. CARLISLE. What is it worth now?

Mr. SHEPARD. Just the same. I estimate them now at \$2 a head.

Mr. CARLISLE. You say the Mexican sheep is a very hardy sheep, that is to say, it can live on these arid lands, and that it can live on less than the ordinary sheep?

Mr. SHEPARD. To-day I can buy the same sheep for which I paid \$2 a head at 6 bits.

Mr. CARLISLE. Is that the Mexican sheep?

Mr. SHEPARD. Yes, sir.

Mr. CARLISLE. This sheep is more prolific than the other and produces a greater number of lambs, and the mother takes better care of her offspring?

Mr. SHEPARD. Yes, sir.

Mr. CARLISLE. How many men does it require in your business to take care of 18,000 sheep?

Mr. SHEPARD. I have twelve herdsmen for 18,000 sheep. I run 1,500 to 2,000 to a herdsman.

Mr. CARLISLE. What do you pay your herdsman?

Mr. SHEPARD. Fifteen dollars a month and about \$6 a month to feed him. It costs me about \$21 a month.

Mr. CARLISLE. What does it cost per sheep to shear them?

Mr. SHEPARD. Seven cents a head for shearing.

Mr. CARLISLE. Your wool costs, laid down in the Boston market, about 19 cents?

Mr. SHEPARD. About 18½.

Mr. CARLISLE. What do you get in the Boston market? What is the price?

Mr. SHEPARD. I do not know. I sold my wool at from 7 to 17½ cents, about 4,000 pounds.

Mr. CARLISLE. When you speak of the cost of laying it down in Boston you are speaking of carpet wool?

Mr. SHEPARD. No, sir; the wools I am now raising.

Mr. CARLISLE. What was the cost of laying down the carpet wool?

Mr. SHEPARD. The freight would be just the same, also the commission.

Mr. CARLISLE. Would it cost the same to produce the fleece?

Mr. SHEPARD. No, sir.

Mr. CARLISLE. What would it cost to produce the carpet wool?

Mr. SHEPARD. About 12 cents. I did not estimate that.

Mr. CARLISLE. What did you say that would be at Boston?

Mr. SHEPARD. I could generally sell it at from 11 to 15 cents.

Mr. CARLISLE. It would cost you 12 cents to get it there and you say you get 11.

Mr. SHEPARD. That is all.

Mr. CARLISLE. Then it would be a losing business?

Mr. SHEPARD. Yes, sir; and it has been for the last four years.

Mr. CARLISLE. Do you supply lambs and mutton for the market?

Mr. SHEPARD. No, sir; I do not sell anything except mutton.

Mr. CARLISLE. Your flock increases year by year?

Mr. SHEPARD. I sell off the old ones and the bad wethers, as fast as they get old enough to ship as mutton.

Mr. CARLISLE. Will you tell me what rate of duty ought to be put on this wool?

Mr. SHEPARD. I leave that to the better judgment of you gentlemen.

Mr. CARLISLE. Well, what is your opinion?

Mr. SHEPARD. I have told you my own opinion.

Mr. CARLISLE. No, you have not.

Mr. SHEPARD. I beg your pardon. I think you could put 10 cents on all wools.

Mr. CARLISLE. Do you think it ought to be 10 cents?

Mr. SHEPARD. I do think so.

Mr. CARLISLE. Do you think it ought to be 10 cents a pound duty on all grades?

Mr. SHEPARD. Yes, sir; on all wools.

Mr. McMILLIN. Your flock was three thousand and odd when you began?

Mr. SHEPARD. Just three thousand.

Mr. McMILLIN. You have sold the aged sheep and wethers, and now it is eighteen thousand?

Mr. SHEPARD. Yes, sir.

Mr. McMILLIN. It was worth at that time in round numbers \$6,000, and it is now worth \$36,000?

Mr. SHEPARD. Yes, sir.

Mr. McMILLIN. And yet the Government, by the act of 1883, has prevented you from making money?

Mr. SHEPARD. I do not claim that. In 1883 we made money, and if I sold my wool as well last spring I would have made money then.

Mr. McMILLIN. Selling off your surplus flock and selling off your wool during this time, your flock is now worth six times as much as you gave for it?

Mr. SHEPARD. That is true.

Mr. McMILLIN. Taking your whole business, have you lost or made?

Mr. SHEPARD. I have made money out of the whole business, taking into consideration what I have raised over what I have lost.

Mr. BAYNE. Texas would become a great State if wool was properly protected?

Mr. SHEPARD. It is a great State, but it would be more so.

Mr. BAYNE. If we protected the industries of your State it would become a great producing State?

Mr. SHEPARD. Yes, sir; it would be a good deal better if we took good care of it, which we are likely to do.

Mr. BRECKINRIDGE. Do you sell a considerable number of the product of your flock each year for mutton purposes?

Mr. SHEPARD. All that reaches the age of three and four years.

Mr. BRECKINRIDGE. That would be what per cent. of the flock?

Mr. SHEPARD. About 25 per cent., maybe.

Mr. BRECKINRIDGE. It would run on an average 25 per cent.?

Mr. SHEPARD. It will average about that. We lose some, and I suppose it would give about 25 per cent. on the whole flock.

Mr. BRECKINRIDGE. Of course you have given figures which are the result of your business.

Mr. SHEPARD. I have done the best I could.

Mr. BRECKINRIDGE. Wait a moment. Including all expenses of your ranch, and including the products of your wool?

Mr. SHEPARD. I have deducted the price of six thousand lambs which I raised in a year.

Mr. BRECKINRIDGE. Have you allowed the proceeds of those sheep which you sold for food purposes?

Mr. SHEPARD. No, sir. In fact, this year I did not sell any at all. I sold the ranch to a party of gentlemen and they failed to comply with their agreement and paid no interest, principal, or anything, and in the mean time they had sold all the mutton themselves. I took the ranch back again and I found the mutton killed down too close, so it left me without mutton to sell these last months, and I have not given these at all.

Mr. BRECKINRIDGE. Do you believe it is a logical presentation of the business to give a demonstration which leaves out of your production 25 per cent. of the annual sale of your flock?

Mr. SHEPARD. No; that would hardly be right.

Mr. BRECKINRIDGE. That is what you have done.

Mr. SHEPARD. I have left out other things, not quite that much in my estimate, I had overlooked that until you spoke of it.

Mr. BRECKINRIDGE. I would be very glad if you would amend your statement in that particular so as to include in your estimate all the expenses of producing wool and providing a proper allowance for the 25 per cent. which were sold for mutton purposes. You need not go into it now, but see that it is incorporated and given to the reporter. You are speaking of the carpet wool part of the business, you are not speaking particularly of the other grades of wool?

Mr. SHEPARD. No, sir; the subject assigned me was carpet wools; that is, our ability to produce them and the cost of raising wools. I raised about 4,000 pounds of this class of wool.

Mr. BRECKINRIDGE. I understand the burden of your remarks to be that the carpet wools are the only class that needed protection.

Mr. SHEPARD. The burden of my remarks was that we could raise carpet wools if they were properly protected. I claim they should be protected to the extent of other wools.

Mr. BRECKINRIDGE. You are not claiming that other wools are not properly protected now?

Mr. SHEPARD. No, sir; I am not.

Mr. BRECKINRIDGE. Now, you have mentioned in connection with the carpet wool industry the very large consumption of sheep as food product or mutton.

Mr. SHEPARD. Yes, sir.

Mr. BRECKINRIDGE. I interrogated some gentlemen yesterday about that but did not get any definite answer. Are the sheep prized for mutton purposes the ones that produce carpet wools?

Mr. SHEPARD. Yes, sir; long wool; English blooded sheep.

Mr. BRECKINRIDGE. Are they carpet-wool sheep?

Mr. SHEPARD. Yes, sir; but they must be crossed with the Mexican sheep, I said.

Mr. BRECKINRIDGE. I understand from your remarks that the carpet wool was generally a lower-priced wool.

Mr. SHEPARD. That is true; it is the coarse, hairy wool.

Mr. BRECKINRIDGE. Then, when you grade up the sheep and bring it to the condition of fine mutton, do not you also grade up the wool at the same time?

Mr. SHEPARD. The Shropshire is the class of wool which they deem fit to make carpet wool.

Mr. BRECKINRIDGE. It is wool properly to be classed as carpet wool?

Mr. SHEPARD. I am so told.

Mr. BRECKINRIDGE. I am only asking for your information. That grade of sheep is also highly prized for mutton purposes?

Mr. SHEPARD. Yes, sir; but I do not class the Mexican as a mutton sheep.

Mr. BRECKINRIDGE. The question I asked was, when you grade up sheep so as to make it desirable for food purposes, do you not also grade up the wool so as to put it beyond the classification of carpet wool?

Mr. SHEPARD. I do not think the sires of these are crossed on carpet-wool sheep. I say, however, that when they are crossed with Mexican sheep, then we get this carpet wool from them.

Mr. GEAR. You do it to increase the weight of the others?

Mr. SHEPARD. We do it to make a long fiber, as the Mexican sheep has a long fiber, so as to make it fit for these carpet wools.

Mr. GEAR. You stated that wool declined after the passage of the tariff act of 1883?

Mr. SHEPARD. Yes, sir.

Mr. GEAR. That is so?

Mr. SHEPARD. Yes, sir; 1883 was the highest year. I think I got 23 cents a pound for wool then.

Mr. GEAR. What would be the effect upon the wool industry if the Mills bill had become a law?

Mr. SHEPARD. We would have all gone out of the business.

Mr. FLOWER. You have stated that your flock increased from three thousand to eighteen thousand?

Mr. SHEPARD. Twenty-one thousand, I said.

Mr. FLOWER. You bought land in 1878 and 1881?

Mr. SHEPARD. I bought land in the fall of 1881. I bought it at \$2 an acre and some at 45 cents an acre.

Mr. FLOWER. Your land is worth double that amount now?

Mr. SHEPARD. I will take \$2 an acre now for the whole of it.

Mr. FLOWER. Is it not better than it was in 1878?

Mr. SHEPARD. I paid \$2 for some of it five years ago.

Mr. FLOWER. And 45 cents for some?

Mr. SHEPARD. Yes, sir.

Mr. FLOWER. What was the average?

Mr. SHEPARD. I sold some at \$1 an acre. I sold 46 acres at \$1 an acre.

Mr. FLOWER. What was the average cost at that time?

Mr. SHEPARD. About 6 bits.

Mr. FLOWER. You expect to get a rise from this land?

Mr. SHEPARD. I ought to have it, but the fact is that lands have not gone up lately. The State is asking \$2 an acre for land that lies along mine.

Mr. FLOWER. How far are you from San Antonio?

Mr. SHEPARD. Three hundred and eighty-three miles.

Mr. MILLS. How many acres of land did you say you had?

Mr. SHEPARD. Eighteen thousand in my own tract.

Mr. MILLS. Your land, you say, is worth \$2 an acre?

Mr. SHEPARD. Yes, sir.

Mr. MILLS. That is \$36,000 in all. How many sheep have you?

Mr. SHEPARD. Eighteen thousand.

Mr. MILLS. And they are worth how much?

Mr. SHEPARD. Two dollars. I would take that for them.

Mr. MILLS. That makes \$32,000 capital you have invested.

Mr. SHEPARD. I have 86,000 acres. I want to explain that. I own 46,000 acres and I lease from the State 41,000 acres.

Mr. MILLS. Let us start back again. You own how much?

Mr. SHEPARD. Forty-six thousand acres.

Mr. MILLS. That is worth \$2 an acre?

Mr. SHEPARD. So the State says.

Mr. MILLS. I will take your statement. Eighteen thousand sheep at \$2 a head will be \$36,000. Then your capital is \$128,000.

Mr. SHEPARD. Yes, sir.

Mr. MILLS. You say if wool is put on the free-list, as proposed to be done by the last Congress, that you would go out of the business?

Mr. SHEPARD. I would.

Mr. MILLS. Then you think the tariff which gave you 2½ and 5 cents duty puts that much profit into your pocket?

Mr. SHEPARD. No, sir; the tariff should be put at 10 cents on all wools.

Mr. MILLS. I am not talking about other wools now. I am talking about carpet wools.

Mr. SHEPARD. I do not raise carpet wool.

Mr. MILLS. What kind of wool do you raise? I thought you were talking about carpet wool.

Mr. SHEPARD. I am, because the subject was assigned to me.

Mr. MILLS. Take the other branch of wool. You say the tariff protects you to the extent of advancing wool 10 cents a pound?

Mr. SHEPARD. I look at it in that light, sir.

Mr. MILLS. Precisely. That 10 cents a pound is coming out of somebody's pocket and going into yours?

Mr. SHEPARD. I reckon so.

Mr. MILLS. You are protected to the extent of 10 cents a pound on your wool, which enters into the manufacture of woolen cloths. The people you are employing at \$15 a month are contributing that 10 cents a pound.

Mr. SHEPARD. Yes, sir.

Mr. MILLS. You are taking that amount from those poor people who are not worth \$500 a year. You are asking and requiring Congress to levy this 10 cents per pound upon these poor people in your favor, who are worth \$128,000.

Mr. SHEPARD. It is merely to have my business equal in remuneration with other businesses.

Mr. MILLS. You want to be equalized with what other people get?

Mr. SHEPARD. Yes, sir; I want the same protection as the carpet men are having, the manufacturers.

Mr. MILLS. Do not you think it would be well enough to help these people who herd your flock?

Mr. SHEPARD. I wish you would help them and keep them from running off and destroying the herds.

Mr. MILLS. You are worth \$128,000; do you think it is right for you to require us to take these 10 cents from these poor people, which they pay on the goods they wear and put it in your pocket?

Mr. SHEPARD. I think it is just.

Mr. MILLS. You say if we took off that duty you would go out of business; so you can only live by robbing these people.

Mr. SHEPARD. I do not claim that.

Mr. MILLS. That is what you say.

Mr. SHEPARD. I would say this: I would rob the better class of men who are able to pay this, such as Congressmen and Senators, and such men.

Mr. MILLS. We have just been robbed. We do not care to be robbed any more.

Mr. SHEPARD. I am a Democrat, and I voted for President Cleveland the first time and would have voted for him the last time if he had not come out and selected the wool-grower as the man to be ruined and slaughtered.

The CHAIRMAN. You are a revenue Democrat.

Mr. SHEPARD. I do not know what you call it; I have not the language to express it.

Mr. GEAR. What class of men do you employ as herders?

Mr. SHEPARD. Mexicans altogether.

Mr. GEAR. If you did not employ them at \$15 a month, which I think you say were the wages you paid them, they would not be able to get employment?

Mr. SHEPARD. They would be laying around stealing sheep if I did not hire them to take care of them.

Mr. GEAR. Admitting that there be a slight increase on their clothing, the wages you pay them enables them to buy them?

Mr. SHEPARD. They would not buy them otherwise. They would go half naked.

Mr. GEAR. How much wool is in a Mexican's clothes?

Mr. SHEPARD. Very little. They have a pair of pants, a cotton shirt, and a blanket.

Mr. GEAR. They live on tortilla?

Mr. SHEPARD. That is the principal thing they live upon, except when they live on us, and then they live pretty well.

Mr. GEAR. How is tortilla made?

Mr. SHEPARD. Tortilla is made of corn mixed up with water and baked.

Mr. GEAR. It is a very cheap food?

Mr. SHEPARD. Yes, sir.

Mr. MILLS. It is these poor men you care for. You are not caring anything about these capitalists?

Mr. SHEPARD. I will not try to argue with you, as I am not capable.

The CHAIRMAN. You and Mr. Mills can have a joint debate in Texas.

Mr. SHEPARD. I remember the gentleman now, but I was a little flustered at first. If

he comes out in our locality I will show Mr. Mills how we raise sheep; just what it costs, and show that what I have said is exactly so. I think if all these gentlemen who are making a study of these affairs would come out there and we could show you how we run the business, you would understand it. I have seen in print a statement as to how we are running our business and how we ought to and how we could do it.

Mr. CARLISLE. We do not dispute your statement about the costs, but the question which perplexes me is whether it is the duty of the Government to tax the people to enable you to make a profit in a business which you say is an unprofitable business.

Mr. SHEPARD. You can equalize us somewhat with the other industries. If our carpet manufacturers had free carpets, they would be affected and they would have to go out of business. It is the same way with the clothing manufacturer. If it is to come to that, I want to be put on the same footing and all of us go out together.

Mr. CARLISLE. Do you think that in this country there could be a sufficient tax put upon an imported article to keep it out?

Mr. SHEPARD. I am not conversant with other businesses to say that.

Mr. BAYNE. He might reply, the sugar industry.

The CHAIRMAN. The fact is you want this protection because you have an unequal condition of affairs to-day.

Mr. SHEPARD. Yes, sir.

The CHAIRMAN. Because the price paid for labor to-day in this country compared with the competing markets is very much higher.

Mr. SHEPARD. Yes, sir.

Mr. CARLISLE. If you paid these laborers \$15 or any other sum, could you still compete?

Mr. SHEPARD. I have not considered that.

Mr. CARLISLE. What is your judgment?

Mr. SHEPARD. I have not considered that. I leave it for you gentlemen to do. You have got the figures and I have not.

Mr. CARLISLE. I think you can make that calculation very easily.

Mr. BRECKINRIDGE. You spoke of your desire to protect the interests of your labor. Now suppose this committee adds to the 2½ cents per pound you get on carpet wool, say 7½ cents a pound, will you give your labor any part of that increase that we may donate to you?

Mr. SHEPARD. I will give them employment, whereas, if you do not, I will have to go out, and I can not employ them.

Mr. BRECKINRIDGE. I understood you to say that this precise amount, 7½ cents, is necessary to enable you to give them employment?

Mr. SHEPARD. No, sir; I did not say that, because I am not raising that. I am raising wool, for which I get 10 cents a pound duty. If the duty was lowered on that, so that I could not raise it, I could not give the labor employment in that line of business, and I would have to go into some other.

Mr. BRECKINRIDGE. Suppose in the increase you speak of we exceeded the amount that is necessary to enable you to make this production, would you object to our inserting a provision in the law by which the excess should be turned over by you to the wage of the workman?

Mr. SHEPARD. I would not object to that at all, sir.

Mr. BRECKINRIDGE. Would you, if that provision is not inserted in the law, give this labor any part of this extra benefit derived?

Mr. SHEPARD. No, sir.

Mr. BRECKINRIDGE. Then if you received any more than this which you ask for you would not?

Mr. SHEPARD. I would not have given him the \$15 if I had not been forced to.

Mr. McMILLIN. What did you give him before?

Mr. SHEPARD. Twelve dollars.

Mr. McMILLIN. Until when?

Mr. SHEPARD. Until five years ago I was paying \$10, and I raised it to \$12; then I raised it to \$15. I had a quarrel with my neighbors because I did that, and they had to do the same.

Mr. BAYNE. If your growth of sheep largely increased will it necessitate the employment of still more men?

Mr. SHEPARD. I only had two herders when I started, and I run now about seventeen men all the time, with the exception of shearing time; that takes about sixty men.

Mr. BAYNE. If the growth of sheep in Texas was increased to three, four, and five times what it is now it would necessitate the employment of three, four, and five times as much labor?

Mr. SHEPARD. It would.

Mr. BAYNE. Competition among workmen would increase their wages?

Mr. SHEPARD. It would.

Mr. FLOWER. Do you ever have any American labor?

Mr. SHEPARD. Sometimes, but they are rarely good for much.

The CHAIRMAN. Why?

Mr. SHEPARD. Because as soon as they get their stomachs full they get lazy and don't want to work. We have to give them shoes and something to wear, but they are hard sort of customers, and nine times out of ten they go off and leave the herds.

Mr. BAYNE. Are the farmers and wool-growers in Texas generally in favor of protection of their industries?

Mr. SHEPARD. So far as I have talked with them (the wool-growers); the farmers would not have anything to do with it.

Mr. BAYNE. Without respect to party?

Mr. SHEPARD. I am glad you spoke of that very thing. I want to explain that question to you. In the first election for President Cleveland, the precinct Encinal, south of San Antonio, gave President Cleveland 200 and odd, and Blaine 11. Now, to show what effect the wool-growers had upon it. In the last election President Cleveland got 11, and Mr. Harrison got 200 and odd. Now we are going to try that in some other districts the next time.

The CHAIRMAN. You want to be very discriminating in regard to the members you leave out in Texas.

Mr. SHEPARD. We are very discriminating in regard to the members we leave at home.

The CHAIRMAN. Because there are some we want left with us.

Mr. MILLS. Did not you try a little of the philosophy in the last campaign?

Mr. SHEPARD. Not as much as I now wish we had. There is another element which entered in there, which is prohibition. We elected certain gentlemen largely on that issue.

Mr. MILLS. Had the Democratic party anything to do with that?

Mr. SHEPARD. No, sir; it was in favor of free whisky and free trade.

Mr. MILLS. You have raised the prohibition question?

Mr. SHEPARD. Yes, sir; and that is what sent some gentlemen here to-day.

Mr. MILLS. What about Representative Lanham, who stumped the State for prohibition?

Mr. SHEPARD. He is one gentleman.

Mr. MILLS. He was a prohibitionist.

Mr. SHEPARD. We did not try in that district, but in 1892 we will centralize the wool industry and I will assure you gentlemen the next time we will try a little more of this wool philosophy.

Mr. FLOWER. Does your range run up toward Corsicana?

Mr. SHEPARD. No, it does not.

Mr. LAWRENCE. In connection with this subject and as a sheep-grower, I beg leave to lay before the committee two letters from Mr. Shepard on this subject.

The CHAIRMAN. We will incorporate these in Mr. Shepard's remarks.

LETTERS OF MR. SHEPARD.

The following are the communications:

One of the largest and most sagacious wool-growers in the United States, Capt. A. E. Shepard, of Marathon, Tex., president of the Texas Wool-Growers' Association, in a letter addressed to William Lawrence, January 16, 1888, says:

"I say, most emphatically, that with sufficient protection the United States can produce a sufficient quantity of carpet wools to supply the carpet mills of this country. The area on which carpet wools can be profitably grown is nearly as large as the entire portion of the United States east of the Mississippi River, consisting of Texas, New Mexico, Arizona, Utah, southern California, and southern Colorado. The region mentioned is peculiarly adapted to the rearing or management of the coarse wool (native) Mexican sheep, chiefly in immense herds, the topography and climatic conditions being similar to that of those (foreign) countries where carpet wools are produced.

"Perhaps there are no sheep in the world so prolific and that have the maternal instinct so strongly developed as the Mexican sheep. They can be made to quadruple in three years. I myself have raised 21,000 grade sheep in five years from 3,000 Mexican ewes, averaging as high as 90 per cent. of increase in ordinary years, while, at the same time, I have not been able to raise over 30 per cent. of fine merino sheep, with the same climate and surroundings. The Mexican sheep * * * are especially adapted to the arid plains [Wool Rep., XXXIX] and table-lands of the country that I have described—it not being a country suitable to the raising of cattle or other stock on account

of its great lack of water. To keep on in raising carpet wools we should use the native Mexican ewes with Missouri or Kentucky Cotswolds, Shropshire, and some of the Down rams."

CARPET-WOOL CLIPS—THE ARTICLE FOR CARPET WOOLEN MANUFACTURERS CAN BE PRODUCED IN THE SOUTHERN STATES, BUT IT IS NEEDING PROTECTION, AND WITH OTHER INDUSTRIES IS IN GREAT DANGER—INTERESTING LETTERS FROM OFFICERS OF THE OHIO AND TEXAS ASSOCIATIONS.

QUAKER CITY, OHIO, December 11.

To the Editor:

I inclose your letter of Capt. A. E. Shepard, of Marathon, Tex., president of the Texas Wool-Growers' Association, in reply to a letter from me in which I asked him as to the probability of Texas growing carpet wool provided sufficient protection was afforded by Congress, and also as to the adaptability of his State for the growing of such wools. Captain Shepard was originally a grower of carpet wool, but the duty on this grade of wool was reduced so low, first by law and then by evasions of duty and fraudulent practices in the custom-houses, that he was compelled to abandon his Mexican ewes and change to the merino. He told me that when the tariff, plus foreign freights, was less than freights from Texas to New York he had to abandon the growing of carpet wool. The inclosed letter is timely, as an effort will be made in Congress to put carpet wool on the free-list on the alleged ground that it can not be produced in this country. Captain Shepard's high character and position entitles his letter to full credit and a wide circulation.

W. N. COWDEN,

Secretary Ohio Wool-Growers' Association.

Texas had, in 1884, 35,000,000 pounds of wool; in 1857, 25,000,000—a shrinkage of 10,000,000 pounds in three years, or two-sevenths per cent. Texas had, in 1884, over 7,500,000 sheep, but on January 1, 1889, only 4,659,451—a decrease of 3,000,000.

Our competitors are raising wool in Australia, Russia, India, South America, and the British colonies of South Africa. They grow their wools on lands whose market value is very low, merely nominal, and on extensive ranges capable of grazing large numbers. They pay for labor from \$2 to \$12 per month, and their laborers have few wants, and live on the cheapest of food. In Australia sheep can be kept in small or large numbers at 9 cents per head per annum. Texas, which comes nearer these countries in conditions and surroundings, pays from \$2 to \$5 per acre for the land or a rental of from 4 to 20 cents per acre per annum for the using of it, and pays labor from \$15 to \$30 per month, with additional in food of from \$6 to \$10, and it costs over 50 cents per head per annum to raise sheep in Texas. Under such conditions we can not compete with the countries named without protection, and free wool means the decay, if not the extinction, of our industry, and the first effect of this destruction of our industry would be to cause the transfer of labor and capital now engaged in the raising of wool into other lines of employment; and if we must abandon our industry and suffer the loss of depreciation of lands and capital invested we will have less money to procure the products of others, and as a consequence a stagnation in the industries of those of whom we were getting the necessities which we could not raise ourselves. The tariff on wool prevents the foreign producer from destroying our industry. If this duty were taken off, the foreign producer could send his wool into our ports at prices that would destroy us, and after our industry was destroyed that part of the demand now supplied by us would be supplied by them, and with this increased demand would naturally raise the price of wool; but in the mean time we had been destroyed, and without any benefit to the consumers or the manufacturers. We have been encouraged by the promise of reasonable protection, and the prices of our flocks have risen in consequence 20 per cent., and we ask that this protection be continued. From the view I take of the situation it would seem wise for our Government to encourage the industry by restraining the importation of foreign wools, as our annual wool clip alone, regardless of the mutton produced, is of greater value than either the gold or silver produced in the United States. Since 1884, on account of the reduction in the tariff in 1883, there has been a reduction of two-sevenths in the production of Texas wools.

The value of this industry to Texas is to-day second only to cotton, and we utilize the roughest and most arid parts of the State; in fact, those parts that can not be cultivated to advantage and do not afford sufficient food for the successful grazing of other animals, and to destroy this industry means more to the people of Texas than they seem to think.

I have described only a very few of the reasons why we should not have free wool. Manufacturers claim wool to be raw material. It may be to them, but to the wool-grower it is his finished product, and has cost him more in proportion than the finished

product of the manufacturer, for in many instances it has cost him more to produce it than he gets for the finished product, and why should not the grower be protected in his product as well as the manufacturer? We claim that he should, and demand equal protection with them, and if we are forced to give up the tariff on wool, take it from everything and let us stand upon the same plane, and not select us to be slaughtered for the benefit of the foreign producers of wool.

It is claimed by the manufacturers that we can not raise carpet wools. I deny this and say that Texas and the Territories of Arizona, New Mexico, southern Colorado, and southern California, with proper protection, can raise all the carpet wool needed in the United States. The portions of country I have named are better adapted for the native Mexican sheep than for any other sheep. They are more nearly like the foreign countries that produce carpet wool than any other portion of our country. The climate and topography of the country are suitable to that class of sheep, and, besides, those sheep are the native sheep of those sections and thrive exceedingly well upon the rough mountains and arid plains of those States and Territories named. They increase very rapidly. The motherly instinct of the ewes is most wonderful, and I have known instances of over 100 per cent. being raised from them in one year, and 90 per cent. is very common, while from 30 to 45 is about all that can be done with fine merinos in the same country and climate. There is also a certain class of people in those sections who would prefer to raise that class of sheep to any other, as they need so little care and attention and just suit the Mexican population along the Rio Grande.

It is stated by some that the whole battle of free trade centers upon fine wool, and this is the truth. Now, it is not right or fair that the wool-grower who has invested his all in this industry should be singled out to bear the brunt of the assaults of the free-traders, as they are continually bringing them at a time when they will do us the most harm (and that is about the time we are ready to put our clips upon the market). Thus by their sinister predictions and onslaughts they affect the minds of the buyers and keep them from investing as largely as they would otherwise have done.

Now, the wool-growers have a right to call upon those interested in all other great industries to stand by them in this effort to crush us, for it is true, if free-traders succeed and wool-growers are forced to succumb and go down, we will transfer the battle to others and all fall together.

A. E. SHEPARD,
President Texas Wool-Growers' Association.

WALNUT, TEX., *December 24, 1889.*

DEAR SIR: I beg to inclose you copy of resolution, passed at last meeting of Bosque County (Texas) Wool-Growers' Association.

Yours, etc.,

GEO. B. JOHNSTON,
Secretary Bosque County Wool-Growers' Association.

Capt. A. E. SHEPARD,
Washington, D. C.

We, the committee on resolutions, etc., beg leave to report:

Whereas a strong influence is being exerted to place wool on the list of free importations; and

Whereas such a measure if adopted would bring financial ruin to many and disaster to all persons in the wool-producing industry of this country; and

Whereas wool bears the same relation to the wool-producing industry of this country that manufactured cloth bears to the manufacturing industries: Therefore

Resolved, That we, as wool-growers of Texas, hereby express our thanks to the honorable members of Congress of the United States who have labored to protect the interests of American industry, and more especially of the wool-growers; and

Resolved, That we petition the honorable Congress to retain the present rate of import duty on wool and thereby assist in causing the wool market of our country to become settled and stable; and

Resolved, That a copy of these resolutions be sent to the delegates who represent in Washington the interests of the Texas wool-growers.

Signed by the committee.

[Office of Howard Bland, breeder of thoroughbred Shorthorn and Hereford cattle, American merino sheep, and Poland China hogs.]

TAYLOR, TEX., *December 27, 1889.*

DEAR SIR: You will please find statement, and, based on 1,000 head, what it will cost in Williamson, Tex. I have 7,500 head of sheep at this writing and think I know what I am talking about, and I have not counted anything for feed. When we run two sheep to the acre it cost us 25 cents per head for feed. I hope Captain Shepard will be able to help the poor sheep-men, for I think they have been run over more than any other class of men.

Yours, respectfully,

HOWARD BLAND.

T. C. FROST, Esq., *San Antonio, Tex.*

[Office of Howard Bland, breeder of thoroughbred Shorthorn and Hereford cattle, American merino sheep, and Poland China hogs.]

TAYLOR, TEX., *December 27, 1889.*

DEAR SIR: Please find the following itemized account of expense, bill of 1,000 sheep: 1,000 sheep cost \$2.50 per head, \$2,500; interest on same, \$250; 500 acres of land at \$20, \$10,000; interest on same, \$1,000; herding same, \$30 per month, twelve months, \$360; shearing and marketing wool, 10 cents per head, \$100—\$1,710, cost of running 1,000 sheep in Williamson County, Texas.

Yours, respectfully,

HOWARD BLAND.

T. C. FROST, Esq.,
San Antonio, Tex.

Received for wool of 1,000 sheep: 1,000 shear 6 pounds per head, 6,000 pounds, at 20 cents, \$1,200.

Deduct that amount from cost of running sheep, the 1,000 sheep leave the grower \$510 behind.

Yours, respectfully,

HOWARD BLAND.

ADDITIONAL STATEMENT OF G. H. WALLACE.

Mr. G. H. WALLACE again appeared before the committee. He said:

Mr. Chairman and gentlemen of the committee, I have to say to the committee that unfortunately Mr. McDowell is not present. He has forwarded a short letter and samples accompanying it, which he desires to be presented to the committee.

The following is the letter:

"Mr. Chairman and gentlemen of the Ways and Means Committee: I fully recognize the importance of the work you are doing. We believe it wise, and we are thankful that you grant the privilege to hear, at sundry times, representatives of the different industries of the United States.

"The nation's prosperity depends upon the success of its industries.

"It is not my purpose to present an elaborate paper upon this subject of fine wool growing as an industry. I simply wish to give my own experience as a practical fine-wool grower for over fifty years.

"I served as an apprentice for three years under the teaching of William Brownlee, who had a flock of over three thousand five hundred fine-bred sheep. In company with him we spent seventy days each year in examining sheep and wool, giving full ten hours each day, all for the purpose of making improvements of the animal and its wool. Night and day, winter and summer, I have cared for his sheep.

"After finishing my apprenticeship I have kept of my own sheep over thirteen hundred the choice of the Brownlee flock, still improving sheep and fleece. If you will look in the museum at Washington, D. C., you will there find from my flock the finest sample of wool grown in the United States.

"If I were before you I would show a method of judging from the fleece to the fabric by taking between my fingers the end of some of the fibers from sample and by a side to side movement of the hand spin a fine, long thread without twisting the string or thread, using only one hand to do so. The value is, the felting properties of the wool

gives out the thread without mechanical help. There is, no wool in the world compares with our fine-grown wool in luster, elasticity, strength, and fineness; all these properties, the result of skill in breeding, shows not only in the fleece but more so in the fabric. I have a suit made from my own wool, which was manufactured into cloth at the Union Mills, in Connecticut. This suit shows higher luster and holds its color and keeps its strength better than any cloth I ever wore.

"We do not like, after so much care and cost in breeding up the highest point of 2,280 fibres to the inch, to have our wool classed as raw material. This point we have reached, but it was finer than we had a paying demand. I mention this as proof we can grow whatever kind of wool is required.

"I send with this some samples from my last year's clip. I also send sample of wool tops that paid only 10 cents a pound duty; 100 pounds will make 100 pounds of thread or yarn; by Secretary's late decision now pays 60 cents; ring-waste is the same in another form and should pay 60 cents.

"It is this that has helped to hurt the fine-wool growing so much.

"Truly yours,

"JOHN MCDOWELL,

"President Pennsylvania State Wool Growers' and Sheep Breeders' Association."

The CHAIRMAN. Are the samples marked so that we can identify them?

Mr. WALLACE. Yes, sir; the samples are marked Nos. 1, 2, and 3.

The CHAIRMAN. Is that all?

Mr. WALLACE. That is all, sir.

Mr. FLOWER. I want to ask one question, Mr. Wallace. You stated here yesterday that it took one sheep to an acre of land worth \$35 or \$40.

Mr. WALLACE. Thirty to forty dollars.

Mr. FLOWER. At 6 per cent. interest that would be \$2.40 per annum for \$40. The average would be \$2.20 per acre for the interest on your land. Now you raise on that sheep which are worth how much?

Mr. WALLACE. I think the average I gave yesterday was a small average.

Mr. FLOWER. A dollar and a quarter?

Mr. WALLACE. About that neighborhood.

Mr. FLOWER. And the lambs \$1?

Mr. WALLACE. About that.

Mr. FLOWER. That is \$2.25. Now, what else do you get out of your sheep to make up the interest on your land?

Mr. WALLACE. I believe I said yesterday we did not get it out of the sheep exclusively, and it came back in the shape of manure, which enabled us to improve our crops on a portion of the land, and that sheep raising was in connection with the raising of crops.

Mr. FLOWER. Is your farm a wheat farm?

Mr. WALLACE. No, sir; my system of farming is a diversified one. I raise crops and stock of various kinds.

Mr. FLOWER. You want a tariff duty enough on wool so you can raise and sell it at a profit on \$40 land?

Mr. WALLACE. I want the tariff duty on wool so as to enable me to raise that product from the sheep in connection with other diversified interests so as to enable me to live.

Mr. FLOWER. That is as it should be; but you are raising sheep on \$40-an-acre land on which the interest is \$2.40. You get \$2.25 on your sheep, and you hope to get your interest back. I can see that if you farm on that you can not make as much money as in other parts of the United States where they have cheaper land.

Mr. WALLACE. You put the interest on the land at \$2.40 and the returns on the sheep at \$2.25, and you consider that the returns of the sheep will offset the interest on the land. You have entirely omitted the expense of raising that sheep and taking care of it.

Mr. FLOWER. The cost of taking care of that sheep is how much?

Mr. WALLACE. Where we pursue a system of agriculture as it is followed in the section of country I made reference to yesterday, the ten mutton-producing States, it is a very difficult matter to arrive at the exact cost of caring for that sheep. It is hard to estimate. We employ men on the farm to make the hay crop. We have to make our own corn crop, and some of the hay and corn is fed to the sheep and some to the hogs and cattle. The farmer scarcely ever divides it up upon each individual animal, but he takes the gross total. My expenses have been so much and returns so much. That is the way in which a farmer gets his estimate.

Mr. FLOWER. In Montana it costs \$1 and in Texas 90 cents to take care of sheep, and it would cost you \$1 to take care of a sheep in Missouri?

Mr. WALLACE. On the average. There was an effort made three or four years ago by the State Wool-Growers' Association to arrive at a fair estimate of what the cost of

raising wool in Missouri was, and they decided it was about 20 cents a pound, taking on an average 5 pounds to the head.

Mr. FLOWER. It would be \$1?

Mr. WALLACE. Yes, sir.

Mr. FLOWER. For taking care of the sheep?

Mr. WALLACE. That takes into consideration all the other expenses connected with the agriculture on the farm.

Mr. FLOWER. In Montana it costs \$1 and in Texas it costs 90 cents, and you say it costs 20 cents a pound to make wool in Missouri. Does it cost you \$1 to raise a fleece of 5 pounds?

Mr. WALLACE. This was the estimate arrived at by taking the diversified agriculture of the farm into consideration.

Mr. FLOWER. You certainly do not make much on raising sheep.

Mr. WALLACE. I believe I said so.

Mr. FLOWER. Unless by the manure they make they improve that land and bring it back to wheat land again.

Mr. WALLACE. I believe I said yesterday that they would consume weeds, etc., that cattle would reject; that they would eat portions of the herbage that cattle would reject, and that we had additional return on the sheep's manure.

Mr. FLOWER. That will bring back played-out lands and make them fertile again.

Mr. WALLACE. That will help to restore the fertility of the soil.

Mr. FLOWER. This sheep-raising is not an industry you keep wholly on your farms, but you keep other farm stock?

Mr. WALLACE. Yes; diversified farming.

STATEMENT OF MR. ALBERT CHAPMAN.

MR. ALBERT CHAPMAN, secretary of the Vermont Wool-growers' Association, submitted the following statement:

The subject assigned me opens a wide field for argument and investigation and I must assume at the start that the proposition is so evident as to need no production of proof to sustain it.

Probably no gentleman in this room but that is clothed with wool grown on some of the families of merino sheep, and if we extend our observation outside we shall find the larger proportion of our people wearing clothing made from wool grown upon sheep of the same breed, or from those that have more or less of that blood; hence, it is evident that the merino, in some of its varieties of families or crosses, is producing the larger portion of wool suitable for the manufacture of the greatest varieties of fabrics suitable for clothing most of our people, including ladies' woolen dress goods and cloakings, or for the heavier cloths worn by the male portion of our population.

Therefore, in considering this subject the term "merino" must embrace not only what is known the world over as the Vermont merino, but all the subvarieties of the family breed, such as Saxon merino and others, sheep that have been bred with a definite object in view to produce wool of finer grade or longer staple than that produced by the average merino that has generally been bred to produce the largest amount of wool without a fixed purpose to produce that of any one of the qualities named or to produce a more limited number or kind of fabrics used as clothing.

I regret that time has not permitted me to investigate the subject sufficiently to consider it from the manufacturer's stand-point as well as from that of the wool-grower. Several years since I heard the late Hon. John S. Hayes answer a wool-grower when asked what kind of wool shall we raise: "Grow such wools as will best furnish the largest amount and give you the largest profit, and you will be sure to have a demand for it as soon as you grow it in sufficient quantities to attract attention and invite invention to construct proper machinery and design fabrics to use it profitably." This was evidence to show there is or will be a demand for all the different grades or varieties of merino wool, provided foreigners are not permitted to crowd producers out of our home market.

I assume the merino can and does produce a much greater variety of wool for the production of the fabrics mentioned than any other breed, and some kinds of wool that no other breed can produce; and at the same time no other breed of sheep in the world possesses such aptitude for the improvement of its fleece in any line or direction the will of the breeder or the demands of the public may dictate at any time; nor is there any other breed that has such power to produce improvement in the fleeces of other breeds or so increased the value of such fleeces when they have been used to make crosses on such breeds, at the same time always increasing the capacity of such crosses to produce more as well as finer wool, fitting them for the production of a larger variety of fabrics and enabling our wool-growers to produce all the clothing wools needed for our people as well as a number of kinds of goods not properly enumerated under the head of clothing wools.

The merino's aptitude to produce all varieties of clothing wool consists, first, in its ability to thrive and prove hardy in all the different sections and climatic conditions of our country and in the excellence of its fleece for the diversity of its use, as already stated. These excellencies consist mainly in fineness, different lengths of staple, in strength of fiber in proportion to its size, and in its felting properties, fitting it for the finest broadcloths as well as for the finest grades of ladies' dress goods and the better grades of worsted goods for men's wear. The demand for such wools can not be supplied by any other breed, nor can they be supplied in sufficient quantities as is demanded by a prosperous people by the merino, and which is accounted for in the great hardness of the breed and its ability to thrive and adapt itself to a great variety of conditions, climatic and otherwise, and especially in its superior ability to thrive, prosper, and preserve healthy conditions when herded in large bands or flocks, which is not possessed by any other breed.

Most of the propositions I have laid down are self-evident to all who have given the subject any thought or study, but they can very properly be emphasized by a few illustrations I will briefly give to prove them correct.

Taking excellence of fleece we will first consider fineness, although I presume the fact will hardly be questioned that the merino, in some, if not all, of its families, produces the finest wool of any breed of sheep, and that few or none produce what may properly be termed coarse wool. "Youatt," the English authority, gives the measurement of fibre of fine at $\frac{1}{80}$ part of an inch or less; of coarse at $\frac{1}{40}$ part of an inch or more. Later authorities give the standard as $\frac{1}{60}$ part of an inch for coarse, and less than $\frac{1}{80}$ part of an inch for very fine. The Vermont Merino Sheep Breeders' Association have had a number of measurements of samples made by a competent microscopic expert. These samples were from the fleeces of sheep shearing heavy fleeces, but not bred for the purpose of developing superior fineness or quality, although the best breeders take that quality largely into consideration when perfecting the improvements of their flocks. A detailed statement of those measurements would be out of place here, and too tedious for the consideration of your committee, but I will briefly refer to a few facts developed by those measurements to show that merino is fine. Samples from fifty recorded Vermont merino sheep were measured. Of all these only two were coarser than $\frac{1}{80}$ part of an inch; the other 48 were finer, while one ram, shearing $7\frac{1}{2}$ pounds of thoroughly scoured wool, produced an average of $\frac{1}{80}$ part of an inch from measurements of six different parts of the fleece, including the coarsest locks that could be found on him, the very finest fiber from the finest part of the fleece measuring only $\frac{1}{100}$ part of an inch.

These experiments, as well as other competent and unquestioned authorities, fully prove the aptitude of the merino wool and its tendency to do so even when bred for improvements in other directions, especially for large quantity of wool.

Another point of excellence to be considered is the various length of staple of the fleece of the merino, adapting it to varied uses in manufacturing different kinds of fabrics used for clothing. Some of the families of this breed are now bred for extra length of fleece and their wool is peculiarly adapted for combing purposes. Ohio, West Virginia, western Pennsylvania, and Michigan are raising these wools in more or less quantities, breeders in those localities aiming, many of them, to produce fine combing delain wools and succeeding to such extent that their productions are quoted at the very highest prices paid for wools in our markets at the present time. These wools are used for the same purposes as the combing wools of Australia, and by reason of their superior strength of staple are much better adapted for making strong, durable fabrics than the foreign-grown wools. They can be produced in much larger quantities than they are now if sufficient surety is vouchsafed to the home-growers that they will not be displaced in our markets by foreign wools by reason of their cheaper cost raised abroad.

The States I have named are not the only ones that can and do produce merino wools of sufficient length of staple for combing purposes. A great deal of the heavy merino wools of Vermont are now used by the manufacturers of knit underwear and hosiery. Very little, if any, of these wools are so short that they can not be combed successfully by the improved combs now used, yet wools less than $2\frac{1}{2}$ inches in length are more properly classed as clothing wools, usually carded instead of combed. In all the States where merino wools are grown a large portion of the fleeces are over the length stated. At the public shearings of the Vermont Merino Sheep-Shearing Association there is each year careful measurements made of the length of staple in its natural condition as shorn from the sheep, and also of the fiber with the crimp drawn out. The fiber is increased in length by this process at least one-third. Going over the reports for a number of years, I find the measurements of the staple from five hundred and twelve sheep. Among these there were one hundred and eighty-seven cases where the measurements of staple were $2\frac{1}{2}$ inches or over, and about one-seventh of these exceeded 3 inches, while much less than that proportion fell short of measuring 2 inches, the number in this class being very small. This, again, was among merinos that were bred more for density of fleece than for length of staple, the opinion among breeders of this class of sheep being general that great density will give more wool than length of staple, and there is little room for doubt but this opinion is correct.

In no country has the merino reached such a high grade of improvement as a producer of the largest amount of wool to weight of carcass or the individual sheep as in some parts of the United States, and although in some instances this may have been carried to such an excess as to impair somewhat size and constitution it is not generally the case for the merino in its different families is the hardiest sheep upon which to grow the wool to clothe our nation, and at the same time furnish a good wholesome meat to feed our people.

You may be told by a few of the representatives of manufacturers that some varieties of wool are not, or can not be grown in the United States in quantities sufficient to supply their wants; among others, the very finer kinds of merino and Australian combing wools, but from the growers' stand-point the same reason should be assigned for this failure to produce that the manufacturers have from time to time given and urged why they could not manufacture the several different kinds of fabrics, *i. e.*, unequal foreign competitors, that when the wool is grown or the goods manufactured there is no sure demand for the home product because the cheaper product of the foreigner is permitted, for want of sufficient tariff protection, to crowd the home product out of the home market.

Our vast manufacturing industries have been built up by protection against such foreign competition, and the growing of fine wool will increase in this country the same as manufacturing has increased if we can be secured, from unequal competition from abroad as they have been.

Unless this assurance of a home market for our product can be secured, the growing of fine merino wool in this country will continue to decline as it has been for some years past, and must be gradually resigned to Australia, South America, and other countries that can produce it cheaper, but not of as good durable quality, and our greatest improvements in merino sheep gradually but surely go to assist those countries to destroy the fine-wool-growing industries of our own.

Since 1883 the loss of sheep to our country has been eight to ten millions instead of a gain of more than twice that number, as there should have, and undoubtedly would have been had the same measures of protection been maintained that we enjoyed under the tariff laws in force previous to that time; but this loss of eight or ten millions of sheep is only a part of what we are called to sustain of the many million of dollars yearly sent abroad for the product we should be raising at home on the additional number of sheep we should be raising had they been increasing at the same rate they were for the years immediately preceding 1884. This loss in numbers has fallen almost wholly upon the merino race of sheep, among the different families of these producers of our best clothing wools; and the failure to multiply and increase the flocks of this most useful of all breeds has fallen most heavily on those engaged in breeding stud flocks to improve those of the West and Southwest. Hence Vermont has a most vital interest in whether growing merino wool is to be encouraged or to be driven out of our own country, for upon merino sheep must be grown the larger proportion of the clothing of our people, and on no variety of the breed or race can wool be grown in so large quantities or so cheaply as on the Vermont merino, and in this will be found the reason why Vermont always urges protection to encourage the growth of the merino flocks of the United States. And yet did we not feel—indeed know—that the benefit to our country would be general and not benefit Vermont alone, we should not be urging ample protection to wool before this present Congress.

Resolution of the Vermont Merino Sheep-Breeders' Association.

Office of Vermont Merino Sheep-Breeders' Association. L. W. Peet, president, Cornwall. V. Rich, treasurer, Richville. Albert Chapman, secretary, Middlebury.

MIDDLEBURY, VT., January 8, 1890.

The Vermont Merino Sheep-Breeders' Association, this 8th day of January, 1890, in annual meeting assembled, do most emphatically enter our protest against the proposition of a few woolen manufacturers "to place wool on the free-list, and we insist that the duties thereon shall be adjusted and maintained so as to furnish full and adequate protection to that industry throughout the United States," and we also ask Congress to so frame our tariff laws as to provide ample and adequate protection to all the manufacturers of honest woolen fabrics within our own country, and at the same time so as to prevent fraudulent practices to evade duties, and so as to discourage the importation of substitutes for wool, such as shoddies, cow's hair, etc, and especially to provide against the importation of clothing wools at the cheap rate levied on carpet wools.

The secretary of this association is instructed to forward a certified copy of these resolutions to each of our Senators and Members of Congress from Vermont and to the chairman of the Committee on Ways and Means of the House of Representatives.

ALBERT CHAPMAN,
Secretary Vermont Merino Sheep-Breeders' Association.

STATEMENT OF MR. WILLIAM LAWRENCE.

Mr. WILLIAM LAWRENCE, of Bellefontaine, Ohio, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I am here as one of a committee appointed by the recent national convention of wool-growers in Washington, D. C., to submit some remarks as to some of the legislation which wool-growers generally believe to be required by sound public policy and justice, and as to what they expect the present Congress to enact.

To me has been assigned the duty of addressing you on the subject of duties on carpet wools.

I think it safe to say that wool-growers generally believe that sound policy requires that a duty should be imposed on so-called carpet wools, which will in due time enable American wool-growers to produce all required for consumption in the United States.

I will endeavor to show that Congress, in the revision of the tariff laws, should impose such duties on imported carpet wools as will in the near future shut out importations, and give the American wool-grower the exclusive privilege of supplying all required in our markets. For this purpose an important inquiry is, how much wool is required annually in this country, and what are the sources of supply?

The wool circular of Justice, Bateman & Co., of December 2, 1889, says:

"The clip of the United States is estimated at 250,000,000 pounds, or a yield of about 6 pounds per fleece from 41,500,000 sheep. The imports of wool for the year are estimated at 131,000,000 pounds, and the quantity of American wool in the grease that would enter into the \$58,000,000 worth of imported woolen goods for the year 1889, if made in the United States, would be about 175,000,000 pounds more, making a total amount of wool consumed in the United States of 556,000,000 pounds, or more than double the whole product of the present American clip."

This does not include the imports of "rags, shoddy, mungo, waste, and flocks," aggregating 8,662,209 pounds. This aggregate is chiefly so-called "waste."

Mr. Grinnell, consul at Bradford, in his report to the State Department of March 19, 1889, shows that exports of so-called waste from Bradford and Liverpool to the United States for a year will reach about 8,919,944 pounds, of which 1,225,366 pounds are "genuine salable product," and 7,694,578 pounds a swindling, fraudulent contrivance, manufactured to evade our tariff laws. This waste, contrary to what you would suppose from its name, and differing from what is real waste, "is a highly purified article of scoured wool" (Wool Rep., 1887, p. xxii), worth in our markets from 50 to 62 cents a pound, and 1 pound of it is the equivalent of 3 pounds—in fact 3½ pounds—unwashed merino wool. This import of 8,662,209 pounds is the equivalent of more than 26,000,000 pounds of Ohio merino wool, and which is more than all the wool produced by the 4,000,000 sheep of that State.

The imports of wool for the fiscal year 1889 were:

	Pounds.
Clothing wools	29,226,317
Combing wools	6,869,871
So-called carpet wools	90,391,541
Total	126,487,729

Carpet wools, to a large extent, especially the higher grades, came in washed; so well washed, that the average shrinkage in scouring would not reach 15 per cent., and these wools were the equivalent of at least 100,000,000 pounds unwashed (see Senate Rep. 2332, part 2, first session Fiftieth Congress, p. 615; Bowes & Bros. Liverpool Wool Circular November 20, 1889). Unwashed carpet wools shrink in scouring generally about 40 per cent. The shrinkage of unwashed American merino wools will average 66⅔ per cent.

I invite the particular attention of the committee to that. While this amounts to 90 per cent. of carpet wools, I consider it equivalent to 180,000,000 pounds of unwashed American wools.

The carpet wools so imported are thus the equivalent of 180,000,000 pounds unwashed American merino wools, and the equivalent of 120,000,000 pounds of unwashed coarse Territorial wools, such as are and can be used for carpets, and with which wools the foreign carpet wools directly compete. Thus it may be said the importation of carpet wools in the fiscal year 1889 are the equivalent of 120,000,000 pounds unwashed American wools, and the imports of carpet wools for the current year show a large increase on the last.

The combing wools came in chiefly washed. Their average shrinkage washed is about

20 per cent.; unwashed about 40 per cent. Those wools were the equivalent of about 8,000,000 unwashed.

The wool supply as unwashed for 1889 may be thus stated:

	Pounds.
Domestic clip	250,000,000
Imported clothing wools	29,226,317
Imported combing wools equal	8,000,000
Imported carpet wools, so-called, equal to competing America unwashed ..	120,000,000
Wool in woolen goods	178,000,000
Foreign rags, shoddy, waste, etc., say	26,000,000
Total	601,226,317

Or, in round numbers, 600,000,000 pounds, besides domestic rags, shoddy, etc., probably 50,000,000 pounds. It will require all of 100,000,000 sheep to produce this amount of wool, and these must be located in this country if we produce all the wool, and to the extent we do not our supplies must come from sheep in other countries.

It is conceded on all hands by protectionists that the duty under the act of 1883 on some classes of worsted goods, as the law was administered under President Cleveland's administration, has been in a large measure injurious if not ruinous to our manufacturers; that it has largely increased the imports of such goods, and so of foreign wools in them, and that increased duties are necessary to reduce importations and give the American market to home manufacturers.

Mr. McMILLIN. Right there, if it will not interrupt you.

Mr. LAWRENCE. No.

Mr. McMILLIN. You spoke of a ruling during Mr. Cleveland's administration concerning woolens and worsteds.

Mr. LAWRENCE. Worsteds alone.

Mr. McMILLIN. I am not distinguishing between woolens and worsteds. Was not that the ruling ever since the tariff act of 1883, under both administrations?

Mr. LAWRENCE. I am not advised.

Mr. McMILLIN. I think you will find it so.

Mr. LAWRENCE. It has been changed.

Mr. McMILLIN. I just wanted to show you it was the ruling of both administrations.

Mr. LAWRENCE. That is probably so. I am not commenting on the fact that it was during Mr. Cleveland's administration, but only that the result of the ruling, from whatever source it came, has been ruinous to the worsted manufacturer.

No reason exists, if we adopt the policy of protection, why substantially all the woolen and worsted goods required for consumption in the United States should not be manufactured here. The duty should be such as to shut out the foreign product while our manufacturers charge only reasonable prices.

Mr. McMILLIN. What would you do for revenue; levy a direct tax or an income tax?

Mr. LAWRENCE. I would give to the American producer the privilege of supplying everything that can be supplied in sufficient quantities to meet all our demands and at reasonable prices, and if there should be other things on which we could not derive sufficient revenue to run the Government, we have the whisky tax, tobacco tax, an internal revenue at about \$130,000,000 a year, which is rapidly increasing, and that, with other sources of revenue, would run the Government.

Mr. CARLISLE. Would you favor keeping the tax on whisky, tobacco, and giving free alcohol used in the arts?

Mr. LAWRENCE. Yes, sir.

Mr. CARLISLE. Would you put a duty on tea and coffee?

Mr. LAWRENCE. No, sir; I am in favor of admitting, without any duty, those articles which can not be produced in the United States.

Mr. CARLISLE. Are you in favor of admitting sugar free?

Mr. LAWRENCE. Sugar does not fall within the policy of a protective tariff, for the reason that more than twenty years of protection have not been able to develop the industry sufficiently to supply all our wants. Now, if we could not develop the wool industry sufficiently to supply all our wants, then it would not fall within the policy of the protective tariff.

Mr. CARLISLE. We have not done it in a hundred years.

Mr. LAWRENCE. I should qualify that remark a little and say if we could not develop an industry to supply some particular class, we fail with that class, but still I do believe that with a sufficient protective tariff we can produce every pound of wool used in the United States and we will do so in the near future, every pound requisite to supply the American wants.

Mr. CARLISLE. But still you do not answer my question. Of course you are not evading it, I understand that. You say we should put on such duties so as to enable us to

manufacture everything in this country we are capable of producing to the full extent of the American demand, which would cut off every dollar received from the customs duty.

Mr. LAWRENCE. Not every dollar.

Mr. CARLISLE. Then you say you would take the duty off sugar because it is not sufficiently produced in this country.

Mr. LAWRENCE. I would take off the duty from sugar so far as it is placed there for merely protection purposes.

Mr. CARLISLE. Then you would reduce it.

Mr. LAWRENCE. Yes, but I would levy a revenue duty upon every foreign commodity which we can not by protection sufficiently develop in the United States.

Mr. CARLISLE. How about coffee and tea? You would put a duty on that and we do not produce either of them.

Mr. LAWRENCE. As to whether it would be a wise measure, I think it is a little—

Mr. CARLISLE. But this is a legitimate inquiry, because you say we must pursue one of two policies; and we do not produce either coffee or tea in this country.

Mr. LAWRENCE. No.

Mr. CARLISLE. Therefore, they would come within the scope of articles which in your judgment should not have a duty levied upon them.

Mr. LAWRENCE. If it be necessary for levying duties upon articles which we can not supply sufficiently—

Mr. CARLISLE. There are a few, consisting of tropical fruits and sugar, which now yield \$50,000,000 or \$60,000,000. You would reduce that?

Mr. LAWRENCE. If I was driven to the necessity of putting a revenue on tea and coffee, of course I would resort to whatever source of revenue would be necessary.

Mr. CARLISLE. Would not your policy inevitably result in that?

Mr. LAWRENCE. If it be necessary to save the protective system and to sustain the revenue system. So far as whisky is concerned, I would pile it on, not 90 cents, but \$1.50 a gallon. I would pile it on to the fullest extent that we could enforce it.

Mr. McKENNA. Is it not one of the criticisms of the present policy that it raises too much revenue?

Mr. LAWRENCE. Yes. That is a bit of statesmanship of the last administration and the same that preceded it.

Mr. CARLISLE. And the next one, perhaps.

Mr. LAWRENCE. Perhaps; but all the statesmanship has not been able to get rid of the surplus.

Mr. CARLISLE. It does not follow that we are to have any revenue from the customs.

Mr. LAWRENCE. Not at all. I do not ask that, but I do say that the agricultural industries are of such supreme importance that whatever may be the result as to the others those industries should be favored by protective duties if you adopt the policy at all.

Mr. CARLISLE. Is not sugar an agricultural industry?

Mr. LAWRENCE. Yes; it is one thing which under protection we have not been able to develop.

Mr. GEAR. Is it not true that under the protection system of one hundred years we have not produced on an average 10 per cent. of the sugar used in this country?

Mr. LAWRENCE. Our people consume about 56 pounds of sugar per head, and I think that we produce about 10 per cent. of the whole amount consumed.

Mr. GEAR. Therefore it follows that that is a direct tax on the consumers.

Mr. LAWRENCE. Yes, sir; and the duty on sugar, assuming we can not sufficiently develop it to supply our wants, is a revenue duty and not a protective duty.

Mr. FLOWER. I understand that carpet wool after twenty years of protection is not raised in this country sufficiently to supply its wants.

Mr. LAWRENCE. The act of 1867, discriminating against the carpet wool industry. I could give you some information here why that is so. The bill as it passed the House in 1883 provided for better protection for the carpet-wool industry than the act of 1867. There were gentlemen in the Senate who were interested in the manufacture of carpets and the importation of carpet wool, and they had enough influence to secure the reduction on the carpet-wool duty. And if you look at the report of the revenue commission of 1876—who was it signed by?

Mr. MILLS. Wells?

Mr. LAWRENCE. No; not Wells's report; I think it was Hayes.

Mr. McMILLIN. The Commissioner of Internal Revenue?

Mr. LAWRENCE. No; customs. In making recommendations for the tariff of 1867 the carpet wool was put at 3 and 6 cents. That is, they recommended 3 cents on common carpet wool of 12 cents and less in value, and 6 cents on wools over that, but that contemplated double duties on washed wools at \$3 and single duty on scoured carpet wools,

and there was enough influence in the Senate to strike out, or rather not adopt that provision, and the result was that act of 1867 discriminated against carpet wool. This favored the foreign product and allowed carpet wools to come in washed at the same rate of duty as the unwashed.

Mr. FLOWER. You would not object to that now if they came in for carpets.

Mr. LAWRENCE. I should not object to it at all, because we can produce all the carpet wool required in the United States, and whatever we can produce in the United States I am in favor of giving to the American people the privilege of producing rather than giving that privilege to foreigners.

Mr. CARLISLE. That is to say, you would have a prohibitory duty on articles which you can not produce?

Mr. LAWRENCE. That is what it means. I mean to be perfectly candid. Let me qualify that as to these things which by protection we can not produce at reasonable prices to supply the American wants.

Mr. McKENNA. Do you base your belief on the principle of supply and demand?

Mr. LAWRENCE. Yes, sir.

Mr. McKENNA. Do I understand from your remarks that you would take off the duty on things we can not produce in the United States?

Mr. LAWRENCE. On those things which we can not produce enough of to supply our wants I would not levy a duty for protection but for revenue purposes.

Mr. McKENNA. When under your system should we commence to levy the duties?

Mr. LAWRENCE. When?

Mr. CARLISLE. After how long an experiment? After trying it for how long a time?

Mr. LAWRENCE. That would depend upon the industry. Some industries would require a shorter time and some a longer.

Mr. McKENNA. When would you commence taking it off tin-plate, for instance?

Mr. LAWRENCE. I would commence that slowly; because we can by sufficient encouragement of the production of tin supply our wants. I think.

Mr. McKENNA. You could not do that right away?

Mr. LAWRENCE. No.

Mr. McKENNA. It would take some years to do it?

Mr. LAWRENCE. Yes, sir; but you must commence.

Mr. CARLISLE. Suppose you have been producing for a hundred years, as iron and steel, and find you are not producing all the country demanded, would you take off the duty?

Mr. LAWRENCE. I have stated my principle. My understanding, however, is that we have supplied it to a very great extent.

Mr. CARLISLE. We imported thirty or forty millions of steel and iron.

Mr. LAWRENCE. That is manufacturers' hardware, etc. Some of them, I understand, are such articles as we do not make to any large extent.

Mr. CARLISLE. But can we make them?

Mr. LAWRENCE. There are some particular articles requiring higher skill and great capital, which we do not produce. We imported last year probably in round numbers half a million of carpets, but they were of a class of carpets which I understand were very fine and valuable. They did not compete with any of our material or with any of our products at all.

Mr. GEAR. Because they were too expensive?

Mr. LAWRENCE. Yes, sir; they were such carpets as are used by men like Vanderbilt.

Mr. FLOWER. It has been stated that in the States of Iowa, Texas, and two-thirds of the State of Kansas they do not have enough rain-fall in the spring to raise corn, or rather they do not have rain-fall enough to mature that corn, and yet sufficient rain-fall to mature sorghum. Now, they raise a million and a quarter to a million and a half pounds a year of this carpet wool. Which would you protect first, carpet wool or the sugar which is made in Kansas?

Mr. LAWRENCE. I have stated my principle. Sorghum is comparatively a new industry. If the sorghum industry will give reasonable promise that by adequate protection it can be developed to supply all our wants, then the duty on sorghum would become a protective duty.

Mr. FLOWER. But this is a revenue duty. You can not put one-eighth of a cent a pound on sugar unless you get a revenue, and it is a revenue duty. Now, under that duty they will raise this crop.

Mr. LAWRENCE. If they do, it will add vastly to our resources and wealth. If this was a proper place to make a tariff speech I would be very glad to do it.

Mr. McMILLIN. I think you have made one.

Mr. LAWRENCE. But I have been invited here by the National Convention of Wool-Growers of Texas to discuss two matters, but I will always cheerfully respond to any questions.

Mr. BRECKINRIDGE. If you should have prohibitory duties upon articles we produce here, how would you raise the necessary revenue of the Government?

Mr. LAWRENCE. I have endeavored to state that. There is a large class of articles, for instance sugar, which we have not yet and can not be able for some time to supply sufficiently to meet all our wants, and as to these articles we can raise revenue by revenue duties.

Mr. BRECKINRIDGE. You would continue the tax upon sugar?

Mr. LAWRENCE. Yes, sir; I would continue a revenue tax on sugar, not a tariff for protection, but a tariff for revenue only.

The CHAIRMAN. If it would not interrupt you, there is a motion that we take a recess for thirty minutes.

Mr. LAWRENCE. There is nothing which will interrupt me at all.

Thereupon the committee, at 12.30, adjourned to meet at 1 o'clock.

AFTER THE RECESS.

The committee met after the recess, pursuant to adjournment.

Mr. LAWRENCE. Mr. Chairman and gentlemen of the committee, up to the time when the committee took a recess I had presented statistics showing the amount of wool required for annual consumption in the United States. In answer to certain questions propounded by members of the committee, I had also stated my personal individual views as to what, to some extent, a protective tariff should be. I wish to say distinctly that the duties which I am instructed by the National Convention of Wool-Growers to ask on wool will not be at all prohibitory, and they will be only to a limited extent protective. I do not understand that the wool manufacturers, other than those representing the carpet industry, are asking for a prohibitory duty; but I do understand they are asking for a protective duty. They speak for themselves, and I am heartily in accord with them for everything that they will ask for which will enable them to supply the whole American market with all manufactured goods for all American things which they can supply at reasonable prices.

The duty on carpets has been substantially prohibitory since 1867. The duty has developed the carpet industry until we manufacture more carpets in the United States than are made in all the world besides. (See Senate Report No. 2332, first session Fiftieth Congress, part 2, p. 583; part 3, p. 1125. Wool statements before Senate Finance committee, January, 1889.)

The carpet manufacturers practically have almost free wool, with a substantially prohibitory duty on carpets. The total imports of carpets for 1889 were in value only \$730,513. The product of the carpet mills of the United States was, by one estimate, 70,651,500 yards, of the value of \$46,801,900. Other estimates, perhaps more correct, make the production about 60,000,000 yards.

The Boston American Wool Reporter, of September 5, 1889, says:

"The carpet manufacturers of the United States have had too many benefits during the last twenty-two years to come forward at this time and ask that they be given their raw materials free, while retaining the duties on clothing and combing wools."

The duty on carpets and other woolen goods was fixed on the basis of an ad valorem duty to compensate the manufacturer for the difference between the cost of American and European labor, and a specific duty to compensate for the difference between the cost of American and foreign wool, or in other words, for the duty on wool. And this difference was computed, in the act 1867, on the theory that 3 pounds of unwashed wool would be required to produce 1 pound of scoured wool. (Tariff statements before Senate Finance Committee, January 18, 1889, p. 101.)

The carpet manufacturers can supply substantially all the carpets required in this country. Protection which enables them to do so is wise and just.

And now I will present some of the reasons why duties equally protective should be applied to carpet wools:

I. The wool-growers of the United States can, and under sufficient protection will, supply all the needed carpet wools, and at reasonable prices.

This has been already proved by the unanswerable statements to the committee of Captain Shepard, and I will not repeat the evidence he presented.

The whole theory and policy of a protective tariff is that American producers able to supply at reasonable prices all of any given article required for consumption in the United States should have the exclusive privilege of doing so. Why should we buy wool from foreigners which can be produced at home? Why give employment to the plains and prairies of Australia and Buenos Ayres while our own mountain sides and hill sides are ready to be utilized, and fruitful grasses unused on our own prairies and plains "waste their fragrance on the desert air?"

AT MOST ONLY 60,000,000 POUNDS ANNUALLY REQUIRED FOR CARPETS.

One important inquiry in this connection is, how much carpet wool is required?

In the printed proceedings of the hearing on the wool tariff before the Senate Finance Committee, January 17, 1889, I find this:

"Senator ALDRICH. Mr. Wallace [a Philadelphia manufacturer] stated to this committee at the conference here last January [1888] that the total possible amount of consumption of carpets in a year, with the factories running full time, was 60,000,000 pounds. That statement was corroborated by Mr. Dobson, who was present. It was also stated that the excess of 44,000,000 to 50,000,000 pounds was probably in store."

But a short time prior to this latter hearing one of the most reliable and best-informed wool merchants, referring to some of the estimates of carpet wools used for carpets, said they are made, in part, "by figuring the extreme capacity of all the machinery in the country. * * * A part of the carpet machinery has been standing idle, and [the computations referred to] make no allowance for the shoddy and for cow and calf hair, goat hair and other hair used in the manufacture of carpets, which come in free."*

One of the most eminent and accurate of experts and statisticians on the wool manufacturing industry, in a letter of November 15, 1889, on file in the Bureau of Statistics, said:

"The importation of 'carpet wool' is no guide to the quantity of wool used for carpets. Thus the importation of 'carpet wool' for 1887-'88 was 84,879,540 pounds, yet it is certain that one-half of that wool was actually used for clothing purposes. Again, a large quantity of American and Mexican wool was used for carpets, and an almost equally large amount of domestic and foreign waste was used for making filling yarns for carpets. I have examined all these yarns under the microscope, with the frequent discovery of yarns made wholly of redyed wool fibers [shoddy]."†

On this estimate the imported carpet wools required for the fiscal year 1888 were less than 44,000,000 pounds, besides a portion of the domestic product.

In a letter of November 29, 1889, he says:

"All foreign carpet wools produce in combing a proportion of noils not used in carpet making and sold for clothing purposes, not less than 15 per cent. and often more. Of the recent importations so entered, it is known that large lots are used for clothing worsteds, and of the whole as entered, fully 25 per cent. is now used for other purposes than carpets, including worsteds and noils, or filling wools separated by selection or combing. * * *

"It is scarcely possible to account for the use of the vastly increased importation of foreign carpet wool, 26,000,000 pounds of such wool only having been used in 1880. I should infer from all the circumstances that of the carpet or third-class wool imported during the fiscal year ending June 30, 1889, not less than one-fourth was used for clothing purposes, about half of this quantity coming from the combing mills as noils and about half being used direct. * * * The summary of carpet wool imported, with the domestic supply added, aggregates 100,000,000 pounds, but of the 90,391,541 pounds imported 22,600,000 pounds may be assumed as having been or to be used for clothing purposes."

On this basis of estimate the imported carpet wool required for 1889 did not reach 68,000,000 pounds.

The imports of so-called carpet wools for the fiscal years 1881 to 1883, inclusive, were as follows:

	Pounds.
1881.....	42,385,769
1882.....	47,208,175
1883.....	40,130,322
Total.....	129,724,266
Average.....	43,241,422

Long prior to these years imported carpet wools, so called, were used in the manufacture of blankets and other goods. Estimating the domestic annual product of carpet wools now at 10,000,000 pounds, the total supply for all purposes for these years averaged 53,241,422, of which probably not over 40,000,000 were in fact used in the manufacture of carpets.

It is not probable that there has been any great increase since in the annual demand on carpets.

* Letter to William Lawrence, of Ohio, by Theodore Justice.

† Lorin Blodget, of Philadelphia, to Hon. S. G. Brock, Chief of Bureau of Statistics.

But the imports of so-called carpet wools were, for the fiscal years specified, as follows:

	Pounds.
1884.....	62, 525, 692
1885.....	50, 782, 306
1886.....	79, 716, 051
1887.....	83, 472, 499
1888.....	84, 879, 546
1889.....	90, 391, 541
Total.....	451, 767, 635
Average imports for six years.....	90, 294, 606
Estimated home product.....	10, 000, 000

Total carpet wool for fiscal year 1889 100, 294, 606

And if even 60,000,000 pounds of real carpet wool be required annually, there remains an annual average for the last six years of at least 40,000,000, including the domestic product of so-called carpet wool, used chiefly or largely in the manufacture of clothing goods.

Mr. BAYNE. Inasmuch as a great many persons have to be heard, some of whom will be heard orally, I will ask you whether or not you have your remarks written?

Mr. LAWRENCE. Yes, sir.

Mr. BAYNE. You know we read over all this evidence——

Mr. LAWRENCE. I was going to suggest I will read a little of this, and then incorporate my remarks.

The CHAIRMAN. What was your suggestion, Mr. Bayne?

Mr. BAYNE. My suggestion was, as the judge has written up in a very elegant form a very able argument, it should be printed so that we shall have access to it. My judgment is that we should get at all the facts from the persons to be heard as much as possible. I prefer very much getting at the facts from the gentlemen here in regard to it. Although I concede the judge makes a very able argument, I rather think we should have the actual facts before us.

The CHAIRMAN. Is it your suggestion that the judge have his remarks printed?

Mr. LAWRENCE. There are some things I would like to say orally. That is, such points as this: Where I have evidence in regard to a proposition, as, for instance, the quantity of wool used in the manufacture of carpets and made of so-called carpet wools imported and used in clothing, I will state the proposition, read a little, and there are other propositions which I will give to the stenographer if it be agreeable to the committee, but there are some things I prefer to say orally, if it be agreeable to the committee.

The CHAIRMAN. Do not understand that you may not make any oral statements you wish. It is only that your manuscript which is written may be submitted to the stenographer and be printed, and you may then proceed with any other statement you desire to make in addition to your written statement.

Mr. BAYNE. I think Judge Lawrence understands that there are a large number of persons here desiring to be heard, and we have no opportunity to give them a hearing except this afternoon and possibly to-night. The main things we wish to get at are the facts in regard to this matter, and we will argue the question later. We will use argument when we get to that point.

Mr. LAWRENCE. If the committee desire it I would like to present a few points orally in a condensed form from what I have written.

The CHAIRMAN. What is the pleasure of the committee?

Mr. FLOWER (to Mr. Bayne). (Do I understand you to say these are not facts?)

Mr. BAYNE. I did not say that. My facetious friend from New York misunderstood me. I said that Judge Lawrence was arguing from facts to a very great extent. Of course it is a very able argument, and in accord with my own views on the subject. It would shorten the matter very much if he would eliminate the facts and simply state them, and it would enable us to hear these gentlemen who wish to be heard this evening.

Mr. BRECKENRIDGE. I think Judge Lawrence's suggestion is very well.

Mr. LAWRENCE. I would like to state to the committee that a good deal of the time I took up this morning was in answer to questions put to me, and that I was driven into the argument in defense of the protective policy. I will run over these now as briefly as I can: Forty million pounds of so-called carpet wools were imported into the United States, including ten million pounds of low-grade wools, and are used in the manufacture of woolen goods. I am showing this to the committee for the purpose of demonstrating the injury which the importation of carpet wools is doing to the wool-growers of the United States.

It may be reasonably concluded that the utmost American demand for carpet wool

does not exceed 60,000,000 pounds annually. All this can be produced at most by 20,000,000 sheep.

I am endeavoring now to present my views in favor of protecting the wool industry equal to that which is maintained on the carpet industry. Protection of the carpet wools will give employment to more labor and capital and add more to the national and individual wealth than the carpet industry.

II. The same policy which justifies a substantially prohibitory duty on carpets justifies a similar duty on carpet wools.

The production of carpet wools will give employment to more labor, more capital, more people, and add more to our national and individual wealth than the carpet industry. The same reasons which will support the policy of permitting carpet wool production to cease or remain undeveloped will require us to open carpet production to the ruin of foreign competition.

The protective policy is beneficial alike to carpet manufacturers and still more so to the whole people, whose agricultural and other industries are thereby promoted. But a protective policy which will equally protect and develop the carpet-wool production in the United States will result in tenfold greater advantages to wool-growers and the whole people, who are consumers, than the protection afforded to the carpet industry. Carpets are in some measure luxuries, entitled to less favor than agricultural industries. The increase of wool and mutton by the full development of the carpet-wool industry is entitled at least equal favor and protection with the carpet industry.

A protective policy which will add 20,000,000 to the number our sheep is wise and beneficial. It will add to our tax duplicate, give employment to labor, to lands, increase the mutton supply, furnish cheap meat food, benefit and enrich consumers, and add to national wealth, independence, and power.

III. One objection to protective duties on carpet wool will now be noticed. It has been urged by a prominent carpet manufacturer that if scoured carpet wools were required to pay as clothing wools do, treble duty, "it would simply increase the cost of the ingrain carpets 10 cents per yard," that "it would increase the cost of carpets 15 per cent.," and that to impose clothing-wool duties on wools "improved by the introduction of merino or English blood" "would simply ruin the carpet industry." (Senate Report No. 2332, first session Fiftieth Congress, Part 3, p. 1126, wool statements before Senate Finance Committee, January, 1889.)

The wool-growers do not ask the same rate of duty on wools that are really carpet wools as on clothing wools, but duties relatively equal in proportion to value—protective duties.

Such duties will neither injure the carpet manufacturers nor consumers of carpets. They will not even temporarily increase the cost to the extent stated, and ultimately and permanently there will be no increase.

First of all, if the carpet manufacturer has an adequate "compensating duty" on carpets, for the duty on carpet wools, he can not be injured. He has had such duty since 1867 to an unusual degree—more so than any other class of manufacturers in any woolen industry. This, I think, was shown by Mr. Whitman before the Senate Finance Committee, in his statements January 18, 1889. (See Wool Statements, page 101, etc.)

The tariff of 1867 and 1883 were both constructed on the principle that the carpet manufacturers were to have a compensating duty for the duty imposed on the wool and an additional duty to compensate them for the difference between the cost of American and of European labor. My point is, if the carpet manufacturers have an adequate compensating duty, which the wool-growers think they have, that any increase of duty on carpet wools can not injure the carpet manufacturer, and I will be glad if some gentleman representing the carpet industry, who deems it his duty while enjoying the benefit of a duty on carpets to deny to the wool-growers duties which are protective, if he will explain how it is that if he receives an adequate compensating duty on carpet wools how he is injured by giving to the wool-growers an equivalent duty? That is my point.

Secondly. If the duty on carpet wools should permanently increase the cost of carpets by the amount of the duty (as it would not, no more than the duty on carpets increase their cost by the amount of the duty), still the increased cost would not be on carpets generally any such amount as stated.

I will only take one class of carpets for illustration—ingrain carpets—constituting probably 66 per cent. of all the carpets made. Mr. Whitman's statement, as I understand it, in relation to "compensating duties," is based on an extract from the Revenue Commission report of 1866, which is as follows:

"*Ingrain carpets.*—The duty on the washed wools used in the manufacture of ingrain carpet is 6 cents per pound, and on the unwashed wools 3 cents per pound. One hundred pounds of the washed wools will make, on an average, 64 pounds of finished carpets: and of the unwashed, 32 pounds. Now, if we divide \$6, the amount of duty paid on 100 pounds of washed wool, by 64, the number of pounds of carpets which said 100

pounds of wool will make, the quotient will be 9.375 cents; showing that the duty on the wool in the finished carpets is 9.375 cents per pound, which is equal to 0.585 cents per ounce. Three dollars, the duty on 100 pounds of unwashed wool, divided by 32 pounds of carpets, gives the same result; we may therefore take the average amount of duty on the wool in ingrain carpets to be 0.585 cents per ounce.

"Two-ply carpets of standard quality weigh, on the average, 20 ounces per yard; which multiplied by 0.585 cents, the duty per ounce, gives 11.70 cents as the amount of duty on the wool required for a yard of two-ply carpet.

"Three-ply carpets weigh, on an average, 26 ounces per yard, which, multiplied by 0.585 cent, the duty per ounce, gives 15.23 cents as the amount of duty on the wool required for a yard of three-ply carpet.

"Tapestry carpets and carpets wrought by the Jacquard machine. The wools of which these carpets are made consist, on an average, of one part of Canada combing wool to four parts of Cordova, or other similar wool paying a like duty; the Canada wool being required for certain colors.

"The duty on Canada wool is 12 cents per pound, and 10 per cent. ad valorem, which is equal to 16.50 cents per pound, and as 2 pounds of wool are required for 1 pound of worsted, it follows that the duty on the wool in the worsted amounts to 33 cents per pound."

"The duty on Cordova and other suitable wools is 6 cents per pound; and as 3 pounds of such wools are required to make 1 pound of worsted, it follows that the duty on the wool in the worsted amounts to 18 cents per pound. Now, as 4 pounds of this worsted are used to 1 pound of the Canada, the average amount of duty paid on the wool in the worsted used is as follows:

	Cents.
Four pounds of Cordova, etc., worsted, at 18 cents per pound.....	72
One pound of Canada worsted, at 33 cents per pound.....	33
	<hr/>
Per pound.....	105
	<hr/>
	21

"Average duty on the wool for 1 pound of worsted, 21 cents per pound, is equal to 1.312 cents per ounce.

"Tapestry Brussels carpets, of standard quality, require 9 ounces of worsted per running yard, which, multiplied by 1.312 cents, the duty per ounce, gives 11.80 cents as the amount of duty on the wool used for a yard of tapestry Brussels carpet.

"Tapestry velvet carpets, of standard quality, require 13.50 ounces of worsted per running yard, which, multiplied by 1.312 cents, the duty per ounce, gives 17.71 cents as the amount of duty on the wool used for a yard of tapestry velvet carpet.

"Brussels carpets, five-frame, of standard quality, wrought by the Jacquard machine, require 19 ounces of worsted per running yard, which, multiplied by 1.312 cents, the duty per ounce, gives 24.92 cents as the amount of duty on the wool used for a yard of this kind of carpeting.

"Wilton carpets, five-frame, of standard quality, wrought by the Jacquard machine, require 30 ounces of worsted per running yard, which, multiplied by 1.312 cents, the duty per ounce, gives 39.36 cents as the amount of duty on the wool used for a yard of this kind of carpeting."

The commission proceeded on the idea that it required 3 pounds of unwashed wool or 2 of washed to make 1 of scoured, and that the duty should be in the then proposed tariff, 3 cents on unwashed carpet wools, 6 on washed, and 9 on scoured.

Now, two things are to be specially noticed:

(1) the carpets here spoken of are all new wool carpets. But in the same hearing before the committee, Mr. Dobson, referring to the carpets made in the United States annually, said:

"If the goods herein mentioned should be manufactured entirely of wool, it would require 175,526,390 pounds per annum, and the difference between the 175,536,390 pounds of wool required and the importations of 85,000,000 is made up from substitutes for wool."

That is, about one-half of all, including the best with nearly all wools, consists of substitutes for wool—shoddy, cow, and calf hair—the substitutes in the cheapest costing 'about three-fourths of a cent a pound.' (Wool statements, January, 1889, p. 129-130.)

I am not criticising the value of carpets so made; they are good carpets, so made to furnish cheap goods.

According to these statements, if we assume that ordinary ingrain carpets are one-third new wool, the duty would be on a yard of two-ply ingrain carpet a little less than 4 cents; if half new wool, a little less than 6 cents.

An impartial and eminent expert and statistician* in a letter of November 15, 1889, on file in the Bureau of Statistics, says:

"Generally the average of a pound of new wool for a yard of carpet may be assumed, ranging as to details from 2 pounds to a few ounces. The large proportion of light-weight ingrain and stair carpets, with the use of large quantities of broken-wool yarns, reduces the average to a pound probably of new wool."

(2) The second matter to be noticed is that the plan of "compensating duties" in the report of 1866, is based on the idea that it will require 2 pounds of unwashed wool to make 1 of washed, and 3 pounds unwashed to make 1 of scoured wool.

It has been abundantly shown that the average shrinkage in scouring the great bulk of washed imported carpet wools is less than 15 per cent. (See Justice, Bateman & Co.'s wool circular, December, 1887, Senate report No. 2332, part 2, first session Fiftieth Congress, page 615; Bowes & Bro.'s, Liverpool, circular, November 20, 1889.)

Thus the alleged duty charge is again to be largely reduced, and the carpet manufacturers have had the benefit of a "compensating duty," based on a shrinkage for washed wools of 36 per cent. in manufacturing, whereas the shrinkage in scouring is only 15 per cent. and much of the loss in manufacturing leaves material valuable and available for other manufacturing. It is not strange that the carpet industry has prospered, and every wool-grower desires it should.

Now, on the basis of the revenue commission report, if the duty on carpet wool, valued at 12 cents per pound or less, should be 4 cents unwashed, 8 cents washed, 12 cents scoured, and if the washed wool should be defined to contain not less than 33 per cent. foreign matter, the duty on a yard of two-ply ingrain carpet, one-third new wool, would be about 5 cents.

And, on the same basis, if the duty be 4 cents on washed carpet wool, shrinking only 15 per cent. in scouring, the duty on a yard of two-ply ingrain carpet, one-third new wool, would be less than 2 cents per yard.

This amount of duty can neither injure the manufacturer nor the consumer.

Again, referring to the alleged increase of 15 per cent. cost of carpets by an increase of duty, it may be said the duty, by the act of 1883, on carpets is 30 per cent. ad valorem to compensate for the difference between the cost of American and foreign labor, and the Senate bill increases this to 35 per cent. Why shall not 15 per cent. be allowed in aid of agricultural industries as well as 35 in aid of carpet manufacturers?

The general public would be much more instructed if they could be informed exactly how much new wool there is in a yard of each variety of carpet, estimating not on the shrinkage provided for in the Revenue Commission Report, but on carpet wools as imported.

The wool-growers are not responsible for the failure to give this information; and besides, if it can be obtained, the wool-growers will unite with manufacturers in asking ample "compensating duties."

No controversy over the amount of wool in a yard of carpet shall be permitted to drive the wool-growers either from the purpose to ask sufficient duties for carpet manufacturers, or such duties on wools as will save the wool industry from destruction.

The report of the Tariff Commission of 1882 (page 28) shows that the act of 1867, by protecting the wool industry and increasing the supply, had the ultimate effect of cheaper wool. It says:

"The wisdom which guided its promoters has found substantial vindication in the growth of sheep husbandry during the past fifteen years. * * * As a result of augmented production the price of wools has been reduced to the consumer, while at the same time the producer, by improving his stock, has been enabled to realize as much money from individual animals as he secured in former years.

"If we destroy our wool industry foreign nations, finding no competition here, will dictate prices, and very soon we will pay dear, very dear, for our ruinous experiment."

The carpet tariff has brought cheaper carpets; a carpet-wool tariff will ultimately be followed by like results.

If we are left dependent on foreign wool or carpets, with foreign combinations and "trusts" beyond the reach of our laws, they will impose upon our people exorbitant prices.

The request of the wool-growers for better duties is not a measure of hostility to carpet manufacturers, but only a measure of justice to themselves. The wool-growers ask for carpet manufacturers protection to the full extent to which they ask it for the wool industry, and may justly claim their co-operation rather than opposition.

Increased duties will not injure any foreign market for American carpets. The Boston Commercial Bulletin of January 14, 1888, very truly said:

"In brief, with the removal of all duties on wool, * * * we should not gain a

*Lorin Blodgett, of Philadelphia.

cent's worth of foreign trade, for the other woolen-using countries, France, England, and Germany, could still undersell us in foreign markets with the help of their cheap labor. We should lose the fine-wool industry, which would be transferred to South America and Australia, and we should also lose cheap mutton on which the farmer can to-day recoup himself with the price paid for his protected wool."

But, if this were not so, the tariff laws provide for the refunding 90 per cent. of the duties imposed on wool manufactured and exported, and sound policy requires that the whole be refunded (Rev. Stat., 3019, 3020).

IV. Better protection on so-called carpet wools is necessary to increase and give prosperity to our wool industry, if not to save it from destruction. In other words, where we ask for a duty of 4 cents a pound on carpet wools to the value of 12 cents or less a pound, when we ask for that, allowing the cheaper grade of two-ply ingrain carpets to be one-third new wool, the duty on a yard of carpet so made would be only about 2 cents per yard.

Mr. McKENNA. You mean that much extra to the consumer.

Mr. LAWRENCE. I mean, assuming that the cost of the product is increased by that amount of duty, that then the increased cost to the consumer would be 2 cents a yard on such a carpet.

Mr. GEAR. Would not that be an increased cost to the manufacturer?

Mr. LAWRENCE. It would increase the cost to the manufacturer and of course that would increase the cost to the consumer. I purposely omit the tariff speech I would like to make in Congress to prove that on wool, as on manufactured woolen goods, an ultimate duty will not increase the cost of goods at all, because home competition will save you at least from unreasonable charges, but if you abandon the protective policy and import all these products from abroad, the result would be you open yourself to foreign trusts, to your loss.

Mr. CARLISLE. I suppose the basis of your argument considers it necessary that this industry shall be abandoned. That must be proven first.

Mr. LAWRENCE. That is true. I say to you the effect of the act of 1883 has been to vastly cut down the number of our sheep, and if we have free wool, the wool industry would be practically abandoned in the United States.

Mr. CARLISLE. Then you say the farmers in the United States would not keep any sheep?

Mr. LAWRENCE. I do not say they would not keep sheep; but the reduction would be very great.

Mr. CARLISLE. Do you think the farmer who has a flock of from forty-five to seventy-five has diminished them at all?

Mr. LAWRENCE. Yes, sir; they have been diminished since the act of 1883.

Mr. CARLISLE. Were they not diminishing to some extent before that?

Mr. LAWRENCE. They were greatly diminishing before that. I have a suggestion here in regard to that.

Mr. McMILLIN. According to your proposition, you think the addition of duty would not increase the cost of the commodity to the consumer?

Mr. LAWRENCE. It does not ultimately.

Mr. McMILLIN. If it does not increase the cost to the consumer, how would it improve the condition of the wool-grower?

Mr. LAWRENCE. In the first place, it would give the whole market to the American producer.

Mr. CARLISLE. Would it not enable him in such a case to charge a higher price?

Mr. LAWRENCE. No; because it follows that if we encourage these wool producers by a protective tariff we will improve the breed of our sheep so that they will produce much more wool than they do now. Let me say that thirty years ago the American merino sheep did not produce an average of 2½ pounds of merino wool. Owing to the stimulus given to the industry by the act of 1867 we not only increased the number of our sheep, but we increased their wool-bearing capacity from 2½ pounds to 6 pounds of washed merino wool. I had one lot of sheep, six hundred, shorn last spring, including two hundred crossed with Shropshire, which yielded a fraction over 6 pounds of washed wool per head, and the great body of exclusive merino wool produces between 7 and 8 pounds of washed wool per head. Now, the tariff, by stimulating the industry, induces the wool-growers to take better care of their sheep and improve their quality and their wool-bearing capacity, and in that way, with substantially no more cost in keeping, we improve our wool from 2½ to 6 pounds, and that is how a protective tariff benefits a wool-grower and enables him to furnish his production without ultimately increasing the cost.

Mr. CARLISLE. In England they have free-trade wool. Has not substantially the same progress been made in improving sheep in weight and fineness there as has been made in this country?

Mr. LAWRENCE. In England, as I understand it, they produce much mutton sheep;

sheep weighing 150 and sometimes 200 pounds. Their primary object is not for the wool, but to get mutton.

Mr. CARLISLE. Have they not improved their sheep?

Mr. LAWRENCE. Yes, sir; but their desire is to get a meat supply.

Mr. CARLISLE. That meat is free?

Mr. LAWRENCE. Oh, certainly.

Mr. BRECKINRIDGE. Are those Southdown sheep?

Mr. LAWRENCE. The best mutton sheep are the Oxforddown, Southdown, and Downs.

Mr. BRECKINRIDGE. Is the wool on that sheep substantially the same as the Southdown?

Mr. LAWRENCE. Yes, sir.

Mr. BRECKINRIDGE. For what purpose is the wool used?

Mr. LAWRENCE. It is called combing wool, and is used in the manufacture of goods that are produced from combing wools, delaines, and goods of that sort. When the act of 1867 was passed merino wools could not be manufactured, but now by an improvement in machinery we can comb merino wools and they go into delaines and goods of that sort.

Mr. McMILLIN. The question I wish to ask you is, if it is not a fact that you ask for an increase of duty in order that the farmer may get a better price for his wool?

Mr. LAWRENCE. It is in order that the farmer may make the wool industry more profitable.

Mr. McMILLIN. By getting a better price for his wool?

Mr. LAWRENCE. The first effect will be to increase the price, but by improving the quality of the sheep and the capacity to produce more wool, we can make as much money ultimately without increasing the price at all, and if you will look at the Tariff Commission's report of 1883, on page 28, you will see that the Tariff Commission report that fact, that under the tariff of 1867 the price of wool has absolutely been reduced, and yet the industry has been made more profitable to the farmer, although the price has been reduced. If he has improved sheep, with the capacity to produce more wool, it will be more profitable to him without raising the price.

Mr. McMILLIN. The effect would be to increase the price of the wool?

Mr. LAWRENCE. My friend will excuse me now—

Mr. McMILLIN. Would it or not? You are a very candid man.

Mr. LAWRENCE. The first effect would be to increase the price.

Mr. McMILLIN. Hence the price at which it would go to the manufacturer would be increased, and he would increase the price on his manufactured product?

Mr. LAWRENCE. That would be the first and temporary effect.

Mr. McMILLIN. And that would necessarily increase the price at which he would sell to the consumer?

Mr. FLOWER. In your proposition—

The CHAIRMAN. Have you finished your answer to Mr. McMILLIN?

Mr. LAWRENCE. I would say the ultimate effect, however, would be to give the consumer cheaper wool and cheaper goods for the reason I have stated, and for the additional reason which I will now state. There can not be any trust or combination among the wool-growers of this broad land which will extort from the consumer, but if you destroy the wool industry and put this into the hands of the foreign wool-grower, you enable them to combine and organize a trust and extort and put the prices just to suit themselves. If you look at the report of our consul at Odessa, made to the State Department, he says there is now a combination among a few dealers in southern Russia, by which they control the whole wool crop of southern Russia, and if we do not produce wools to compete with them in the United States, and will leave our people to the mercy of such a state of affairs as that, they would extort and put up the prices vastly higher than they could be by American production. Another thing let me say to you. As I have said, you can not control these foreign trusts, because they are not amenable to law, but you can control trusts in the United States. Let me illustrate how a trust can be organized by importers, which you can not control. Some years ago a particular shawl became the fashion in the United States. It was A. T. Stewart, with that foresight which characterized him, who sent agents to Europe to negotiate for all that class of shawls they could get in Europe. Having the whole supply, he doubled the price, and every lady who bought one paid twice what was paid the year before. That trust was not under your control, and so it will be with the wool production. There can be no trust among the American wool-growers. Let me say one thing further; I do not presume to discuss the policy of a protective tariff, but I am simply answering questions put to me by these distinguished gentlemen, whose kindness I appreciate and whose questions I am very happy to answer.

Mr. FLOWER. Do you want to get in this question now?

Mr. MCKENNA. You mean you want to get it in.

Mr. FLOWER. I certainly do. You stated we ought to raise the tariff to a prohibitory point on woolen goods. Would not that induce the woolen manufacturers to form a trust?

Mr. LAWRENCE. I think I did not say that. If you were to put a tariff on manufactured woolen goods which should be so high that when we begin to extort or demand unreasonable prices, foreign goods would be kept out under such an arrangement, we could form a trust; but my idea of a protective tariff is this: First ascertain the cost of making a yard of a certain article in the United States, the cost of the wool, labor, and capital; then ascertain the cost of making a yard in Europe, the cost of the wool, labor, and capital. You will find that the cost in Europe is considerably less than in the United States. Now, I would impose a duty which would compensate the manufacturer for the difference between the cost of the labor in the United States and the cost of the labor in Europe; for the difference between the cost of the capital in the United States and the cost of capital in Europe; for the difference between the cost of machinery in the United States and the cost of machinery in Europe; and I would put on such a duty as would exactly make them correspond. In other words, I would compensate the American manufacturer for the difference. Then I would add to that, say 5 per cent. more, in order to prevent the foreigners from selling for a time at a sacrifice for the purpose of crowding out our manufacturers, and in order to prevent the foreign manufacturer, when there was an overstock on hand, from unloading on our people here and breaking down our manufacturers. I would erect a barrier just so high that the American manufacturers could live and prosper, and make a reasonable profit, so that when they attempted to extort or organize a trust, then foreign goods should come in to say "thus far shalt thou go and no farther." We prefer that our American citizens and friends shall prosper rather than our enemies abroad.

Mr. CARLISLE. Your system contemplates a protection of capital as well.

Mr. LAWRENCE. Yes, sir.

Mr. BRECKINRIDGE. You suggest that the imports are insufficiently taxed at present. You want to go beyond and add, we shall under no circumstances prohibit imports. What is your gauge?

Mr. LAWRENCE. As a general rule, whenever I see imports coming in in considerable quantities, that ought to be taken as evidence the tariff is not high enough. There may be exceptions to the rule, as for instance when the foreign manufacturers have an overproduction; that would not be evidence necessarily that our tariff is inadequate. I have been seeking to avoid giving my individual views of what is the policy of protection, and endeavoring to limit my remarks as well as you distinguished gentlemen would allow me to do so, to the wool-growers whose interests I represent, and in whose interest I shall speak, for I am a wool-grower.

My distinguished friend, the editor of the American Wool Reporter, of Boston, said there was a little coterie of Ohio politicians who were pressing this demand for protective duties on wool, as though the merits of the men who were pressing it had anything to do with the merits of the proposition itself. I belong to the Ohio Wool-growers' Association. It has a large membership, and in all that membership there is not one politician nor one man who desires any office. I believe I am the only politician alluded to. I have not been a candidate for any office since I went out of Congress on the 4th of March, 1877. I was appointed to one office, the First Comptroller of the Treasury Department, which I refused to accept, and only finally concluded to accept at the urgent solicitation of President Hayes and Mr. Sherman. I held that office four or five years until President Cleveland came in. He did not want me and I did not want him, and we mutually parted good friends. Am I a politician, who have not been a candidate for an office in thirteen years? Mr. Delano, who retired from the office of Secretary of the Interior under President Grant's administration, an office which he held longer than any other Secretary, has not been a candidate for any office since then. Is he a politician? Here is Mr. Harpster; let me exhibit him. He was advertised recently in a free-trade Philadelphia paper as a lawyer from Ohio and a politician. He never read a law book in his life; he never was inside of a court-house, unless summoned as a witness or a juror; he has never been a candidate for any office in his life, and he has been a farmer all his life; yet he is one of the gentlemen designated as belonging to "a little coterie of Ohio politicians." One thing I would invite the attention of my friend, the editor of the Wool Reporter, to. He said he was acting as a messenger to distribute petitions for free wool and petitions for ad valorem duties, and he believes, after a good deal of hesitancy, in the ad valorem duty. There is one thing you can not hire an American wool-grower to do—you can not hire him to circulate petitions for a political policy which he does not believe to be wise.

Mr. BRECKINRIDGE. Does not that gentleman believe his policy to be wise?

Mr. LAWRENCE. I understood him to say he was circulating petitions for free wool and for an ad valorem duty both. He stated that he preferred the ad valorem duty.

Mr. BRECKINRIDGE. Did he not state that he considered either one wise, but one wiser than the other?

Mr. LAWRENCE. I did not so understand him; but if so, they can not both be wise.

Mr. BRECKINRIDGE. Both might be wiser than the present system.

Mr. LAWRENCE. If he is willing to circulate petitions for two different things, so well and so good.

Mr. McMILLIN. Do you not represent different men who have different ideas of the rate to be imposed?

Mr. LAWRENCE. Undoubtedly; but I think I have given my own pretty definitely.

Mr. McMILLIN. So did he.

The CHAIRMAN. You do not represent any man in favor of free wool?

Mr. LAWRENCE. Not a man in favor of free wool.

Mr. BRECKINRIDGE. Will you please state something of the manner in which the Wool Growers' Association is organized?

Mr. LAWRENCE. Yes, sir. Everybody in Ohio who is interested in the wool industry who will pay \$1 a year to cover expenses, can become a member of the Ohio Wool-Growers' Association, and if he does so he will be in admirably good company.

Mr. BRECKINRIDGE. How many have paid that dollar?

Mr. LAWRENCE. I do not know the number, but there is a very large number; a very respectable number.

Mr. BRECKINRIDGE. Can you not approximate it?

Mr. LAWRENCE. I really could not.

Mr. BRECKINRIDGE. Have you got something like ten thousand?

Mr. LAWRENCE. No, sir. We all know the body of men representing any industry leave to a comparatively few men the duty of taking care of that industry. It is so with all the great manufactures in the United States. A few belong to their associations, and still fewer take any active interest in it, and present their wants.

Mr. BRECKINRIDGE. Therefore, you are only authorized so far as your active membership is concerned to speak for comparatively few people?

Mr. LAWRENCE. From my connection with the wool-growers of the State——

Mr. BRECKINRIDGE. I am speaking of your direct connection with your association, who by direction actually and expressly authorized you to speak.

Mr. LAWRENCE. There is a vast number of wool-growers in Ohio who do not belong to the Wool-Growers' Association, yet who sympathize with and believe in the policy which some of the active members of the association indorse and ask for.

The CHAIRMAN. Is it not a fact you have been requested to present this matter to the Committee on Ways and Means by the national convention of wool-growers?

Mr. LAWRENCE. From the 2d to the 9th of December of this past year, 1889, the national convention of wool-growers met in this city. I have been appointed as one by the convention to present the views of that national committee to this Committee on Ways and Means.

Mr. BRECKINRIDGE. How many States do you represent?

Mr. LAWRENCE. Thirteen States and Territories, with my State.

SOME ONE. Fifteen it is.

Mr. LAWRENCE. Fifteen, then.

Mr. BRECKINRIDGE. How many delegates were in that convention?

Mr. LAWRENCE. I do not recollect the number, but they were not large.

Mr. BRECKINRIDGE. How did those delegates get their credentials?

Mr. LAWRENCE. They were generally appointed by their State conventions.

Mr. BRECKINRIDGE. In mass meeting of the people, as they are usually appointed to political conventions?

Mr. LAWRENCE. No, I think not, and outside of political meetings in election time, I am not aware that the men who favor free trade have held any conventions to send delegates here to represent their views. That is not the way those things are done.

The imports of carpet wools are equal to one-fifth of the total consumption of all wools in the United States and equal about one-half of our total wool clip. If it is wise to secure four-fifths by protection to American wool-growers it is wise to secure all. If the duty on carpets was so low as to permit the import of one-fifth of all our people require, thus taking 20 per cent. away from the present product of our mills and making the imports equal 20 per cent. of our product, the carpet manufacturers would complain, and justly so.

The manufacturers of woolen and worsted goods justly complain that the imports of such goods were last year \$52,564,942, custom-house value, though it is a much less per centum of the total consumption than is carpet wool of our product.

Are not agricultural products, of which wool is one, entitled to equal favor with those of woolen-manufacturing industries?

The President's able message justly declares that "the protective principle should be maintained and fairly applied to the products of our farms as well as of our shops."

The wool industry is almost the only branch of agriculture which can be directly and generally advanced by protective duties.

We ask for protective duties to enable us to increase our product and supply all wants as fully as protection enables carpet manufacturers to supply all wants. For this we will contend, and the contest will never end until this result is reached or our common industries together perish with free trade or its equivalent—duties so low they will not protect, but only destroy.

Under the act of 1883 our product of carpet wool has declined more than one-half, and the whole wool industry has declined. Statistics show as follows:

Year.	Number of sheep in United States.	Value.	Wool, pounds.
1883	50,626,626	\$119,902,706	300,000,000
1888	42,599,079	90,640,369	265,000,000

Mr. MILLS. If you will notice the report of the statistician in the Agricultural Report, he makes the wool report larger than you have given.

Mr. LAWRENCE. I do not recollect what he makes it.

Mr. MILLS. Mr. Bond, of Boston makes it about 330,000,000 pounds.

Mr. LAWRENCE. Yes, sir. Mr. Bond, of Boston, is an eminent gentleman, but he does not have half the opportunities to ascertain the number of sheep in the United States. Professor Dodge is the statistician of the Agricultural Department.

Mr. MILLS. They all seem to differ some.

Mr. LAWRENCE. They differ some.

Mr. MILLS. Two hundred and eighty-five million pounds Dodge gives as the product for last year.

Mr. LAWRENCE. Yes; but that has been gradually going down. I have here a diagram showing the effect on the wool industry by the legislation proposed, the effect on the prices of wool. I leave this with you so that you can examine it at your leisure. It shows when the Morrison tariff reduction was reported to the House they began to go down. When the Morrison reduction bill was defeated wool began to go up. When Mr. Manning's free-wool report was made to Congress wool began to go down; and when President Cleveland's free-wool message was sent to Congress wool began to go down, and went way down. When my friend Mr. Mills's bill—for he is my friend, as I esteem him very highly—

Mr. MILLS. It is reciprocated.

Mr. LAWRENCE. I was with him in Congress. When his bill passed the House wool touched the lowest point. This is all illustrated by this diagram. When the hostile attitude of the Senate towards the bill was seen, wool began to go up; when Mr. Harrison's election occurred it went up, and when you pass a good wool-tariff bill here it will go still higher.

Mr. MILLS. The consumer will have to pay more for his woollen goods?

Mr. LAWRENCE. For a time. It will be temporary. If the woollen clothes cost a little more, the people will have more means to buy them. If the increase had gone on as it had been going on since the act of 1867, and if the act of 1883, so far as the wool industry is concerned, had never been passed, instead of having 43,000,000 sheep now, we would have had 73,000,000.

Mr. FLOWER. The Republicans did that for you in 1883. They passed that bill.

Mr. LAWRENCE. That reminds me of an anecdote. It is said that the Republicans passed the wool-tariff act of 1883. Undoubtedly, I suppose, they are responsible, and I think they made a mistake. The act was passed on the 3d of March, 1883. We had an election in Ohio that year. The Democratic party held their convention and issued an address to the people, and stated the Republicans had passed the reduction tariff bill of 1883, and while the policy of protection prevailed in the United States the wool-growers ought to have the full benefit of it more fully than any other industry, and thereupon the people of Ohio, believing they were sincere and honest in it, elected a Democratic governor.

The CHAIRMAN. They discovered their mistake afterwards?

Mr. LAWRENCE. Yes, sir.

Mr. McMILLIN. They have rectified it again now.

Mr. LAWRENCE. But not on the wool question.

Mr. McMILLIN. Campbell, I believe, stood with us on the wool question last year.

Mr. LAWRENCE. The election in Ohio went off on other points.

Mr. McKENNA. Did you not run him as governor because he was not very sound?

Mr. McMILLIN. No; we ran him because he was sound.

Mr. LAWRENCE. Now, gentlemen, I will return to my notes.

With "full and adequate protection" our flocks would now have included nearly 100,000,000 sheep.

The importation of carpet wools not only prevents our wool-growers from having as they should 20,000,600 sheep producing improved carpet wools, but they threaten the speedy destruction of our merino and combing wool industry.

This is fearfully proved by three facts:

(1) *At least one-third of all the so-called imported carpet wools are now being used in the manufacture of clothing goods, thus (1) supplanting American wool, and (2) reducing its price to the level of the relative foreign value of the carpet wools. There is no longer an American price for wool as there is for carpets, unaffected by the foreign price. The foreign price of carpet wools not only fixes the price of our carpet wools, but all of our wools.*

Time will not permit me to state in detail the evidence on these propositions, but I will lay before the committee some evidence in support of them.

Imported carpet wools, the equivalent of at least 40,000,000 pounds of unwashed low grade American wool, such as is shorn from the best class of mutton sheep, is being used annually in American clothing goods.

The exact amount is not material. It is the fact that so-called carpet wools are used, and the certainty of an increase of such use in consequence of the daily inventions and improvements in woolen-working machinery proves the existence of the evil, and the imminence of its increase.

Here are some of the evidences:

Messrs. Justice, Bateman & Co., in their circular of October 1, 1889, say:

"One not engaged in the sale of low grades of American wools, such as are known as one-quarter blood and common, can not realize the extent to which carpet wools are being used for clothing purposes, to the exclusion of the low grades of domestic. One-quarter blood wools that brought from 29 to 31 cents in June, are now difficult to sell at 26 to 27 cents. In canvassing the mills with samples of American one-quarter blood wool, the fact is revealed that in almost every direction the better grades of carpet wools are being used for clothing purposes. The descriptions most used are Bagdad, East India, selected portions of Turkey, Syrian, and Persian wools. It is the custom abroad to sort out the better grades of these carpet wools, such as are suitable for clothing purposes, ship them to America and enter them at the carpet rate of duty, the coarsest portion being left in Europe and resold there. The large use of these wools in clothing causes American one-quarter blood wools to be neglected, and the decrease in the sheep in the United States during the last few years has been almost exclusively in those yielding coarse wool; they are what are known as mutton sheep, and the decrease in these flocks is thus also decreasing the food-supply of the United States."

I find the following in the New York Tribune of October 19, 1889:

"Robert Bleakie & Co., manufacturers, at Hyde Park, Mass., openly declare their desire that clothing, as well as carpet wool, should be made free. After arguing and occasionally threatening for some months in favor of free wool, the American Wool Reporter of September 26 publicly asked Mr. Robert Bleakie, as a manufacturer especially competent and trustworthy, to testify whethey any wools imported as third-class or carpet wool are used to displace first or second class wool in the manufacture of cloth for clothing purposes. His reply may have been a surprise, for he says:

"In reply, I will state that I am satisfied that many millions of pounds of third-class or carpet wools are used in making cloth for clothing purposes. Three years ago the firm of Robert Bleakie & Co., of which I am a member, placed upon the market a line of Scotch cheviot goods made from domestic clothing wool. We were surprised to find goods similar to ours offered and sold by Philadelphia manufacturers at prices less than the cost of our goods at the mill. Upon investigation, we discovered that the Philadelphia goods were made from the fine edge of carpet wool; that is to say, the finer sorts had been taken from the carpet wool, and the beautiful cheviot goods, for making which Scotland is famous, had been degraded by the substitution of cheaper wool to reach a price satisfactory to the buyer of cloth. We were obliged simply to withdraw the goods which we had made from our domestic wool, and follow the example of our more enterprising competitors, some of whom I know to-day are making a business of producing clothing goods, using nothing but carpet wool. Our firm has used of these carpet wools, during our last run on chevots, about 150,000 pounds, equal for cloth-making purposes, to over 200,000 pounds of Georgia wool, owing to its lighter shrinkage."

Without quoting further in my remarks, I submit herewith a collection of evidences to the same point. The total imports of all wools of all kinds were, for the fiscal years stated only, as follows:

	Pounds.
1839.....	9,898,740
1849.....	18,695,294
1859.....	26,282,955
1869.....	49,230,199

And in those years much of it came unwashed. In 1889 the so-called carpet wools alone were equivalent to 120,000,000 pounds unwashed low-grade American wools. The danger is enhanced by other considerations. A recent number of the American Economist says: "The world's consumption of wool has more than doubled since 1866," but "the production has increased still faster. The consumption is now estimated at about 1,600,000,000 pounds; but the production is reckoned to approximate 2,000,000,000 pounds. Within comparatively few years the merino and mixed flocks in the Argentine Republic have grown to nearly if not quite 100,000,000 sheep, about two and one-half times the present number in the United States. This rapid increase is alone sufficient to account for the decline in the price of wool, affecting the whole world, and the United States no less than other countries." And see Vol. XIX, No. 2, p. 131, Bulletin of National Wool Manufacturers' Association.

The result of the present low duties will be that imports will deprive our wool-growers of the privilege of producing the wools needed for carpets, and supplant the use of our clothing wools, and diminish the mutton supply from coarse-wool sheep, and cause an overproduction of cereals, to impoverish our lands and bring general disaster to all our industries.

Without reading at length I lay before the committee additional evidence, as follows:

EVIDENCE THAT IMPORTED SO-CALLED CARPET WOOLS ARE USED IN THE MANUFACTURE OF CLOTHING GOODS.

George William Bond has said that "in 1886 the imports were large, and as again cheviot goods were ruling the market, undoubtedly some of the third-class wools were used for this purpose." (Senate Report No. 2332, part 2, first session Fiftieth Congress, p. 594; Wool Report, 1887, p. lxi.)

I have a letter from a prominent well-informed gentleman (Theodore Justice) on the subject of the low estimates of carpet wool used in the manufacture of clothing goods, in which he says:

"American carpet wools are of the better class, and of course they compete with foreign carpet wools of the better class, such as are used for clothing purposes. We send you a sample of the better class of East India [washed] carpet wool, which shrinks only 13 per cent. It is admitted at the same duty as unwashed, but owing to its exceedingly light shrinkage is practically scoured, as laid down in the rejected wool schedule which the wool-growers submitted at Washington. We are selling this wool to Kentucky and Tennessee for manufacture into Kentucky jeans, and many hundreds of thousands of pounds of it are being imported, and none of it that we know of is going into carpets, but is being used in the manufacture of clothing. * * * Sixty per cent. of the finer grades of what are imported as carpet wools are used for clothing purposes. This takes in only such as pay 5 cents per pound duty, washed and unwashed. * * * The carpet wool imported in 1887, that paid 5 cents per pound duty, was 19,685,714 pounds (Wool Reports, 23, etc.); 60 per cent. of this would be about 12,000,000 pounds. And, as the American carpet wool is at present used almost exclusively for blanket and clothing purposes, it makes in round numbers 32,000,000 pounds of the so-called carpet wools which are used for clothing purposes."

And, referring to some of the estimates of carpet wools used for carpet purposes, the letter says they are made in part "By figuring the extreme capacity of all the machinery in the country * * *. A part of the carpet machinery has been standing idle and [the computations referred to] make no allowance for the shoddy, and cow and calf hair, goat hair, and other hair, used in the manufacture of carpets, which come in free."

Justice, Bateman & Co., in a letter September 17, 1889, to the "United Question Clubs of Massachusetts," says:

"There is a decided objection to the removal of the duty on carpet wools, if there is any propriety in having any duty upon any kind of wool. Carpet wools, such as are required for the manufacture of the finer grades of carpets, are also capable of being used for clothing purposes. * * * The latter takes the place of low grades of American wool. Every American wool-dealer to-day, in his efforts to sell quarter-blood, and common American wools, which are such as are produced from mutton sheep, finds his efforts to sell these wools thwarted by the use, in a large number of the mills, of the better grades of carpet wools, which are being used for clothing purposes. Scarcely a mill is to be found that formerly used quarter-blood and common American wool but which during the past year has used more or less of the better grades of carpet wool as substitutes, and as a consequence American quarter-blood wool is unsalable. It is being crowded out of use by carpet wools to a rapid degree."

"Therefore, if the duty were entirely removed, the competition of carpet wools would be even more severe, and the decrease of mutton sheep would be more rapid than at present. The decrease in the clip of the United States since the tariff was reduced in

1883 has been almost exclusively in the quarter-blood and common grades of wool, such as are the product of mutton sheep grown mostly in sections of the United States east of Missouri River. This decrease in the production of American wool has been the direct effect of the use of carpet wool in clothing mills. With the harm already done before us we can easily foresee how disastrous would be the effect upon the American wool industry by a still further removal of duties."

The American Economist of September 20, 1889, says: "The purpose of the wool-growers is to prevent the importation of the finer kinds of carpet wools, which are in fact largely used for clothing, and compete disastrously with our domestic wools."

Justice, Bateman & Co.'s wool circular, October 15, 1889, says: "The evidence multiplies from day to day that the better grades of foreign carpet wools are being used for clothing purposes to such a degree as to lower the price of what are known as coarse American wools, such as one-quarter blood and common. There has been a greater decline in this grade of wool since July than in any other quality, and while the low price of one-fourth-blood wool is leading manufacturers to take hold of it more freely than heretofore, it is still hard to sell any large amount, because of the use of carpet wools in its place, and this must continue so long as foreign carpet wools are so much cheaper than American. The carpet wools in many cases cost when scoured very little more than one-fourth-blood American wools in the fleece."

The wool circular of Justice, Bateman & Co., November 1, 1889, says:

"The scoured wool imported as waste, and the clothing wools which are selected from the best grades of what are legally classed as carpet wools, are depressing the price of American wools. Manufacturers have learned how to make very salable goods out of these so-called carpet wools, and it is not likely that they will cease to use them until they are brought up by increased duties somewhat nearer to that of low grades of American clothing wools."

A second important fact is that there is practically and substantially no longer any wools known originally in 1867 as carpet wools—the "coarse, hairy, kempy wool" of the native wild sheep. The native sheep by domestication and culture without any crossing with merino or English blood becomes combing and clothing wool. And nearly all in foreign countries have been and are being improved by crossing, so that now much of the so-called carpet wools can not be distinguished from clothing wools.

In support of this I have to say: The imports of so-called carpet wools for the fiscal year 1888 and 1889 were as follows:

	Pounds.	Value.	Average value per pound.	Duty.
			Cents.	Cents.
1888	54,703,172	\$5,515,570	10.8	2½
1888	19,618,968	3,506,520	17.9	5
1888, scoured	385,028	67,335	17.5	7½
1888, do	3,462	993	28.7	15
Total, 1888	74,710,620	9,090,418		
Total, 1889	90,391,541	10,417,190		

Of the imports of 1888, it is certain that the wool valued at 17.9 and 17.5 cents per pound was wool adapted to the manufacture of clothing, over 20,000,000 pounds, but so well washed as to be the equivalent of 40,000,000.

The character of this so-called carpet wool may be determined from a comparison with the custom-house value of the imported clothing and combing wools.

The imports of these wools for 1888 and 1889 with the custom-house value were as follows:

Year.	Pounds.	Custom-house value.	Average value per pound.
Clothing wool:			Cents.
1888	23,039,679	\$4,541,242	19.71
1889	29,226,317	5,971,246	20.43
Average value			20.07
Combing wool:			
1888	5,639,523	\$1,330,565	23.59
1889	6,869,871	1,586,079	23.08
Average value			23.33

This statement shows that in 1888 of the carpet wool imported, in round numbers, 20,000,000 pounds, was of the custom-house value of about 18 cents per pound—to be exact 17.9 cents—while the average custom-house value of the clothing wool imported in 1888 and 1889 was only 20.07 cents, a difference of but a trifle over 2 cents; and of the combing wool only 23.33 cents, the latter mostly fleece-washed.

That is the kind of wool which is classed as carpet wool which competes with our clothing wool, fixes its price, and supplies its place, driving our wool-growers out of the business.

And this washed carpet wool, 20,000,000 pounds is the equivalent of more than 40,000,000 pounds of our washed merino wool, because of the difference in shrinkage in scouring.

In the administration of the tariff laws these improved wools—wools having a visible admixture of merino or English blood—have been admitted as carpet wool, though so much improved as to be good merino clothing wool. The Boston Journal of Commerce of August 24, 1889, says:

“The custom-house authorities at New York have of late held an importation of 500,000 pounds of Valparaiso wool, entered as third class or carpet wool, on the ground that it contained too much fine wool for a third-class classification. It is asserted that a similar wool has recently been received in Boston, part of the same clip, and was passed with even more fine wool. The New York custom-house officials hold the fine portion of the wool subject to 10 cents a pound duty as clothing wool of the first class. If the retention of this wool is because of the existence of fine wool in it, as we are authentically informed it is, it is clearly contrary to law. The quality of the wool, whether it be coarse or fine, has nothing to do with its classification. The wool tariff is a blood tariff, and so has been maintained since 1867, * * * though at times denounced by Henry S. Randall and other prominent wool-growers. There is no claim, we believe, that this Valparaiso wool has any English or merino blood in it * * * or that it is anything but native Chilean wool.”

An editorial says that this is the claim of the distinguished and able woolen-goods protectionist, G. W. Bond, in a letter dated January 16, 1869, to Hon. Hugh McCulloch, then Secretary of the Treasury.

As a matter of fact, the native flocks have been improved by crossing with English or merino blood, though it may not be possible to detect it. The logic of this is that if the native sheep are so improved by breeding that their wool has ceased to be carpet wool, but is good clothing wool, fine in quality, it must still be admitted at a nominal duty.

A well-informed wool dealer in Philadelphia, Theodore Justice, in a letter September 2, 1889, says that he and another dealer were called to the custom-house to give expert opinions “on a lot of medium wool entered as carpet wool. We pronounced it medium unwashed clothing wool; other experts pronounced it carpet wool.”

It was passed as carpet wool on the opinions. He then says: “It turned out to be a ‘sort’ off of the ribs of some Turkey [carpet wool] fleeces of the finest part of the fleece. It went into a clothing mill.”

The Boston American Wool Reporter of September 5, 1889, says: “We believe it would be possible to persuade the wool-growers to favor ad valorem duties upon wool if coupled with a rectification of the present abuses in connection with carpet wools.”

In the discussion before the Senate Finance Committee on the 18th of January, 1889 (page 100), I find the following:

“MR. WHITMAN. I was asked a question in relation to the quantities of wool used in different kinds of carpets.

“But before proceeding with that I wish to make one statement. If you will refer to the reports of the United States revenue commission for 1865 and 1866, on page 432, you will find the following from the representatives of the wool-growers at that time:

‘In the class of very coarse wools—carpet wools—such as Donskoi, Cordova, and Valparaiso, the United States could unquestionably produce them in their greatest perfection were it profitable for us to grow them. But it is not usual to raise rye on land which will yield an equal amount of wheat.’

And again, on page 439: “The duties named in draught of bill on the *coarse hairy carpet wools*, which compete with none grown or which can be profitably grown at present in the United States, are proposed for revenue purposes only.”

“That report was signed by Mr. Henry S. Randall, president of the National Wool-Growers’ Association at that time.

“MR. DELANO. How long ago was that?

“MR. WHITMAN. In 1866.”

The only wool then recognized as carpet wool was “coarse hairy.”

That wool was of the class described in the Wool Report (page xiv) as follows: “The *moú flon* (*Ovis aries*), the parent stock from which our sheep is undoubtedly derived, and which is still found in a wild state upon the mountains of Sardinia, Corsica, Barbary, Greece, and Asia Minor, has a very short and coarse fleece, more like hair than wool.”

The Wool Report (page xli) quotes from Professor Dodge the statement that the carpet wools "are represented in the United States only by the (native), Mexican sheep, which are the foundation of a large proportion of the ranch flocks, but so improved by repeated crosses as to furnish wool of the merino type, much of it of high grade."

The same report quotes with approval the statement of the eminent statistician, J. R. Dodge, "that the carpet-wool product of the United States is almost exclusively the fleece of sheep of Mexican origin, which are raised chiefly in Texas, New Mexico, Arizona, and certain of the Territories of the mountain region of the country situated between the Mississippi Valley and the Pacific slope."

And the Wool Report (pages xiv, xv) referring to the *mouflon* (*Ovis aries*), says: "The wool of the sheep has been surprisingly improved by its domestic culture. * * * When this animal is brought under the fostering care of man, the rank fibers gradually disappear, while the soft wool around their roots, little conspicuous in the wild animal, becomes singularly developed. The male most speedily undergoes this change, and continues ever afterwards to possess far more power in modifying the fleece of the offspring than the female parent. The produce of a breed from a coarse-wooled ewe and a fine-wooled ram is of a mean quality between the two, but half-way nearer that of the sire. By coupling the female thus generated with such a male as the former, another improvement of one-half will be obtained, affording a staple three-fourths finer than that of the grandam. By proceeding inversely, the wool would be as rapidly deteriorated. It is, therefore, a matter of the first consequence in wool husbandry to exclude from the flock all coarse-fleeced rams."

Thus the carpet-wool sheep of 1867, by domestic culture, has ceased to be what it once was—really a carpet-wool sheep.

But in addition to this the native carpet-wool sheep have been improved in every carpet-wool-producing country from which our imports come.

On the 17th of January, 1889, at the hearing before the Senate Finance Committee, Mr. Dobson, a leading carpet-wool manufacturer of Philadelphia, appeared to resist an increase of duties on so-called carpet wool. He had specimens of carpet wool, among them those of the worst class of imports.

And here is, in part, what was said:

"MR. DOBSON. In this pamphlet that I find on the committee table from the national delegate convention of wool-growers I see they propose section 343, as follows:

"Class 3. Carpet wools, such as Donskoi, native South American, Cordova, Valparaiso, native Smyrna, and including such wools of like character as have been heretofore usually imported into the United States from Turkey, Greece, Egypt, Syria, and elsewhere, excluding such as have been improved by the introduction of merino or English blood."

"Now, that section contains the phrase 'English blood.' You can find a trace of that in every one of these wools. There is not a class of wools that I have produced to you in which I can not show you a trace of English blood. Consequently, if that phrase should be left in, it would lead to endless litigation and trouble. You could not tell what duty you would have to pay on your wools when you imported them."

The Boston Wool Reporter of September 19, 1889, says that at the conference of wool manufacturers in Boston on the 17th, "it was openly admitted also by several of the most prominent manufacturers present that the wool-growers have a grievance in the matter of carpet wools."

And the Reporter, in discussing the subject of free carpet wools, says: "The objection to this course would be very serious inasmuch as with free carpet wool and taxed clothing wool, the trouble at the custom-house in classifying wools which are very near the dividing line between third [carpet] and the higher classes would soon be very great. Improvements in blood would be made in the regions now growing carpet wool, and thus increase the difficulty of classification." Even without any "improvements in blood" there will soon be no dividing line between carpet and clothing wool.

A third important proposition resulting from what has been said is that there should be better protection on the so-called carpet wools. With the present low duty the foreign competition, yet in its infancy, is rapidly growing and threatens to increase its destructive proportions. Already it has changed the styles of goods, until coarse wool goods are in demand for men, women, and children; they clothe the living and furnish the casket with burial clothes for the dead. The objection is not so much to the fashion, as to the source of supply of wool.

The importation of the low grade of carpet wools in large amounts will be ruinous to the clothing-wool industry. With the improvements in machinery they can and will be made into cloth, sometimes called negro cloth, and thus supplant coarse and quarter-blood American wools. William H. Grundy, a prominent and candid manufacturer of yarns at Philadelphia, stated last evening at a meeting of manufacturers that in the last fifteen months he had used 250,000 pounds of imported low-grade carpet wools, paying only a duty of 2½ cents per pound, in the manufacture of yarns sold for the purpose of being knit into stockings and socks. The same wool will, of course, make yarns to

be woven into cloth. If low grade of carpet wools be admitted at a duty of $2\frac{1}{2}$ cents the business of manufacturing yarn and cloth will go on, and every mill west of the Alleghanies engaged in making stocking yarn from American wools will be closed. I warn the friends of the wool-grower, the friends of Western and Southern manufactures, the people of the West and South against this danger.

That is why we are asking a duty of 4 cents a pound on low-grade carpet-wool. They are being manufactured into clothes and are supplanting our cross and quarter-blood wool all through the market. That is why I appeal to those of our Democratic friends who do not believe in the policy of protection, and ask them whether it is not just, if this policy must prevail, that they may not properly say to-day that the wool-growers need the benefit of it as well as the manufacturers of woollen goods. Now, that is what we ask, and I have presented some reasons for it.

The average custom-house value of imported carpet wools, of the lowest grades, "*excluding charges in the last port or place whence exported*," was, in 1888, 10.8 cents; the full importer's value was in many cases, about 12 cents. Now, a duty of 4 cents per pound on such wools is 33 per cent. ad valorem.

The average ad valorem duty on all imported dutiable goods is 47 per cent. Why shall our wool industry be discriminated against? The Senate bill proposes an ad valorem duty of 35 per cent. on carpets. Why shall not wool-growers have an equal duty on carpet wool?

The average custom-house value of imported carpet wools of the better class, "*excluding charges in the last port or place whence exported*," in 1888, was 17.9 cents; inclusive of such charges, 19.4 cents.

A duty of 8 cents per pound on these is a fraction over 41 per cent. ad valorem. The average ad valorem duty on all dutiable imported manufactured goods is 47 per cent. Why shall not wool-growers have the same measure of protection as manufacturers? And especially why not on *this* class of wool, confessedly competing with our American clothing wools? The tariff law has so discriminated against the American production of carpet wools that the product is now only about half what it was twenty years ago. It is now "*an infant industry*," requiring for a time even greater protection than an established industry like that of carpet manufacturing. The duties I have mentioned are in fact not sufficient.

There should be better protection on carpet wools. I express my own opinion when I say the duty should be at least 4 cents per pound on strictly carpet wools of the value of 12 cents per pound and less, and 12 cents on scoured. On wools valued over 12 cents per pound the duty should be at least 8 cents, and treble on scoured.

The duty of only 4 cents proposed in the Senate bill of January, 1889, on such washed carpet wools as are worth 12 cents or less, is the equivalent of about $2\frac{1}{3}$ cents on unwashed wool. The proposed duty of 8 cents is the equivalent of only about $4\frac{1}{3}$ cents on unwashed. Yet the same bill concedes a necessity for 11 cents on clothing wool which experts find difficulty in distinguishing from the carpet wools.

Wool-growers recognize the necessity for a tariff bill making a uniform duty of 11 cents, or even 10 cents per pound upon unwashed wool and hair of all classes, with washed wool dutiable at double the rate charged on unwashed, and scoured wool dutiable at three times the rate charged on unwashed as necessary to put the American wool industry on a healthy basis.

This contemplates a law with rates of duty effectual to give protection to the extent of the specified duty—not rates partially nominal.

This is necessary to secure the rapid increase of flocks, to give us within a reasonable period of time sufficient wool product to supply all American wants. Such a form of duty would dispense with the present complicated classifications, and form a sure basis for determining the proper duty on all classes, which can not now be always attained. It would also remove the possibility of undervaluations, now so frequently occurring. But under existing conditions the wool-growers do not now insist on such duties. They only ask such as will arrest the decline of the wool industry and start it on the road to a healthful growth.

The necessity for increased duties is shown by the wool circular found in Senate Document No. 2332, part 2, first session Fiftieth Congress, p. 615. A similar table for 1888 is as follows:

Table showing a comparison of the scoured value and the value in the grease of competing grades of American and foreign wools on the basis of the scoured value in London, July, 1888.

Territorial.	Average market price in Philadelphia, July, 1888, under tariff act of 1883.	Per cent. of shrinkage.	Scoured cost American wool.	Prices for wool in the United States on the basis of scoured wools of competing grades in London, July, 1888.	Decline in cents per pound necessary to reach the level of prices current in London, July, 1888.	Foreign wools which compete with wools grown in the United States.	Foreign price in cents, July, 1888.	Per cent. of shrinkage.	Foreign scoured cost in cents, July, 1888.	Existing difference between cost of American and foreign scoured wools of competing grades in July, 1888.
Kansas and Nebraska fine unwashed, X and above.....	15	66	44	12	8	Greasy Cape (good).....	13	68	35½	8½
Kansas and Nebraska medium unwashed.....	16	60	40	14½	1½	do.....	13	68	35½	4½
Kansas and Nebraska coarse unwashed, one-fourth blood.....	17	55	37	10½	6½	Bagdad best.....	19½	16	23	14
Kansas and Nebraska carpet.....	13	50	26	10	3	East India.....	18	10	20	6
Eastern Oregon and Washington fine, X and above, choice.....	17	67	51	11½	5½	Buenos Ayres.....	12	67	36	15
Eastern Oregon and Washington fine, X and above, heavy.....	17	65	48	9½	3½	do.....	12	67	36	12
Eastern Oregon and Washington fine medium and one-half blood, choice.....	17	65	48	12½	4½	Cape greasy (good).....	13	63	35	12½
Eastern Oregon and Washington fine medium and one-half blood, heavy.....	17	65	48	10½	3½	do.....	13	63	35	10½
Eastern Oregon and Washington coarse, one-fourth blood.....	14	70	46	10½	6½	Bagdad best.....	19½	16	23	14
Valley Oregon fine, X and above.....	19	60	37	10½	4½	Greasy Cape.....	20	40	33½	11½
Valley Oregon medium, three-eighths and one-half blood.....	23	50	46	14½	6½	New Zealand cross-bred.....	20	40	33½	11½
Valley Oregon coarse, one-fourth blood.....	22	40	36	15½	6½	East India (good).....	21	10	22½	10½
Valley Oregon No. 3, common.....	18	40	30	12	6	do.....	18	10	20	10
Texas fine, twelve months, choice.....	18	64	50	13½	4½	Eastern Cape greasy.....	24	63	37½	13½
Texas fine, short.....	12	68	37	10½	1½	New Zealand.....	20	40	33½	11½
Texas medium, twelve months, choice.....	10	66	43	10	6	New Zealand cross-bred.....	20	40	33½	11½
Texas medium, heavy.....	13	63	40	10½	2½	Cape fair.....	13	60	32½	0½
Texas medium, fall clip, short, choice.....	15	73	42	11½	3½	do.....	13	60	32½	11½
Texas medium, fall clip, short, heavy.....	12	58	28	13½	3½	do.....	13	60	32½	11½
Texas carpet.....	14	50	23	10	3½	East India.....	18	10	20	8
Wyoming and Idaho fine, choice.....	16	67	48	12½	3½	Greasy Cape greasy.....	14	63	37½	10½
Wyoming and Idaho, heavy.....	12	71	41	10½	1½	Greasy Cape (good).....	13	63	35½	5½
Wyoming and Idaho, three-eighths to one-half blood, choice.....	15	65	51	12	6	Montevideo second.....	15	56	34	16
Wyoming and Idaho medium, heavy.....	18	70	50	10½	4½	do.....	15	56	34	17
Wyoming and Idaho coarse, one-fourth blood.....	18	55	40	10½	7½	Bagdad best.....	19½	16	23	10
Utah and Nevada fine, choice.....	17	68	53	10½	6½	Cape fair.....	13	60	32½	25½
Utah and Nevada fine, heavy.....	18	73	48	18½	4½	do.....	13	60	32½	17½
Utah and Nevada medium, choice.....	13	65	51	12	6	Montevideo second.....	15	56	34	12

Utah and Nevada, medium, heavy.....	14	70	46	101	31	do.....	15	56	34	17
Montana coarse, one-fourth blood.....	22½	56	51	10½	7½	Bagdad best.....	19½	16	23	17
Montana choice medium, three-eighths.....	22½	56	51	15	7½	Montevideo second.....	15	56	34	1
Montana average fine medium, three-eighths.....	18	60	50	13½	61	do.....	15	56	34	16
Montana choice fine medium, one-half blood and X.....	18	65	51	12½	51	Montevideo.....	18	56	36	15
Montana average fine medium, one-half blood and X.....	17	70	56	10½	61	do.....	18	56	36	20
Montana fine XX choice.....	18	65	51	13	5	Eastern Cape.....	14	63	37½	13½
Montana fine XX heavy.....	16	70	53	11½	4½	do.....	21	10	22½	15½
Montana coarse, one-fourth blood.....	16	70	53	11½	7½	East India (good).....	15	63	38	16½
Colorado, New Mexican, and Arizona choice fine XX.....	16	68	60	11½	4½	Average Cape greasy.....	15	63	38	14½
Colorado, New Mexican, and Arizona fine XX heavy.....	12	75	48	8½	3½	do.....	15	63	38	12½
Colorado, New Mexican, and Arizona fine medium one-half blood and X choice.....	17	65	48	12½	4½	do.....	15	63	38	12½
Colorado, New Mexican, and Arizona fine medium one-half blood and X heavy.....	14	71	48	10½	3½	do.....	15	63	38	12½
Colorado, New Mexican, and Arizona fine medium three-eighths choice.....	18	65	51	12½	5½	do.....	15	63	38	15½
Colorado, New Mexican, and Arizona fine medium three-eighths heavy.....	15	70	5	10½	4½	do.....	15	63	38	14½
Colorado, New Mexican, and Arizona coarse or one-fourth blood.....	13	55	4	10½	7½	Bagdad best.....	19½	16	23	17

Among these wools are carpet wools, and it is certain that we must soon abandon the production of carpet wools or secure better protection.

With these free-trade prices and without better protection the business of producing these wools must perish.

The rate of duty which I have mentioned as necessary, indeed, can scarcely be said to be sufficient. It is certainly no more than "full and adequate."

The wool-growers have a right to expect it. The Presidential and Congressional elections of 1888 indorsed a platform of principles favoring a protective tariff, and promising to the wool industry, by name, "full and adequate protection."

A failure to give this measure of protection will be a breach of or inability to fulfill the promise of that platform. There are those in Congress and out of it who do not believe in this policy. But as the general policy of protection is inevitable, at least for a time, those Representatives in Congress having agricultural constituencies may well unite with those who believe in the policy of protection in securing for our agricultural industries the full measure of its benefit.

In 1883 the Democratic party, in Ohio, issued a campaign document in which it was said:

"The wool-producing interest in Ohio has a perfect right to demand of the United States Government—

"(1) That it shall receive as much consideration and encouragement as are shown to any other interest whatever.

"(2) That as protection, by means of taxing importations of raw wool, has thus far proved highly beneficial to the farmers of Ohio, as evidenced by the continuous increase in the numbers and values of their flocks, this protection shall not be withdrawn as long as a protective policy is pursued by the United States.

"(3) That if any discrimination be made in favor of particular industries as against others, this discrimination should not be against the wool-producing industry, since it has enjoyed the encouragement of the National Government for but a short time, since 1867, and is not now in a condition to do without it."

Better protection for wool-growers is absolutely necessary to preserve the protective policy. The farmers are the most numerous class of those engaged in industrial pursuits. When they find adequate rewards for their labors and when they prosper all other industries prosper; when agricultural industries suffer, all others suffer. Give the farmers of the United States the privilege of supplying all the carpet wool, and they will become prosperous and be enabled to buy largely more of carpets and of all other manufactured goods. For some years past the farmers have not enjoyed the degree of prosperity which their labors merited, and as a consequence farms and lands, in many if not most of the States, have generally depreciated in value from 10 to 30 per cent., when such results might have been averted. The same depression will continue unless its causes be removed. The chief cause of these evils and the consequent injuries resulting to those engaged in other pursuits is found in the reduction by the act of Congress of March 3, 1883, of the duties on wool, on worsted goods, and some other articles of manufacture, and the failure to provide such duties as would have given to American farmers, mechanics, manufacturers, and laborers the exclusive privilege of supplying by their labor and skill every product of the field, the forest, the mine, the factory, and the shop, which they could have produced at fair prices and in sufficient abundance to supply all American wants. We have been importing articles, the product of foreign labor, to the value of \$200,000,000 annually, most of which should have been produced in the United States, thereby giving largely increased employment to labor and capital at home, rather than foreign countries.

A leading periodical, professing rather than teaching principles favorable to wool-growers, is devoting much of its space to the statistics of Western farm mortgages and the opportunities for profitable investment in them, with urgent appeals for lower duties on wool, the effect of which will be to increase the number and size of the mortgages.

The mortgages will diminish in size and number with better protection on wool, and without this the agricultural States, the new States, with their ranches, the agriculturists generally, can not continue to support the protective policy. If only one wool-grower in every ten retired from the business in consequence of inadequate protection, in the States of New York, Ohio, Michigan, Wisconsin, Oregon, Montana, and Washington—with possibly Colorado, Nevada, and California—the political complexion would change in those States, and they would speedily arrange themselves on the side of free trade. Then with this class in control of Congress we should consider that protection to the manufacturers of wool was resting upon very uncertain ground, and that business would be in a much more hazardous condition than it would if protected by a Congress which was dominated by protectionists from wool-growing States, as it is to-day.

The protectionists now in Congress have a bare majority. "Sixty-three districts are represented by narrow margins of less than 1,500 pluralities each, namely: Ten districts under 100 plurality; twenty-five districts under 500; forty-nine districts under 1,000; and fifteen districts from 1,000 to 1,500."

With these evidences of the necessity for adequate protection, and as to what its measure should be, the appeal of the wool-growers is made to Congress in the hope that it will not be made in vain.

I am instructed to ask for duties on carpet wools as prescribed in sections 347 and 348 of the Senate bill, with a slight change, as follows:

"347. Wools of the third class, the value whereof, at the last port or place whence exported to the United States, including charges in such port, shall be 12 cents or less per pound, 4 cents per pound.

"348. Wools of the third class, the value whereof, at the last port or place whence exported to the United States, including charges in such port, shall exceed 12 cents per pound, 8 cents per pound."

In the Senate bill the words are found "excluding charges in such port" in fixing the value of carpet wools.

This mode of reaching a valuation is liable to abuse and opens the door wide for fraud. The charges in the port whence exported are a part of the cost and value of wools.

It is alleged that low-grade carpet wools, costing 6½ pence, equal to 12½ cents, have been billed in foreign ports, and the additional one-eighth made up in port charges to bring wools within the lowest carpet wool duty. Wools costing even more may be thus reduced in importers' valuation, and thus the law evaded.

It is alleged that the practice is to include as "charges in the last port or place whence exported" the transportation expenses from the interior to the seaboard, because they were paid at such place, and so are called charges in the port.

It is alleged that the cost of washing carpet wools is sometimes added as charges in the port of export. These are all items entering into the value of the wool, and the duty should be imposed on the real value.

The "charges in the last port" are explained in the report of Consul Heenan, of November 4, 1887, to the State Department, as follows:

"Appraiser McMullen also requested that information be furnished on the following points:

"Third. The true market value of Russian wools shipped to the United States, it being understood that under the existing practice invoices of such wools from the Black Sea ports contain a long list of alleged non-dutiable charges which are claimed to have been incurred at the last port or place whence exported to the United States. In some cases these charges will run as high as 18 per cent. of the value of the wool, and seem to comprise every item of outlay that has been made on the wool as originally bought in the grease, to advance it to its condition as shipped."

"The suggestions of the appraiser concerning quotable market values of Russian wools of various qualities at the ports of Odessa and Taganrog, and other places at different seasons of the year, as to whether there are sufficient sales and quotations of such wools, both to American and foreign account, at the points named, in their ordinary marketable condition. The custom at Black Sea ports in buying and selling by gross instead of net weight, etc., are also given under this third heading.

"The true market value of Russian wools shipped to the United States includes the price paid for the wool in the grease and all subsequent charges, of whatsoever nature, incurred in preparing the wool ready for shipment. The following charges should then be allowed: In the case of the wools shipped from Rostoff, the lighterage, town, and river dues should be allowed. When the wools are shipped from Odessa, the only charges incurred are town dues and the carting to the steamer.

"Except on American account, wools are never invoiced with a long list of charges, such as are found in the invoices sent from Odessa and Rostoff-on-Don to the United States. The custom is to sell wool at a stated price per pood, baled, and the numerous items of charges in the consular invoices from South Russia may be set down as an attempt to deceive, and is done for the purpose of defrauding the United States Government. All of these so-called charges, with the exceptions noted above, are part of the market value of the wool, and should not be allowed as a separate and non-dutiable addition to the price per pood given in the invoice, but should be included in that price.

"I have been informed by shippers that the wool sold to American customers is, as a rule, sold at a fixed price per pood, which price can always be ascertained by dividing the number of poods into the sum total of the invoice, including the commission.

"One of the largest shippers of wool to the United States informed me that he never assumes any risk in the matter of high or low duty, and furthermore stated that he was usually instructed from the American side how to make out his invoice. Another shipper informed me that many of the so-called non-dutiable charges, including the commission, were in reality a part of the value of the wool, and the only reason why they were made a separate item from the price named per pood was because the United States laws classified such charges as non-dutiable, and that this classification often enabled these wools to enter the United States at low-duty limit.

"In dispatch No. 52 to the Department, dated October 4, 1886, I wrote as follows:

"It will be observed that Mr. Martin, in his reply to Messrs. Yeames & Co., says:

"I can not undertake to certify your consular invoice prices for wool as being the market value, for the simple reason that they are never offered for sale, nor have they ever been sold in this market."

"This answer of Mr. Martin gives the key to the whole situation. There is no market price for this wool at Rostoff, as I pointed out in my report (No. 28). But why? Simply because a conspiracy prevents it. These shippers and exporters have been permitted for years past to enter wool into the United States pretty much on their own conditions. Any cost price, so that it did not reach the high-duty altitude, suited these men, and they were, and are still, given *carte blanche* as far as 'charges' are concerned. They usually have but little difficulty in accommodating these charges to their cost price, and *vice versa*."

"I have purposely avoided in all of my previous dispatches this question of charges. I am not even yet prepared to take up the question in its entirety, because I find that my time is fully occupied with following the invoice prices given and keeping myself posted on routine matters pertaining to the wool trade. I have discovered enough, however, about these charges to know that they are an abuse that should be investigated thoroughly and then exposed. I greatly fear that for this season, at least, I will not be able, nor do I think that it would be advisable, to give the subject much prominence; but I believe that it will be possible to present a detailed statement which will enable the United States authorities to correct an abuse which is yearly defrauding the United States Treasury of thousands of dollars."

"The charges usually given in the invoices from Odessa and Rostoff-on-Don are about twelve in number, and I will redeem my promise of last year and take these charges in detail and explain what they mean. These charges are as follows:

- "(1) Brokerage.
- "(2) Receiving.
- "(3) Cartage.
- "(4) Shipment.
- "(5) Sorting.
- "(6) Packing.
- "(7) Wrappers.
- "(8) Iron hoops.
- "(9) Lighterage.
- "(10) Ghirlatax (river dues).
- "(11) Town tax.
- "(12) Establishment.
- "(13) Petty charges.
- "(14) Weighing.
- "(15) Bill brokerage and stamp.

"The list is truly a formidable one, and as deceptive as it is lengthy."

"BROKERAGE.

"This item of charges is usually supposed to be paid to a class of men who are known as brokers. The service which these brokers render the wool-shippers is simply to tell them where certain parcels of greasy wool can be bought. I have no desire to depreciate the value of the service which these wool-brokers are said to render, but I feel that it is my duty to state that the shippers, one and all, regard these brokers as very disreputable characters and men not to be trusted. However, the shippers of wool from south Russia to the United States seem to have no difficulty in dealing with these brokers. If the question was of sufficient importance, it would be interesting to investigate as to how many of these shippers there are who ever pay one cent to a broker. I know at least of one case where a shipper of wool to the United States bought wool without the intervention of a broker, but I failed to discover the omission of "brokerage" from his invoice. But admitting that the shipper does pay this brokerage, it is utterly absurd to permit such a charge to be separated from the market value of the wool. If it is really incurred by the shipper, then it should be included in the market value."

"As to the Rostoff-on-Don and some of the Odessa shippers, they are, in fact, really manufacturers of the wool as shipped, because they buy the wool in the grease and make the product presentable for market. At Rostoff-on-Don this brokerage, in the case of the so-called washed white Donskoi wools, is always paid on wools in the grease."

"RECEIVING.

"This item in the charges is just about as reasonable and legitimate as if the shipper were to insist upon the United States Government allowing the sheep so much

per head for carrying the wool until it was clipped. I have explained in the first part of this dispatch how this receiving is done, and it is only necessary to say that it consists in the reception of the greasy wool by the shipper at his washery. If such a charge is not a part of the market value of the wool, it will be very difficult to understand what it is that goes to make up a market value.

“CARTAGE.

“This item of cartage is an honest and a fair charge when it is incurred. I will explain: At least three of the washeries at Rostoff-on-Don are situated on the banks of the Don River, and the barges which carry the wool to the steamers lying in the Taganrog roadsteads can come alongside. Even in this case, as a matter of course, some little expense is necessarily incurred and should be allowed, but this expense should be regulated according to the circumstances of the case.

“SHIPMENT.

“I have no doubt that the shippers of wool from south Russia to the United States or their American customers will be able to present some good reason why this charge should be allowed, but I have been unable to discover the difference between the items of cartage and shipment.

“SORTING.

“Sorting is the process by which the different qualities of wools (washed) are separated from one another. The fleece is separated from the shorter pieces; the white wools are separated from the colored; the various colored wools are again separated according to their value, and thus it goes on *ad infinitum*. That this charge for ‘sorting’ was ever admitted by the United States authorities as non-dutiable seems absolutely incredible. That the wool would have a market value if it remained in an unsorted condition is true; that it has a different and a greater market value when it is ‘sorted’ can not be denied.

“The sorting is part of the manipulation necessary to bring the wool into the condition as shipped, and is a part of the market value of the wool.

“PACKING.

“As washed wools in Russia are always sold in bales, and never loose, it is rather extraordinary to find such an item as the packing given as a separate and non-dutiable charge. The packing is a part of the market value of wool, because before the washed wools are ever offered in the market for sale they are always packed and baled.

“WRAPPERS.

“This item is objectionable as a non-dutiable charge for the same reasons as those given for the ‘packing,’ and for the additional reason that the shipper in his invoice gives the gross weight alone, and bases his price per pood on this gross weight. The wrappers are a part of this weight, and are charged for in the price per pood. The shippers have enjoyed the privilege of including the charge for wrappers in their invoiced price per pood for wools, and, as this price has ranged from seven roubles to fifteen roubles per pood, they have reaped the benefit of having the wrappings enter the United States at the invoiced price of the wool, thereby in many cases enabling wool to enter at low-duty limit that would have paid the high duty had the net weight been taken.

“Not satisfied with this fraud, the shippers again entered the charges for wrappers as a separate and non-dutiable charge.

“I have thus far dwelt on what the shippers have accomplished, and it must be admitted that these shippers are capable of accomplishing a great deal—in their peculiar line.

“I trust, however, that the impropriety of allowing two frauds to be perpetrated under one heading will not be permitted to continue.

“IRON HOOPS.

“It is with these hoops that the bales are bound and rendered suitable for shipment.

“The remarks made in connection with the wrappers are doubly applicable to the ‘iron hoops.’

"LIGHTERAGE.

"From Rostoff-on-Don 'lighterage' is a proper charge, but when it appears in the invoices sent from Odessa it should never be allowed.

"GHIRLATAX, OR RIVER DUES.

"This a proper non-dutiable charge on Rostoff-on-Don invoices.

"TOWN TAX.

"This is also a proper non-dutiable charge, at the rate of one-half copeck per pood.

"ESTABLISHMENT.

"This is rather a singular charge. It means the payment of clerks, overseers, etc., at the washeries, and it may be also at the offices of the shippers. Perhaps, if through some accident the item of commission failed to appear on an invoice, it might be thought advisable to consider whether or not the establishment charge had any claim to be listed as non-dutiable, but even in that event I would be compelled to state that the establishment charge is as much a part of the market value of the wool as any other charge named. If it is necessary to keep up such an establishment to prepare wool for the market, common sense, if not common honesty, should have prevented these shippers from ever introducing such a charge into an invoice as a separate and non-dutiable charge.

"PETTY CHARGES

simply means that the shipper requires this amount to make up the sum total of his invoice. Even if such charges ever do occur, their place is in the market value of the wool.

"WEIGHING.

"I feel confident that it is unnecessary for me to dwell on this charge, beyond stating that it belongs strictly in the market value.

"BILL BROKERAGE AND STAMPS.

"This is a charge that but seldom appears on an invoice, and is one which should not be allowed as non-dutiable.

"The item of 'commission,' which is always found in the invoices of wool shipped from south Russia, manifests a degree of elasticity that requires some explanation. I have endeavored to obtain some sort of explanation, and have questioned different shippers, but with no very satisfactory result. This commission varies from $1\frac{1}{2}$ per cent. to $4\frac{1}{2}$ per cent. in the invoices.

"I have been informed by shippers that a commission of 4 per cent. is never paid on wools shipped from south Russia. I have also been told that 2 per cent. is considered a fair commission, and that it is the sum usually paid.

"I have been informed by parties who buy and ship wool to English and French houses that the commission paid is never above $1\frac{1}{2}$ per cent.

"It is unnecessary to dwell very long on this item of commission. I would advise, however, that when the commission charged is over 2 per cent. the surplus be added to the invoice price per pood.

"Many of the shippers of wool from south Russia to the United States assert that they are the owners of the wools which they ship, and that they sell their wools at a fixed price per pood. In the case of these shippers, it seems to me that no charge such as commission should be allowed. If they are the owners, and buy and sell this wool on their own account to American purchasers, it is highly improper to permit them to charge a commission on their own goods.

"The Russian wools at the ports of Odessa and Taganrog always have a quotable market value, and sufficient sales are made of such wools, both to 'American and foreign account in their ordinary marketable condition,' to warrant the quotations.

"At Odessa very little difficulty ever exists in obtaining quotable market values for the various Russian wools. At Rostoff-on-Don, or at Taganrog, however, a determination has always been manifested on the part of the shippers to prevent the recognition of a quotable market value for the so-called Donskoi washed wools.

"A member of a firm who have been shipping wool to the United States for many years informed me that a market price always exists at Rostoff-on-Don for the Donskoi washed wools, but the interest of those who ship on commission and the American importer demands that the existence of a quotable market value should not be admitted.

"In writing 'market value' I do not wish to be understood as attaching any very great importance to the correctness of these quotable market values, because these quotations are very apt to be too low. I simply desire to show that such quotations can always be obtained.

"The Rostoff shippers or the American importer have rendered this question of market value for the Donskoi washed wools a very easy one to deal with, owing to the action of the United States consular agent at Rostoff-on-Don* (who is also a shipper of wools to the United States) certifying, or proposing to certify, a market value for the Donskoi wools which would be 1 ruble and 50 copecks higher than his previous 'cost-price' certificates on wools worth 11 rubles and 50 copecks a pood.

"The Rostoff shippers would never have attempted to deny that a market price existed for the Donskoi washed wools if they had not been instructed to do so by their American customers. A wool merchant said to me that it was to the interest of the American importer that no light should be thrown on the Donskoi wool trade, and he added that he believed that corrupt means must have been employed, else these disputed and troublesome questions would have been set at rest many years ago. This same shipper also remarked that it was always a matter of surprise to him why Moscow wools were allowed to enter the United States with so little trouble, while the wools shipped from Odessa and Rostoff were always the recipient of so much unnecessary attention."

I am instructed to ask that carpet wools be defined as follows:

"Sec. 343, Chap. III.—Carpet wools are defined all such wools, coarse, hairy, kempt, not produced in the United States, as are required in the manufacture of low-grade carpets and coarse blankets only, and which have no admixture of merino or English blood, immediate or remote."

The purpose of this definition is to prevent the practice of importing as carpet or third-class wools such as may be used for clothing and combing purposes other than for carpets.

In the wool report of the Chief of the Bureau of Statistics for 1887, page xli, carpet wools are described as "hairy and kempt." These are official descriptive terms.

The wool-growers ask that carpet wools be defined so that there can be no doubt as to what kind they are.

In the custom-house at New York are samples of the three classes of wools under the tariff acts of 1867 and 1883, placed there by authority of the Secretary of the Treasury. I understand that all samples of carpet wools deposited under the act of 1867 come within the definition as proposed, but that the samples now on deposit include good clothing wools as carpet wools. Provision may and doubtless will be made to supply proper samples from time to time in all custom-houses, and as the carpet-wool sheep of any country become improved, either by domestication or admixture of merino or English blood, the wools from such sheep and such country should be placed in the class of clothing and combing wools in accordance with the fact.

The object of that is to shut out or to limit the importation under this low duty of 2½ cents a pound, which, with the small shrinkage on carpet wools, would be nominally 2½ cents a pound, but which is not much over 1 or 1½ cents on the basis of unwashed competing American wools. In other words, the nominal duty of 4 cents on foreign carpet wools is not equivalent to more than 1½ cents of competing grades of American carpet wools. They shrink much less than the foreign wools. Then we ask another important provision.

I am instructed to ask for a provision as follows:

"Sec. 343 a. Carpet wools which have been *sorted*, and the better portions selected and imported, shall be subject to duty as clothing wools."

A little explanation will show the necessity for this provision.

A lot of wool recently imported at Philadelphia was entered as carpet wool at a duty of 2½ cents per pound. It was good medium wool. It had no characteristic to distinguish it from any other good clothing wool. Experts were called into the custom-house who pronounced it to be medium unwashed clothing wool—dutiable under the present law at 10 cents per pound. As a matter of fact it was wool selected from the ribs of Turkey in Asia sheep; it was sorted from the finest portions of the fleeces. These sheep fall within the geographical description of carpet-wool sheep in the tariff law, being from sheep in Turkey, and so it was admitted as carpet wool and went to a clothing mill to be manufactured into good clothing goods.

This is one of the recent inventions to evade proper duties and secure good clothing wool at a duty so low as to be nominal and ridiculous.

It is manifest that this new dodge, this practical swindle and evasion of the law, is, should be effectually prevented in future.

And now why should any manufacturer oppose any one of these provisions? Why should any manufacturer oppose any rate of duty prescribed in the Senate bill? The bill provides or should provide ample but reasonable "compensating duties"—with such compensation the manufacturer can not suffer by any reasonable rate of duty on wool.

It may be fairly presumed that wool-growers better understand the duties needed on wool than others generally can.

To this committee and to Congress the wool-growers appeal for such legislation on this subject as I have proposed, and relying on the merits of our cause we hope the appeal will not be in vain.

Speaking for myself I will never consent to any less protection for wool-growers than such as will be furnished by the provisions I have submitted. The Senate bill gave duties of 4 and 8 cents, and I will consent to no compromise which will give less.

I lay before the committee the following:

I. Resolutions of the Ohio Wool-Growers' Association, adopted at Columbus September 4, 1889.

II. Resolutions adopted by the Farmers' Congress of the United States at Montgomery, Ala., November 14, 1889.

III. Proceedings of the National Convention of Wool-Growers, at Washington, D. C., December 2 to 9, inclusive, 1889.

IV. A diagram showing the effect on the prices of wool of (1) the "Morrison tariff reduction bill," reported in Congress; (2) the defeat of the bill; (3) of Secretary Manning's report in favor of free wool; (4) of President Cleveland's message on wool; (5) of the passage of the Mills tariff bill; (6) of the passage of the Senate substitute for the Mills bill, and (7) of the election of General Harrison to the Presidency.

V. A statement explanatory of said diagram and of others accompanying it.

VI. A discussion of the tariff on wool and evasions on the law, by William H. B. Thornton.

I lay before the committee the resolutions of the Ohio Wool-Growers' Association, adopted at Columbus the 4th of September, 1889. I ask that they be printed, for the information of the committee:

I.—RESOLUTIONS UNANIMOUSLY ADOPTED BY THE WOOL-GROWERS' ASSOCIATION OF OHIO, AT COLUMBUS, SEPTEMBER 4, 1889. RESOLUTIONS OFFERED BY HON. COLUMBUS DELANO.

Whereas the National Association of Wool Manufacturers has called a meeting of its executive committee and others engaged in the various branches of wool manufacture to be held in Boston, September 17, 1889, "for the purpose of maturing and uniting upon a satisfactory schedule upon wool and woolsens, to be recommended to Congress in connection with the proposed tariff revision;" and

Whereas the secretary of said association has officially notified the president of the National Wool-Growers' Association of such meeting, by letter dated August 29, 1889, and in doing so has requested the president of the Wool-Growers' Association to inform the Association of Wool Manufacturers whether the wool-growers' organization is "prepared to accept any change from the rate of duty upon second class and carpet wool, which are fixed in the tariff bill that passed the Senate at the last session;" adding, "if such be the case, no doubt it would be found mutually advantageous to arrange for a joint conference just prior to the meeting of the manufacturers;" and

Whereas said letter further states that there is "a wide-spread and thoroughly organized movement for free raw material now in progress among New England manufacturers, certain to be pressed upon Congress," "in view of which it will be difficult to keep manufacturers of woolsens in line for rates of duty upon raw material which will prove to many onerous, and, in the case of carpet manufacturers at least, will be strenuously opposed if an attempt is made to incorporate such rates into the law, etc.;" Therefore,

Resolved, That the wool-growers of Ohio are surprised, and very much regret to learn, that the manufacturers have undertaken to determine the rates of duty on both wool and the manufacture thereof without reference to the wishes of wool-growers, and our astonishment is increased when we reflect that wool-growers are informed that their opinions are not asked, unless they will agree to accept a reduction of rates on second class and carpet wools as they stand in the Senate bill passed at the last session of Congress.

Resolved, That this meeting regrets the existence of the "wide-spread and thoroughly organized movement in New England for free raw materials" which seems to mean *free* trade for the great industries of agriculture and the West, and protection for New England manufacturers; but the danger of this can not coerce us to consent to a reduction of the rates of duties on second-class and carpet wools as fixed in the

Senate bill at the last session. These duties are now *too low*, and if changed ought to be increased, at least so far as relates to carpet wool.

Resolved, That we are in favor of full and adequate protection to all manufacturers of wool. We will hereafter, as heretofore, aid, when able to do so, all efforts to secure such protection, and we will leave manufacturers to determine their own schedule of duties, but we repudiate their right to dictate the rate of duties on wool, and when this right is asserted and accompanied by an expression of the danger of *free raw material*, we deem it fit to say, that in our opinion free raw material will soon be followed by *free trade and free goods*.

Resolved, That a copy of these resolutions be forwarded by the secretary of this meeting to the secretary of the National Association of Wool Manufacturers.

Resolved, That the president of the National Association of Wool-Growers be requested to call a delegate meeting of the wool-growers of the United States, to be held in Washington, commencing on the day when the next Congress convenes, whether it be a regular or called session.

Hon. William Lawrence offered the following declaration of views, plans, and objects of the Ohio wool-growers, which were unanimously adopted:

The farmers, including the producers of mutton and wool in Ohio, recognize the fact that the people of the State are divided in opinion on the policy of protection to American industries. In view of this we do not now and here seek to promote the views of any political party on this subject. But agricultural industries are so extensive, giving employment to more capital and people than all others combined, that if the former be not prosperous the latter can not be. And in view of this, many of the farmers who do not favor the policy of a protective tariff for industries generally, or those respectively giving employment to a small number of persons and a small amount of capital, yet believe that our tariff laws should be so framed as to exclude imports of any product which can be supplied by American farms and ranches. Others among farmers there are who believe in the policy of protection for all industries which thereby can be made to supply all American wants at reasonable prices. Still others there are who believe in a tariff for revenue only, regardless of its effect on American industries. And there are besides some who are opposed to all duties whatever.

We do not now or here seek to discuss the wisdom or advance the success of any of these classes of opinions.

But there is a common ground upon which all farmers, including wool-growers, can stand, which favors no political party, and which is alike just, practicable, and necessary. And that is, while the policy of a protective tariff is maintained, the products of American farms and ranches shall share its benefits as fully as the most favored of all our industries.

While the policy of protection prevails, the members of Congress who approve it are in honor and justice bound to aid in securing this object.

While this policy prevails members of Congress who do not approve it, yet knowing its continuance for a time inevitable, can by vote and speech aid the farmers to share its benefits.

If there be found among manufacturers some so selfish as to demand protection for the carpet industry but not for wool-growers; some to demand protection for other woollen and worsted manufacturers, but not for wool-growers, the real friends of the farmer in Congress can compel all such to give the same measure of protection to the one as to the other; to give farmers the same benefit of legislation as manufacturers—no more, no less.

In view of these principles and facts, the wool-growers of Ohio, in common with all the farmers of the State, give expression to their purposes in the following resolves:

Resolved, That while Congress maintains the policy of a protective tariff, the farmers, including wool-growers, demand that their products shall be as fully protected as the most favored of the manufacturing industries.

Resolved, That while as now a protective tariff is maintained which substantially prohibits the importation of foreign carpets, and many other articles of manufactured goods, and if an effort be made to change the Senate tariff of last session on this subject, we demand that the duties on mutton, sheep, and wool shall be so increased as to equally prohibit the importation of mutton, sheep, and of wool of every kind which can under protection be sufficiently produced at fairly remunerative prices in the United States, to supply all American wants, including the better class of carpet wools, especially as carpets are luxuries, entitled to less favor than farm and ranch products.

And we demand that no tariff law be passed, and no change made in the tariff relating to wool and woollen goods, which does not give this measure of ample protection to the wool industry.

Resolved, That if protection to this extent is denied to the million of wool-growers in the United States, we call upon them to assert their power at the ballot-box and

otherwise to right the wrong and injustice of discrimination against them. And if they fail in this, the wool and mutton producing industries will be so crippled, that they will be in a large measure, destroyed; but they will not perish alone, and all interested in protection should not fail to recognize the peril to our industries.

Resolved, That the wool-growers in the United States are called upon to support the nomination of no man for President, Senator, or Representative in Congress who will not, to his utmost ability, aid in carrying out the objects of the foregoing resolutions.

Resolved, That we call upon the President and Secretary of the Treasury to enforce in letter, spirit, and purpose the rulings and instructions of the latter and his assistants, of March 22, March 26, June 7, and July 24, 1889, by which scoured wool worth from 50 to 62 cents per pound under the false name of tops, waste, and soiled laps, etc., are required to pay the duty fixed by law of 30 or 60 cents per pound, according to condition. Value and facts, not fraudulent name should determine the duty. And if custom-house officers do not faithfully perform their duties we demand their removal.

And whereas it is alleged that half a million pounds of Valparaiso clothing wool is now at the custom-house in New York claiming admission as carpet wool, and that "similar wool has recently been received in Boston, part of the same clip (and was passed as carpet wool through the custom-house) with even more *fine wool*."—Boston Journal of Commerce, August 24, 1889.

And whereas it is being claimed that "the quality of wool, whether it be coarse or *fine*, has nothing to do with its classification, * * * and that the wool tariff is a blood tariff," which means that the wool of native South American sheep must be admitted as carpet wool, even though improved by breeding, to be equal to our territorial clothing wool. Therefore

Resolved, That we demand that the Secretary of the Treasury will reject such unjust and absurd construction of the tariff laws, and that Congress be requested, in revising the tariff laws, to definitely and clearly provide that *quality and value* as well as blood shall determine the classification of carpet wools.

And whereas at a special meeting of the National Wool Growers' Association, held at Columbus on the 29th day of July, 1889, the Hon. Columbus Delano, president of the association, was "requested to appoint a committee to attend at the next session of Congress" to represent the wants of wool-growers; and a committee was also appointed "to proceed to Washington and present the proceedings of that convention to the President and Secretary of the Treasury, with such considerations connected therewith as may be deemed proper." Therefore

Resolved, That the first-named committee be requested to present the foregoing resolutions to the proper committees of Congress, and that the other above-mentioned committee be requested to lay them before the President and Secretary of the Treasury.

THE TARIFF PLANK.—FULL TEXT OF THE RESOLUTIONS ADOPTED BY THE FARMERS' CONGRESS.

The following is the full text of the resolutions relating to the tariff as adopted by the National Farmers' Congress at Montgomery, Ala., Thursday evening, November 14, 1889. They were prepared by Hon. William Lawrence, of Ohio, who strongly urged their passage as they were reported on favorably from the committee:

The Farmers' Congress of the United States recognize the fact that the people are divided in opinion on the policy of protection to American industries. In view of this, we do not now and here seek to promote the views of any political party on this subject. But agricultural industries are so extensive, giving employment to more capital and people than all others combined, that if the farmer be not prosperous the latter can not be. And in view of this many of the farmers who do not favor the policy of a protective tariff for industries generally, or those respectively giving employment to a small number of persons and a small amount of capital, yet believe that our tariff laws should be so framed as to exclude imports of all products which can be supplied by American farms and ranches. Others among farmers there are who believe in the policy of protection for all industries which thereby can be made to supply all American wants at reasonable prices. Still others there are who believe in a tariff for revenue only, regardless of its effect on American industries. And there are besides some who are opposed to all duties whatever.

We do not now or here seek to discuss the wisdom or advance the success of any of these classes of opinions.

But there is a common ground upon which all farmers, including wool-growers, can stand, which favors no political party, and which is alike just, practicable, and necessary. And that is, while the policy of a protective tariff is maintained the pro-

ducts of American farms and ranches shall share its benefits as fully as the most favored of all our industries.

While the policy of protection prevails the members of Congress who approve it are in honor and justice bound to aid in securing this object.

While this policy prevails members of Congress who do not approve it, yet knowing its continuance for a time inevitable, can by vote and speech aid the farmers to share its benefits.

If there be found among manufacturers some so selfish as to demand protection for the carpet industry but not for wool-growers; some to demand protection for other woolen and worsted manufactures, but not for wool-growers, the real friends of the farmer in Congress can compel all such to give the same measure of protection to the one as to the other; to give farmers the same benefit of legislation as manufacturers—no more—no less.

In view of these considerations the Farmers' Congress adopt the following:

Resolved, That while Congress maintains the policy of a protective tariff, we demand that all farm products shall be as fully protected as the most favored of the manufacturing industries.

Resolved, That while as now a protective tariff is maintained which substantially prohibits the importation of foreign carpets and many other articles of manufactured goods, we demand that the duties on mutton sheep and wool of all kinds shall be so increased as to equally prohibit the importation of mutton sheep and of wool of every kind which can under protection be sufficiently produced at fairly remunerative prices in the United States, to supply all American wants, including the better class of carpet wools, especially as carpets are luxuries, entitled to less favor than farm and ranch products.

Resolved, That the tariff on wool imported to make carpets should at least be as high as that imported to make coats. The same policy which will secure cheap cloths will secure cheap carpets.

Resolved, That if protection to this extent be denied, we call upon the farmers of the United States to assert their power at the ballot-box and otherwise to right the wrong and injustice of discrimination against them. If they fail in this, the wool and mutton producing industries will be so seriously crippled that they will be in a large measure destroyed, and farmers will no longer have any interest in protection for the manufacture of woolen goods, but will insist that it shall have no larger measure of protection than is accorded to the wool industry, including every kind of wool.

Resolved, That the farmers of the United States are called upon to support the nomination of no man for President, Senator, or Representative in Congress who will not to his utmost ability aid in carrying out the objects of the foregoing resolutions.

Resolved, That we favor commercial treaties which will discriminate in favor of those nations which accept silver as legal tender money as well as gold, and against those which have demonetized silver.

The vote on the adoption of these resolutions, after a two hours' debate, was taken by States, and stood as follows:

Ayes—Colorado 5, Florida 2, Illinois 23, Idaho 2, Indiana, 10, Iowa 15, Kansas 11, Kentucky 7, Maine 11, Michigan 13, Ohio 24, Pennsylvania 33, Missouri 4, Rhode Island 6; total, 170.

Nays—Alabama 12, Florida 4, Georgia 15, Indiana 7, Kentucky 7, Texas 14, Missouri 18, North Carolina 11; total, 89.

EXTRACT FROM THE MINUTES OF THE NATIONAL MEETING OF THE WOOL-GROWERS OF THE UNITED STATES, HELD AT WASHINGTON, D. C., DECEMBER 3, 1889.

Organization.—Columbus Delano, president; J. T. Rich, Michigan, vice-president; C. H. Beall, West Virginia, treasurer; Geo. H. Wallace, Missouri, secretary; John McDowell, Pennsylvania, W. L. Black, Texas, E. N. Bissell, Vermont, executive committee.

The meeting was called to order at 2 p. m., December 3, in the red parlor of the Ebbitt House, by the Hon. Columbus Delano, president of the National Association of Wool-Growers, who briefly stated the reasons which had decided him to issue the call for the meeting.

On motion, Columbus Delano was elected chairman, and George H. Wallace, of Missouri, secretary of the meeting.

The following States and Territories were represented by delegates:

Hon. Columbus Delano, president National Association; Hon. J. H. Funston, Kansas; Hon. T. H. Carter, Montana; Hon. George H. Wallace, president Missouri Association; N. H. Gentry, secretary and treasurer Missouri Association; N. W. Wilson, Missouri; Judge J. K. Aldeman, Missouri; Hon. T. R. Stockdale, Mississippi; Hon. George W. E. Dorsey, Nebraska; Hon. W. J. Connell, Nebraska; Hon. David Cossitt,

president New York Association; Hon. H. F. Bartine, Nevada; Hon. David Harpster, president Ohio Association; Judge Wm. Lawrence, Ohio Association; Hon. John McDowell, president Pennsylvania Association; Hiram Young, Pennsylvania Association; John J. Saviers, Pennsylvania Association; D. M. Campsey, Pennsylvania Association; Hon. A. E. Shepard, president Texas Association; E. N. Bissell, Vermont Association; Hon. S. S. Rockwood, Wisconsin; Col. C. H. Beall, president, West Virginia.

Thirteen States were represented. * * *

Address of Hon. Columbus Delano, president of the National Wool Growers' Association, before the National Delegate Wool Growers' Convention, in Washington, D. C., December 2, 1889.

DOES WOOL MERIT PROTECTION?

Both food and clothing are indispensable to civilization. In the order stated they are required, and the demand for them is imperative.

They should be produced at home, not purchased from abroad, when the people who consume them have facilities for their production.

Necessity alone can justify their importation.

Wool is an important factor in fabrics used as clothing in the United States. It constitutes a part of almost all our garments, and in many is the only material employed.

Our climate, habits, and fashions unite in making it necessary for clothing purposes.

Is it wise to purchase a commodity so generally used, and so necessary for health, happiness, and comfort?

Suppose the nation involved in a war, foreign or domestic, of serious dimensions, like that for example of the late rebellion; suppose our commerce embarrassed as it was at the time referred to; suppose our demand for wool no greater than it then was, and suppose free trade had destroyed sheep husbandry and turned over to foreign nations the production of our wool, and we may be able to appreciate the folly, if not the crime, of attempting to put wool on the free list. But this higher and exceptional reason for producing all the wool needed for consumption in the United States must not be made so prominent as to obscure the reasons which make its production a necessity at all times.

The exigencies of war serve only to increase and strengthen the arguments for producing at home an article which is absolutely necessary for the comfort, happiness, and health of our people in peace or war.

A nation that can not produce its food and clothing, or that can not profitably do so, may be justified in purchasing these articles, but to do this without such necessity is unwise and impolitic.

This leads me to consider the practicability of producing the wool we require for domestic consumption. On this subject there is quite too much writing and speaking without adequate or correct information. The production of wool is practicable everywhere in the United States. The New England States were among the first to encourage the production of fine-wool sheep. If our sheep be increased to a hundred million, as they should, these States will find a new demand for all the breeding sheep they can produce, adding vastly to their wealth and resources. Wool is only one of the considerations which support sheep husbandry in Vermont and other States, and the superior stud flocks of those States have supplied the wants of breeders everywhere west of the Hudson River, and have enabled growers to produce that superior quality of wool quoted as X and XX, Ohio and Pennsylvania. Her breeding sheep have been sent abroad purely for breeding purposes. But everywhere west of New England sheep husbandry is desirable, and almost everywhere its utility is not restricted to raising breeding sheep, for it rests upon several other important considerations.

The rolling lands in all the States that produce grass, even if they are not valuable for tillage, make excellent grazing for sheep. Pennsylvania, West Virginia, and eastern Ohio furnish well-known illustrations of this important truth. Such lands are fertilized by pasturing sheep, so as to render them, when not too hilly, valuable for the production of grain, and thus is established that useful system of rotation of crops by which fertility is preserved.

The importance of grazing sheep upon lands that produce our cereals can only be appreciated by practical men, or by those who are intelligent and candid observers. Rotation in crops is becoming more and more important in the production of grain. The exhausting effect of too much plowing and sowing, and the speed with which the Great West, even to the Pacific Ocean, is being brought under cultivation and overworked will soon render it necessary to rest these lands; and this can best be done by the fertilizing influence of sheep grazing and a systematic rotation of crops.

The man who asserts that the Mississippi Valley generally is not adapted to the production of wool, or that sheep husbandry is not calculated to advance its agricultural prosperity, is not well informed, or has not intelligently considered the subject.

Let us now leave the New England States, the Mississippi Valley, and the Pacific coast, and consider Texas, Colorado, and the Territories, their necessities and capacities.

In this extensive region our wools for carpets, blankets, and the coarser kinds of clothing should be grown. The extent of this vast region is not appreciated by our people, and its capabilities for advancing our civil and social systems are not understood.

Without irrigation there is no agriculture practicable in this almost unlimited domain. Exceptions to this statement may exist; but they are too insignificant to require notice. The precious metals will in time be exhausted, and, in the future, the demand for food may lead to important agricultural production where irrigation is practicable.

Still there will remain immense arid, waterless, and treeless plains, fit only for grazing purposes. If this region is not used to graze sheep and cattle it is a misfortune that its original occupants, the Indians and buffalo, have been expelled from it. This portion of our country, if used at all, must be devoted to raising cattle and sheep. Those who reflect already see that the demand for meat food, at home and abroad, is not equal to the productive capacities of this region under the energetic activities of Americans.

A "free-trader" or importer of carpet wools may claim that the United States can not produce all the wools we require, but he can not support his claim. The section of country under consideration, as a rule, is elevated, mountainous, and uniformly dry. It is a natural home for the sheep required to produce the variety of wools under consideration.

The ease and rapidity at tending any change desired in the length or quality of fiber, in growing wool, is not generally understood, and this fact leads to misunderstanding, and often to misrepresentation. Producers have only to be informed what the habits of our people and the fashions of the hour demand, and, given the control of the home market, they will respond at once to its requisitions.

Influenced by the legislation of 1883, wool-growing languishes throughout the United States, especially in the region under consideration, and without relief it must soon perish. Let me verify this statement.

In Texas, the wool clip of 1883 was of the value of \$9,228,234; in 1887 its value was \$5,016,674; showing a loss of \$4,211,560, being a reduction in value of not quite one-half in four years. Is it desirable to extinguish the industry best adapted to this vast section under the cry of "free trade" or "free wool"? Who will be benefited by a policy so unwise? None except foreign nations. I have not before me statistics from Colorado or the Territories; they will, however, corroborate what I have before stated in regard to Texas.

Our annual consumption of unwashed wool is about 600,000,000 pounds, including the quantity imported in goods.

The domestic production for 1887 did not exceed 265,000,000 pounds.

John L. Hays, LL. D., estimated the domestic clip at 320,000,000 pounds for the year 1883.

Thus it appears that under the influence of the act of 1883 our annual clip has been diminished in amount, say, 55,000,000 pounds. It should have increased at the rate of over 2 per cent. annually, to keep pace with the natural growth of the country.

This rate of increase in four years gives 8 per cent. on the production of 1883, which equals 25,000,000. Had not the act of 1883 been passed, our clip in 1887 should have reached 345,000,000 in place of 265,000,000 only. It would have largely exceeded this had the increase equaled the rate of increase during the four years preceding 1883. Why shall we permit our grazing lands to become a desert waste, in the region referred to, and our labor to go unemployed, and by so doing render it necessary to purchase our wool from the colonies of Great Britain or other foreign countries?

If it be asked why the wool-growers need protection, I answer:

The American producers can not compete with countries where no winter feeding and but little summer attention are required, and where labor is also cheap, unless their industry has protection.

How has manufacturing reached its perfection and magnitude? By legislative aid, which secured control of the home market to American producers.

Without this aid where would this industry be to-day? It is now an important element in our economy, but its future still demands and deserves the fostering care of the Government.

Are skill and labor more meritorious while directing looms and spindles than while engaged in developing the resources of nature in the field of agriculture?

The first may be an easier occupation, but is the latter less noble or useful?

Land is the primal source of all wealth, and he who increases its productions and employs labor in developing its dormant wealth and capabilities is a worthy citizen, even though he is neither a statesman nor a scholar.

Let the nation give to wool-growers a little of the aid already given to manufacturing industries, and you will soon see all the wool used in this country, for any purpose, produced by American people.

Important statistics, showing the necessity of protection in order to preserve our wool industry, have been furnished by Justice Bateman & Co., of Philadelphia.

I will briefly refer to these, to show that without protection wool growing must be abandoned, because of its competition with foreign wools, costing so much less than the cost of production here. These statistics show the price of wool in Philadelphia for December, 1887, under the tariff of 1883, the per cent. of shrinkage, and the scoured cost. Also the foreign price in December, 1887, the shrinkage, and the scoured cost. Also the difference between the cost of American and foreign scoured wools of competing grades in December, 1887. It is thus demonstrated that washed combing wools, competing with the American product, were, in London, December, 1887, cheaper than in Philadelphia by 13 to 22 cents per pound on a scoured basis, the average being 17 3-5 per pound.

Washed clothing wools were cheaper by 14 to 27 cents per pound, the average being 21½ cents per pound on a scoured basis.

The same ratio of difference is found in regard to the cost of unwashed combing and clothing wools for December, 1887, on a scoured basis, between London and Philadelphia. Wools competing with Territorial wools, during the same period, were cheaper on a scoured basis in London than Philadelphia by amounts ranging between 7 and 25 cents per pound, the average being 16 cents and a fraction.

These facts furnish a sure basis for estimating the price of our wools when protection is abolished. If "free wool" is forced on the country, the two columns of figures here produced from the calculations of Messrs. Bateman & Co. will show those who examine this subject, what the grower *obtained* in Philadelphia in December, 1887, for his wool under the tariff of 1883, and what he would have obtained under "free trade" prices:

WASHED COMBING WOOL.

	Prices in Philadelphia, Dec., 1887, under tariff of 1883.	Free-trade prices on the basis of the cost of scoured wools.
Ohio and Pennsylvania fine delaine X XX	35	24½
Ohio and Pennsylvania medium, three-eighths to one-half blood.....	37	27½
Ohio and Pennsylvania one-quarter blood.....	37	20

WASHED CLOTHING WOOL.

Ohio and Pennsylvania XX and above choice.....	32	18½
Ohio and Pennsylvania XX and above average.....	30	18
Ohio and Pennsylvania XX coarse, one-quarter blood.....	37	20
Michigan and New York fine delaine	32	18
Michigan and New York coarse.....	36	20

UNWASHED COMBING WOOL.

Fine delaine X.XX.....	23	17
Medium three-ninths to one-half blood	29	22
Coarse combing.....	27	14½

UNWASHED CLOTHING WOOL.

Fine unmerchantable XX.O.....	24	14
Fine XX choice and above.....	23	13½
Fine X and above average	21	13
Coarse unwashed X one-quarter blood, choice.....	28	15

The above are simply examples of each class taken from Messrs. Bateman & Co.'s tables, and submitted to them for correction. They demonstrate the injustice and the great outrage upon the most important industry in the United States connected with agriculture which will surely result from placing wool on the free list.

It must be presumed that nothing but misrepresentation or palpable mistake could have persuaded the late President to commit the serious error he made on this subject by recommending free wool.

I have omitted figures in regard to the free-trade price of Territorial wools simply on account of want of space. Their price on the same basis of calculation is proportionately reduced.

No further argument is needed to prove, beyond controversy, that "free wool" is death to this industry, and none who prefer the interests of this nation to those of foreign nations will fail to regret so serious a blow to our wool-growers, and to the nation at large, as free wool will inflict; and none but those under influence of personal interests or traditional prejudices and preconceived opinions will fail to admit that the attempt to put wool on the free list is an "economic blunder."

To those who favor free trade as our true policy I address no protest against "free wool." From their stand-point they are right.

Free trade and no protection, or protection and no free trade. To "this complexion we must come at last."

In this small space lie the germs of our future policy and the "fittest will survive." If it be free trade, let us have it as a system, pure and simple, without the adulteration of duplicity, under the name of "incidental protection."

Revenue is easily obtained without protection. Establish duties so low as to open our markets to our friends abroad, and they will cheerfully do our work and pay all the duties we need for revenue for the privilege of owning our markets. Let us then be frank and honest, and adopt one system or the other, and abandon methods that are neither. By protection it is as easy to reduce revenue as it is to increase it by non-protective duties.

Protect American industries, and give them control of our own market, and thus reduce imports and customs duties. Reduce duties so as not to protect American industries and give control of our markets to other nations, and you will have a surplus revenue from customs and foreign fabrics for our people.

Let us do one or the other, and have an economic policy that is entitled to an honest and correct name.

A "tariff for revenue" with "incidental protection" is a delusion and a fraud.

It is often an argument used by "free-traders" to accomplish indirectly what they dare not attempt directly.

Protection is *per se* beneficial or injurious. It must stand or fall on its merits, and by its fruits it must be judged. It should be adopted or rejected as a system. No tariff for revenue merely can be adjusted to an equitable or correct system of protection. All efforts to do this have failed. They have either given no protection, or have protected some industries, leaving others equally meritorious to perish, or some so inadequately as to languish and slowly die. The injustice of such legislation, and the general dissatisfaction resulting from it, are well understood.

We need a national policy on this subject, honestly named.

If protection, let it be general and uniform, embracing all American industries that can be profitably pursued by our people. Experience has demonstrated that when the home market is given to American products, competition soon reduces prices to the minimum cost of production, and this experience illustrates the wisdom of Alexander Hamilton's policy of protection, inaugurated during the infancy of our Government.

The wealth of a nation consists in the difference in value between what it produces and consumes.

At the end of each year it will be richer or poorer by the excess or deficit in the value of its productions, when compared with what is consumed. In this respect its condition is precisely like that of every family, community, or corporation, or individual.

Give, then, to the United States a wise, economic policy, that will stimulate to activity our looms, spindles, furnaces, forges, anvils, as well as all other instruments or implements connected with our various and useful industries, and thus give increased activity, more employment, and better wages to all laboring classes who are ready to unite in promoting a general prosperity, and we shall soon develop our various and inexhaustible resources.

By such system one industry will aid in supporting another, and we shall not be compelled to purchase from other nations; for our production will exceed our consumption, and we shall increase in wealth, prosperity, and happiness.

Attest:

GEO. H. WALLACE,
Secretary.

DECEMBER 4.

The committee on resolutions and address to the people of the United States made the following report, which was unanimously adopted:

Whereas the importation in the last fiscal year of woollen goods of the custom-house value of \$58,000,000 was ruinous to the industries and interests of American citizens; and

Whereas the manufacture of goods of this value from American grown wool would have made a home demand for 175,000,000 pounds of wool: Therefore

Resolved, That the proper development of the wool industry requires that such protection shall be given to wool manufacturers as will enable them to produce at reasonable prices all the woollen goods required for consumption in the United States; and as wool-growers we ask of Congress the enactment of such tariff.

Resolved, That with sufficiently protective duties the wool industry of the United States can, and will in due time, be developed to such an extent as to produce at reasonable prices all the wool required for consumption in this country. This would add 60,000,000 to the number of our sheep, furnish an abundance of cheap mutton food, increase wealth to share the burdens of taxation, give employment to millions of acres of land now unoccupied and waste, diversify agricultural industries, make a demand for additional hay and grain for sheep, make new demands for labor in many forms, and vastly enlarge the wealth and resources of the country.

Resolved, That the wool-growers ask of Congress such legislation as will give to the wool industry that "full and adequate protection" promised in the platform of principles sanctioned by the American people in the elections of 1888. Unless this protection is furnished to the wool industry as fully as to the most favored of the manufacturing industries, the wool-growers thus denied the "equal protection of the laws" can not be expected to support a policy from the benefits of which the farmers of the United States are excluded, and thus the industrial and commercial interests of the whole country sacrificed.

And whereas petitions to Congress are being circulated and signed by some, but only a small portion of the "leading manufacturers and merchants"—the latter presumably importers—in the New England States, asking that "the duties on raw wool may be removed or greatly reduced," while others ask for "a single ad valorem duty on all classes of wool," the effect of which if adopted would be to increase imports and diminish home production: Therefore

Resolved, That if it shall become the policy of manufacturers to demand free wool, and if this shall be sanctioned by Congress, the wool-growers of the United States will thereby find the wool industry of this country destroyed, and will be driven to demand that the duties on all woollen and worsted goods, including carpets, shall also be removed.

And whereas it is understood that a very few of the carpet manufacturers are making an effort to induce Congress to reduce the carpet wool duties prescribed by the tariff bill which passed the Senate of the United States January 22, 1889: Therefore

Resolved, That this convention relies upon the good judgment of the great body of carpet manufacturers to oppose any such effort, the results of which would be ruinous to the wool industry; would be a declaration of hostility to this industry; a failure to give it the "full and adequate protection" demanded by the public judgment as rendered at the last Presidential election, and will meet the unanimous disapproval and condemnation of the wool-growers of the United States. The wool-growing industry should not be sacrificed, nor is this necessary, to secure adequate protection to the carpet industry.

The duties and provisions of the Senate bill passed January 22, 1889, are not in all respects satisfactory to the wool-growers of the United States, and do not, as we think, sufficiently provide for the necessities of this industry. Nevertheless, we will accept its provisions, provided no changes are made in it detrimental to the wool industry. If such changes are made, the wool-growers will take such action as in their judgment is deemed right and proper.

Resolved, That the wool-growers ask that in any tariff law which may be enacted provisions shall be made which will secure the honest and faithful execution of the law, and among them the following:

- (1) To define washed and scoured wools.
- (2) To impose increased duties on fleeces of wool imported in any other than the natural condition of such fleeces.
- (3) To impose increased duties on "round lots" of imported wool, in which valuable clothing and so-called carpet wools are mixed with inferior grades of carpet wools, leaving the aggregate dutiable only at the lowest rates.
- (4) To prevent and punish undervaluations.
- (5) To prevent evasions of the law by admixtures of wool with shoddy and other inferior articles.
- (6) To prevent the importation of clothing and combing wools under the name of carpet wools.

(7) To prevent and punish other frauds on the law.

Resolved, That inasmuch as tobacco is one of the agricultural products of many of our States, and is manufactured and consumed by a large portion of the people, and the internal-revenue tax thereon, which originated as a war necessity, is no longer needed by the Government, and is an unnecessary burden on this branch of agriculture, this tax should be immediately abolished. Congress, outside of the District of Columbia and the Territories, has no power to impose internal-revenue taxes in the nature of a police regulation, and merely as such. That power belongs alone to the States.

To the People of the United States :

The National Convention of Wool-Growers, at its session in Washington, D. C., December 2d to 9th inclusive, 1889, appointed a committee charged with the duty of addressing you, and the following is submitted for that purpose:

Congress is now in session, and it is the right and duty of every citizen, by letter and otherwise, to ask its members to provide such legislation as will best secure the common interests of all the people. The farmers are the most numerous class of those engaged in industrial pursuits. When they find adequate rewards for their labors and when they prosper, all other industries prosper; when agricultural industries suffer, all others suffer. For some years past the farmers have not enjoyed the degree of prosperity which their labors merited, and as a consequence, farms and lands in many, if not most of the States, have generally depreciated in value from 10 to 30 per cent. when such results might have been averted. The same depression will continue unless its causes be removed. The chief cause of these evils and the consequent injuries resulting to those engaged in other pursuits is found in the reduction by the act of Congress of March 3, 1883, of the duties on wool, on worsted goods, and some other articles of manufacture, and the failure to provide such duties as would give to American farmers, mechanics, manufacturers, and laborers the exclusive privilege of supplying by their labor and skill every product of the field, the forest, the mine, the factory, and the shop, which they could have produced at fair prices and in sufficient abundance to supply all American wants. We have been importing articles, the product of foreign labor, to the value of \$200,000,000 annually, most of which should have been produced in the United States, thereby giving largely increased employment to labor and capital at home, rather than in foreign countries. The Presidential and Congressional elections of 1888 indorsed a platform of principles, favoring a protective tariff, and promising to the wool industry by name "full and adequate protection," and the President's message emphasizes this pledge by wisely declaring that "the protective principle should be maintained and fairly applied to the products of our farms, as well as of our shops." The wool industry is almost the only branch of agriculture which can be directly and generally advanced by protective duties, but this benefit results in prosperity for every other agricultural industry. Wheat, corn, oats, beef, pork, all are depressed in price because of overproduction. But with a sufficient protective wool tariff, our flocks of sheep would be vastly increased to supply wool which we are now importing from foreign countries, and this increase would make a demand for corn which in some localities, as in portions of Kansas and Nebraska, is being consumed as fuel; it would make a demand for hay; it would give employment to a portion of the lands now unprofitably employed in an overproduction of wheat. Thus, and otherwise as will be a little more fully shown hereafter, the revival of our wool industry and its proper full development would restore prosperity to the whole country.

In securing adequate protection for this industry the wool-growers ask the aid and co-operation of those engaged in every other industrial pursuit. The protective policy is a system, extending to all industries, in support of which all should unite. The wool-growers have a right to ask for their industry protection to the full extent of the most favored of the manufacturing industries, and they will not tamely submit to a system which ignores their rights. This is a Government "of the people, by the people, and for the people." It is a Government in which the ballot is wielded to secure results, and the farmers will not sacrifice manhood, duty, and interest by supporting any system from the benefits of which they are excluded, nor will they be deterred from respectfully expressing their wishes by speech and through the press, nor from asserting their power in the nomination of candidates for office by any unfounded intimation that such honest expression, or exercise of power, will place them in a threatening attitude. They ask only for their industries the same beneficial legislation which they ask for others, and a failure to do this would be a crime. These remarks are justified by the fact, which we can not ignore, that a very few of those engaged in the carpet industry are insisting upon the admission of so-called carpet wool, suitable for the manufacture of clothing, at rates of duty so low as to threaten the ruin of the wool industry of this country, and are asking for duties on carpet wool so low as to deprive American wool-growers of the privilege of supply-

ing it.

If such wool must be bought in foreign countries, carpets will be bought there also. Carpets are in some measure luxuries entitled to less favor than the production of wool or of clothing goods. The number of persons engaged in the carpet industry is few, compared with the number who would directly and indirectly find employment in producing the wool required in the manufacture of carpets. It is neither good statesmanship nor justice to sacrifice the many for the few, whose interests would in no degree be promoted by such sacrifice. And such sacrifice will inevitably result in free carpets. Those who ask for lower duties on other forms of wool, if they could obtain them, would secure the destruction of the wool industry as effectually as by direct free trade. Whenever duties are below the protective point, the destructive point is reached. Such low duties would inevitably result in similar duties for woollen clothing goods, and with similar results, not only because of the alienation of a large body of people from their chief interest in the protective policy, but because it would be an abandonment of the policy itself. When its unity is broken, the system must perish. Ad valorem duties on wool will invite fraudulent undervaluations and give the least protection when most needed, and can not be tolerated. The president of the National Association of Wool Manufacturing, William Whitman, esq., in his able published letter of November 22, 1889, has fully demonstrated the danger of abandoning the protective policy for wool-growers, and judiciously said of manufactures and wool-growers that they have "interests that ought to be friendly and co-operative, as they have been and can be with all that it involves." And more than this, the whole country will share the benefits of the protective policy as a system. This may be readily seen. The injudicious reduction by the tariff act of 1883, of duties on wool, and on worsted goods, and the rulings of the Treasury Department under President Cleveland's administration, hostile to both wool-growers and wool manufacturers, rendered the wool industry unremunerative, resulting in a reduction of the number of sheep in this country from 50,626,626 in 1884, to 41,500,000 sheep now. For the fiscal year 1889 the imports of wool in the form of woollen goods were equal to 160,000,000 pounds unwashed wool; the imports of wool, 126,487,729 pounds, equal to about 180,000,000 pounds unwashed; the imports of so-called wastes etc., were 8,662,209 pounds, equal to 24,000,000 pounds unwashed wool, making a total of imports of 364,000,000 pounds, while our domestic wool clip was only about 250,000,000 pounds, making a total of wool consumed of 610,000,000 pounds unwashed wool. We need, and under sufficient protection, will soon have, 100,000,000 sheep with which we can supply all the wool required by the wants of all our people. The 48,322,331 sheep in the United States in 1886 required for pasturage and the production of grain and hay at least 24,000,000 acres of land, equal to more than all the cultivated and pasture lands of a State like Indiana. An addition of 50,000,000 to our sheep would utilize 30,000,000 additional acres of land now in part idle, and in part giving an overproduction of wheat and corn; it would give employment to 180,000 men and boys, many of them now without employment; it would distribute annually in wages to them \$45,000,000; it would add to our tax lists to share the burdens of taxation in value of sheep \$100,000,000 and in enhanced value of idle lands utilized \$60,000,000; it would enhance the value of every acre of arable and pasture land in the United States; it would make a demand for half a million sheep-shelters and give work to every idle carpenter in the land; it would give employment to a multitude of men to clear, fence and cultivate lands; it would increase freight for railroads and steamers, and business for wool-buyers; it would increase and cheapen the supply of mutton, and rich and poor in cities and country would alike rejoice in the blessings of abundance. Increased profits to wool-growers, and all securing employment from the wool industry, would enable them to build houses, buy goods and groceries, patronize colleges, schools, and churches, and thereby promote morality and orderly government. This increase of the wool industry would preserve the fertility of our farms now being impoverished by excessive cultivation; it would reclaim lands partially worn out and fast becoming wastes; it would utilize mountain sides and hill lands for pasturage and restore more than the prosperity of other years, under a better protective system. All this is practicable.

That sagacious manufacturer, Mr. Whitman, has declared that "the American staple wools are better adapted for the fabrication of satisfactory clothing for the American people than any other wools grown." We can produce them all. It has been said that as yet a very small amount of foreign wool is needed to mix with ours to secure a particular luster to one unimportant class of goods. But we could afford to sacrifice the style for great public interests since it is not demanded by utility. But even this is not necessary. American wool-growers by proper sheep breeding can soon furnish every needed style of wool. And they can soon supply every pound of carpet wool required for American use and utility. The eminent statistician of the Department of Agriculture, Prof. J. R. Dodge, in November, 1889, in referring to the wonderful capabilities of the Southern States, said: "Especially should this region undertake at once the supply of all the carpet wool required by our manufacturers."

* * * Indeed, not an ounce of any sort of wool need be imported."

A. E. Shepard and W. S. Black, of Texas, among the most intelligent and experienced of the wool-growers, declare that Texas alone can supply all the needed carpet wools, and that with adequate protection the whole will be supplied at reasonable cost. With a hundred million sheep, of all the varieties our people will have, the "skirting" and "breach wool" would supply most of the needed carpet wool. The evidence in support of all this can be multiplied abundantly, and on this subject wool-growers are better qualified to decide than the most intelligent manufacturers.

Without "full and adequate protection" the wool industry will substantially be destroyed. The chief of the Bureau of Statistics under President Cleveland's administration said that without such protection "it is idle to talk about raising sheep * * * to compete with South Africa, Australia, and South America." Australia now has about 100,000,000 sheep, and the Argentine Republic nearly an equal number. In those countries sheep require but little if any winter feeding, and the cost of pasturage is merely nominal, and of labor nearly equal so.

The reduction in the number of our sheep since 1883 proves that without better protection we can not continue to grow wool to any considerable extent. It would occupy too much space to quote the figures showing the custom-house value of imported wools, but these prove that without better protection we can not compete with such wools. And the custom-house value does not show the extent of the competition, because in clothing wools as imported it will require about one and a half pounds of our unwashed Merino wools to produce as much scoured wool as one pound of Australia clothing wool, and of combing and carpet wools, imported as they are washed at the single duty rate, it will require much more of our unwashed, or even washed wools, to produce a scoured pound than of the foreign competing wools.

The same reasons which require protective duties to enable our citizens to produce all other protected products operate as to the wool industry. Those who demand inadequate duties for wool strike a blow at every other industry. We are fighting the battle for the men who mine iron ore and coal, for pig-iron and coal, and lead and copper, and every one of the manufactures of these metals, and of clay and wood, and leather, and manufactured clothing, and we have a right to ask the co-operation of these industries in sustaining a policy which is a unit.

The Senate tariff bill, which passed that body January 22, 1889, proposes to increase the duty on clothing wools only 1 cent per pound. The average custom-house value of the cheapest unwashed clothing wool imported in the fiscal year 1867 was 26.39 cents per pound, with a duty of 12.90 cents per pound. The average value of the best was 37.81 cents, with a duty of 15.78, besides which the gold premium was equivalent to additional duty. The Senate bill only proposes 11 cents per pound duty on the present low custom-house valuations of wool, which is not our prices, but foreign values. The proposed duty will admit large amounts of foreign wool. The Senate bill proposes to increase the present duty only 2 cents per pound on combing wool and to admit it washed at 12 cents. This probably does not exceed a duty of 8 cents on unwashed combing wool. When the act of 1867 was passed, foreign combing wools could scarcely be said to compete with our wools. The imports for the fiscal year 1867 were only 150,302 pounds more, and duties on this wool would largely increase the number of our best mutton sheep, increase the home supply of this wool, and result in many advantages to the people; under a duty as proposed in the Senate bill foreign wool would be largely imported. There is no more reason for importing this wool than for importing the worsted goods into which it is made.

The Senate bill proposes to make the duty on washed carpet wool of the custom-house value of 12 cents and under 4 cents, an increase of a 1½ cents; on wool over 12 cents value, 8 cents, an increase of 3 cents. These are insignificant sums, equal probably to less than 2 and 4 cents on unwashed. An official letter of November 29, 1889, on file in one of the Departments, by an eminent expert, discussing the amount of wool used in making a yard of carpet, says: "Generally the average of a pound of new wool for a yard of carpet may be assumed, ranging as to the details from two pounds to a few ounces." Another letter of November 15 says of wools used in 1887-'88: "A large quantity of American and Mexican wool was used for carpets, and an almost equally large amount of domestic and foreign waste was used for making filling yarns for carpets." Estimates submitted to the Senate Finance Committee, in January, 1889, made the amount of wool larger, based on carpets made with all new wool, without reference to those largely composed of shoddy, cow and calf hair. Much of the domestic and imported carpet wool is used for clothing purposes. The letter of November 15 referred to says: "the importation of 'carpet wool' in 1887-'8 was 84,879,540 pounds; yet it is certain that one-half of this wool was actually used for clothing purposes." The New York Tribune of October 19, 1889, quotes the testimony of Robert Bleaklie, an eminent manufacturer, who favors free wool, who says he is "satisfied that many millions of pounds of carpet wools are used in making cloth for clothing purposes." We can produce much additional evidence in support of all these statements. The imports in the last fiscal year of 90,391,541

pounds of carpet wools, equal to 150,000,000 pounds of unwashed, is one-fourth of our total consumption of wool.

The character of this wool may be seen from its custom-house value. The average custom-house value of the clothing wool imported in 1888 and 1889 was 20.07 cents per pound, while the custom-house value of the better class of carpet wools was 17.9 cents, yet the former unwashed paid a duty of 10 cents, the latter washed only 5—and all was equally available for clothing purposes. The Senate bill proposes to make the duty 11 cents on unwashed clothing wools and only 8 on washed carpet, though a pound of the latter will yield probably 40 per cent. more scoured wool than will the clothing wool. This low duty on carpet wool used for clothing purposes is the greatest wrong, most ruinous to our wool industry in the whole system. Its importation supplants our clothing wool, fixes its price, and threatens destruction to our industry. A few of the carpet manufacturers, with duties nearly prohibitory on carpets—the most protective given to any large industry—ask a reduction of the duties of the Senate bill. To this wool-growers will never assent. It would destroy the wool industry. It would soon subvert the whole protective system. To Congress, to the new States with their ranches, and to all the people we appeal to avert this calamity, and give to all our industries—agriculture equally with others—the full measure of a protective policy which will make the whole country rejoice in abundance and prosperity.

WILLIAM LAWRENCE, of Ohio, *Chairman*.

E. N. BISSELL, of Vermont.

A. E. SHEPARD, of Texas.

H. YOUNG, of Pennsylvania.

N. H. GENTRY, of Missouri.

T. H. CARTER, of Montana.

J. D. TAYLOR, of Ohio.

* * * * *

The following gentlemen were requested to serve, in answer to the call of the president of the association, as a committee to present the interests of the wool-growers to Congress: Judge William Lawrence, Ohio; Hon. John McDowell, Pennsylvania; Capt. A. E. Shepard, Texas; Hiram Young, Pennsylvania; E. N. Bissell, Vermont; Hon. J. T. Rich, Michigan; Albert Chapman, Vermont; Hon. George L. Converse, Ohio; J. H. Kirkpatrick, California; Hon. David Harpster, Ohio; Hon. Charles Crane, Utah; Hon. Davis Cossitt, New York; Hon. C. M. Clay, Kentucky; A. W. Campbell, West Virginia.

Captain Shepard, of Texas, offered the following resolution:

Resolved, That the President of the United States is respectfully requested to cause an investigation to be made as to the qualifications and competency of appraisers at the custom-houses of the country, and to make such changes, if any be needed, as may be required to secure a faithful and efficient administration of the laws. And this convention respectfully asks that in selecting appraisers men be appointed who are thoroughly and practically well acquainted with wools in all their various forms, and who will have the courage to prevent frauds in importations.

* * * * *

DECEMBER 9.

* * * On motion of Judge William Lawrence it was unanimously voted to hold the annual meeting in June next at the city of Galveston, Tex.

On motion of Captain Shepard, the chairman appointed the following as a committee to present in person to Benjamin Harrison, the President of the United States, the resolutions adopted: A. E. Shepard, chairman, Texas; Judge William Lawrence, Ohio; Hon. John McDowell, Pennsylvania; E. N. Bissell, Vermont.

DIAGRAMS.

Diagram No. 1 on the accompanying sheet gives the prices for Ohio wool in January, 1884, and shows the effects of the tariff reduction of 1883, as well as the fluctuations which have taken place down to the present time. The notes at the foot of diagram No. 1 show the period at which the most prominent events occurred, which were having the most direct local influence on the American wool market, some of which facts are very significant. It will be observed that prices took a downward tendency after the subject of free wool was first broached by Secretary Manning in December, 1886, in his annual report at that time. The President's free-wool message in the following December greatly accelerated the downward tendency to prices

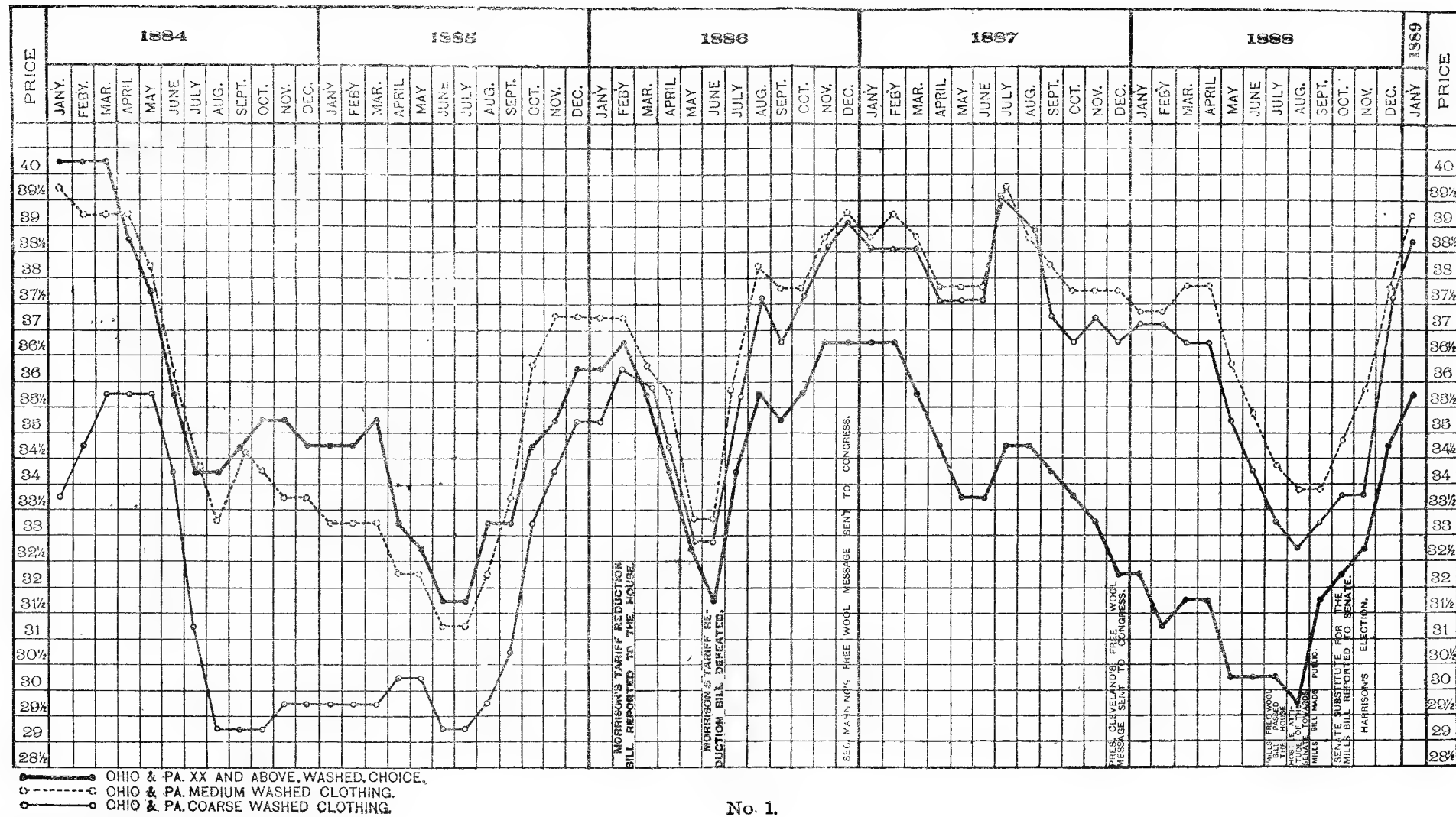
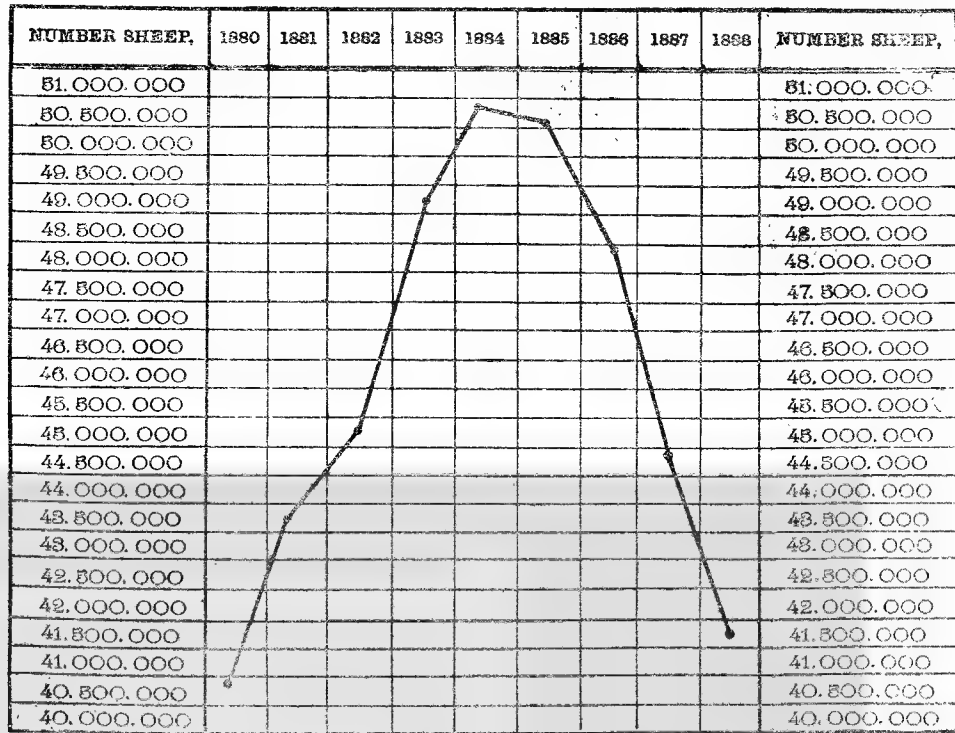


Table showing the increase in the number of Sheep in the United States, under the Tariff of 1867—from 1880 to 1884—and the decrease that followed, as a consequence of the reduction of the duties upon wool and woolens in the Tariff of 1893.



The production of Scoured Wool in Australia during the last 27 years,

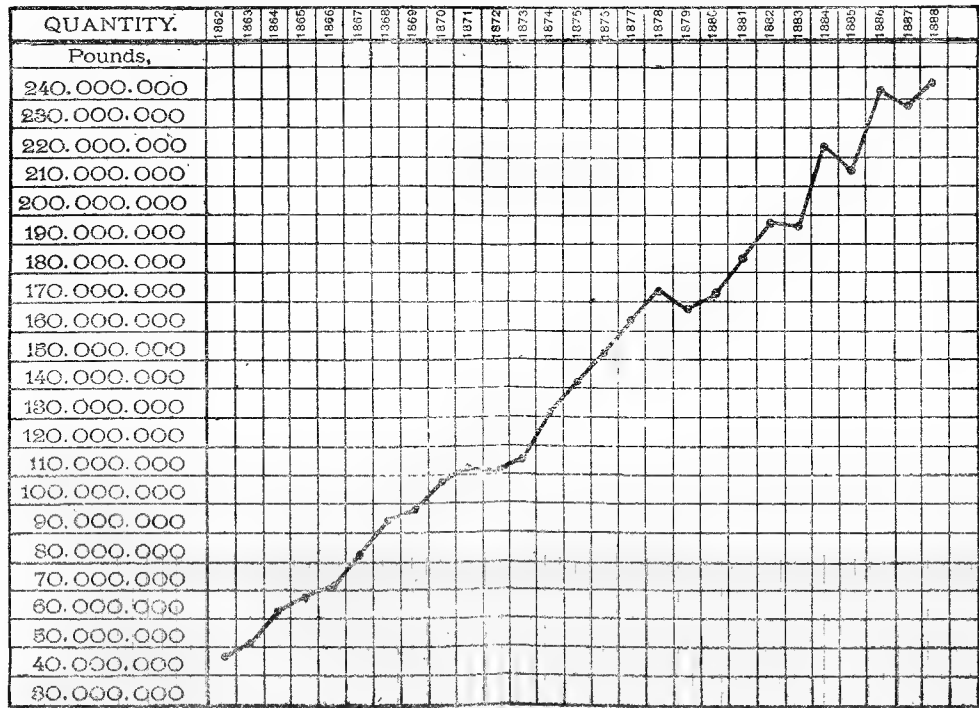
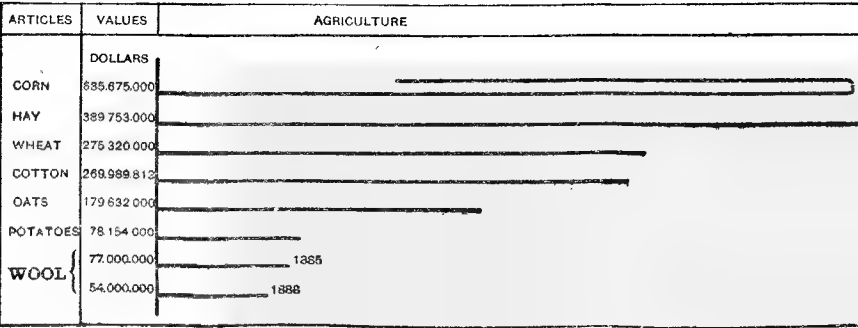


Diagram showing the comparative value of the leading Agricultural Products of the United States for 1885.



which had been started by Secretary Manning, which movement was again aggravated by the increasing certainty of the passage of the Mills bill through the House, and the lowest point which prices touched after the subject of free wool was first introduced by the present administration was immediately after the passage of the Mills bill by the House of Representatives, last July. After the passage of that bill by the House, and until the attitude of the Senate toward it was known, in the month of August, the markets were greatly demoralized. No signs of relief were visible until August, when confidence was partly restored by the publication of the fact that the Senate would undoubtedly reject the free-wool feature of the Mills bill, and would substitute the present Senate bill, which not only proposes to correct the present abuses of the tariff of 1883, but slightly increases the duty upon wool.

Diagram No. 2.

This diagram shows the increase in the number of sheep in the United States under the tariff of 1867 until 1884, when the effect of its repeal was first felt, and shows the decrease which followed as soon as wool-growing began to feel the injurious consequences of the reduction in the tariff in 1883 on wool and woolens.

Diagram No. 3.

This diagram shows the increase in scoured pounds in the clip of Australasia between 1862 and 1888. The weight in the grease or in the condition in which it is usually marketed is more than double the scoured figures given in this diagram, as the average shrinkage is more than one-half. In round figures the amount of wool produced in Australia is 240,000,000 pounds scoured, or 500,000,000 in the grease.

Diagram No. 4.

This diagram shows the relative importance of the wool-growing industry of the United States in comparison with other agricultural products in the year 1885, when the decline had just begun and when the clip was near the largest.

We are indebted to Colonel Switzler's admirable report to the Treasury Department on wool and manufactures of wool for many of the figures given above.

Table showing the decrease in production of American wool in the year 1888 as compared with 1884.

Number of sheep in the United States in 1884	50,500,000
Number of sheep in the United States in 1888	41,500,000
Decrease in number sheep in United States five-years' clip	9,000,000
Average weight per fleece	6 pounds..
Decrease in pounds of wool raised in 1888 as compared with 1884	54,000,000
Imports of wool of all kinds in 1888	120,000,000
Imports of wool of all kinds in 1883	70,500,000
Excess in importations of wool in 1888 over 1883	49,500,000
Importations of worsted cloths in 1888, estimated	\$6,000,000
Importations of worsted cloths in 1883	963,689
Estimated 3 pounds wool in grease per yard, or \$— in value pounds..	\$5,036,311
Excess of importations of wool manufactured into worsted cloths in 1888 over 1883	3
Total imports of worsteds, including yarns, for the year 1883	\$15,108,933
Estimated imports of worsteds, including yarns, in 1888	\$1,397,052
Estimated increase over 1883	\$8,000,000
At 3 pounds of wool in the grease for each dollar in value would be equivalent to an excess of nearly 20,000,000 pounds of wool in the grease imported in 1888, in the form of worsted goods and worsted yarns	\$6,600,000
..... pounds..	20,000,000

THE TARIFF ON WOOL—AN EXPOSURE OF SCHMIDT'S TABLE, GIVING THE PERCENTAGES OF DUTIES—THE LOOP-HOLE HAS NOT BEEN IN THE TARIFF, BUT IN DELIBERATE FRAUDS—THE COUNTRY NEEDS A SPECIFIC AND AD VALOREM DUTY COMBINED FOR PROTECTION—TO WOOL-GROWERS.

To the Editor :

A "table" as to the percentages of duties, on a scoured basis, paid by American consumers of foreign wools, has been compiled by Mr. Henry Schmidt, of Philadelphia. By this "table," which has been published in different parts of the country, and commented upon favorably by that portion of the "press" which is constantly advocating lower duties on wool, the great Philadelphia importer tries to mislead the public at large by the treachery of figures. He would have all who are not cognizant with the workings of the "tariff system" to believe that consumers of imported wools really were paying the sky-scraping duties advanced by his "table," when in reality it is not so. His system by which he gets the percentages of duties on a scoured basis is simply theoretical in every manner and form, and is a falsification of practical facts as recorded in the Treasury Department for the last twenty-two years. I therefore, for the benefit of the manufacturer, the producer, and merchant, present a "table" of statistical truths, which on close examination will show some startling facts.

It is a "table" compiled from the best sources and highest authorities of two continents, consequently defies contradiction. The facts and knowledge presented as regards the correct percentages of duties paid by the consumers on a scoured basis lift the flimsy veil of deception practiced by theorists so long, and finally drag away the cobwebs whose spiral strands have tried to throttle truths.

Now let us see what facts in practice show. But before I go into this subject minutely, which I intend to do, let us take the amount of wools of all classes imported since 1867 and see how much scoured wool can be found that paid a scoured duty. According to the Bureau of Statistics of the Treasury Department about 1,500,000,000 pounds of the three classes of wool have been imported into the United States from June 20, 1867, to June 30, 1889; one-thousandth part of this amount, or about 1,500,000 pounds only, paid a scoured duty.

Here I would like to ask the gentleman from Philadelphia, before going further into this subject, through what hole in the statute was sifted the millions of pounds of noils, which are scoured wools; the millions of pounds of so-called wastes, which are scoured wools (in disguise), and the millions of pounds of scoured wools that have entered our ports and have not paid a scoured duty. The country would like to know what hole in the great tariff sieve was so widened as to admit the millions of pounds of scoured wools under a misconstrued classification. Who has got the benefit of these rascalities? Certainly the grower did not; neither did the manufacturing interest as a whole, or the merchant. The finger of retribution points to a few, and the time is not far off when the West will voice its sentiments in language that will put a stop to this mockery of our tariff system.

By a close examination of the documents issued by the Treasury Department through the Bureau of Statistics we find facts in practice, not theories:

First. Of the 262,639,905 pounds of wools imported from June 30, 1867, to June 30, 1888, of the first class, or clothing wools, only 551,390 pounds paid a scoured duty. These wools averaged about 35.9 cents per pound in the grease, washed and scoured, delivered in New York, Boston, and Philadelphia, duties paid, which represented the choicest and lightest shrinking fine wools raised in the world, one of the features being to rob the fleece of its original character by tearing off the skirts, breeches, neck pieces, and anything of an inferior or defective quality. This gave to the American importer or consumer "all body wool," which is the best and most valuable part of the fleece, and consequently worth more to the manufacturer by at least 10 cents per pound on a scoured basis than if imported in its original shape as shorn from the sheep. The average cost, therefore, on a scoured basis to the American consumer importing these wools for the twenty-one years ending June 30, 1888, was 59.1 per cent. more than it cost the foreign consumer.

Wools of this class imported to-day, according to the highest authorities, taking the choicest and average Australian, New Zealand, and Montevidean wool, the average percentage of cost on a scoured basis between the American and European consumer would only be about 47.2 per cent., instead of 67 per cent. as Mr. Schmidt's "table" shows.

Second. Of the 212,765,337 pounds of wools of the second class, or combing wools, imported from June 30, 1867, to June 30, 1888, only 40,381 pounds paid a scoured duty. These wools averaged, delivered in New York, etc., about 37.7 cents per pound, and being washed so clean that the average shrinkage was only about 20 per cent., or, in other words, the cost thoroughly scoured to the American manufacturer was only about 47 cents per pound; which made the difference, on a scoured basis, of the percentage of cost between the American and European consumer 56.6 per

cent. for the twenty-one years ending June 30, 1888. On wools of this class imported during the months of July, August, and September of this year—such as Kent wethers, Lincoln hoggetts, Shropshire hoggetts, Down togs, Irish hoggetts, Irish wethers, super Irish hoggetts, chevriots, Canadian combing, Down matchings, the average percentage of cost between the American and European consumer was only 50.4 per cent., instead of 104 per cent. as given by Mr. Schmidt. Under this class the statute that was created to foster the worsted industry, which in 1867 was then in its infancy, now robs the producer and all those who handled American wools out of their rights.

Washed wools of this class only pay the duty of unwashed wool; consequently, all wools selected for the American market are so thoroughly cleansed that they are nearly scoured. In many instances these wools are so clean that they are used by the manufacturer without rescouring, and are admitted by the millions of pounds under a duty of 10 cents a pound. Wools that should be entered in many instances in the first class are often smuggled in, under a misconception, of the second class.

In this class wrong classification reigns supreme. When the statute was framed it was only intended that strictly washed combing wools, classed as such in 1867, should be admitted, and not wools that can be combed on account of the great improvement in machinery in the last twenty years. Is it not a wonder American medium wools are on the decline and have proved such an unprofitable investment for the last several years to all who have touched them? The misconstruction (of wools) in this class is certainly bad enough without a "table" misrepresenting the percentage of cost (on a scoured basis) being published to mislead the public. When a gentleman of intelligence will so misconstrue real facts by making a difference of 56 per cent. so as to help on a scheme for lower duties, it is high time that some one exposed those fallacious theories and made clear to all this falsification of figures by substantial facts. Examine carefully wools imported under the second class in the "table" I present, and learn the truth.

Third. Of the 916,030,193 pounds of so-called carpet wools imported under the third class from June 30, 1867 to June 30, 1888, only 447,027 pounds paid a scoured duty. These wools averaged, delivered in New York, etc., in the grease, washed and scoured, about 18.3 cents per pound; the average shrinkage being about 18 per cent., or 22.3 cents per pound scoured, the difference in the percentage of cost on a scoured basis being only 37.6 between the American and European consumer, while during the months of July, August, and September of the present year the percentage of the scoured cost was only 34.4.

Such wools are imported into the United States as Bagdads, East India, Donskoi, Scotch (white highland), etc., under the classification of carpet wools; millions of pounds of stock (yearly) are admitted nearly scoured, and in many instances so well scoured that they are used by large corporations in the manufacture of woollens and worsteds without rescouring, at a cost of less than 28 cents a pound, ready for the cards, to take the place of wools that should pay a scoured duty under the first and second classes.

No wonder large corporations importing so-called (only washed) carpet wools, but who manufacture not only carpets but also plushes, woollens, and worsteds, can offer No. 26 worsted yarn to American consumers at 62 cents per pound, which costs 72 cents per pound if made out of American wools or honestly imported foreign stock.

The third class, as interpreted by the appraisers, is striking a blow of injustice at all who raise or handle medium and low medium wools.

Think of scoured stock at less than 28 cents per pound to large American corporations, openly admitted under a duty of 5 cents per pound, or 17.8 per cent., to be used in competition with wools of the first and second classes.

Is there no remedy whereby justice shall assert itself, and give to the producer his rights under the statute? This cankerous evil that is well known to exist in the carpet schedule is eating out the vitality of American industries; that is, it is fast destroying what little confidence is left among a large proportion of the woolen and worsted interests, as well as deranging the intrinsic values of wools handled by merchants and produced by the American grower.

A few only derive a benefit from this wrong and corrupt classification of stock, millions of dollars in the last few years having been added to their fast-increasing wealth, which, plainly speaking, has been stolen from the pockets of the people.

Mr. Schmidt says nothing about the percentage of duties on a scoured basis of wools of the third class. Why?

Fourth. Under the classification of rags, shoddy, mungo, waste, flocks, etc., 20,815,754 pounds were imported from June 30, 1867, to June 30, 1883. According to the Bureau of Statistics, this stock was valued at \$2,941,286.42, or 14 cents per pound (foreign cost). Duties paid on this stock during the sixteen years ending June 30, 1883, were \$1,956,681.16, or 66 per cent. If all this stock in this schedule came in under proper classification during the period mentioned, what has it done since 1883? Let us see. From June 30, 1883, to June 30, 1888, 22,758,883 pounds were imported, valued at \$8,799,005, or 38.5 cents per pound (foreign cost), on which duties were

collected for \$2,275,883.30, being only 27 per cent. Look at these startling facts. Call it swindling, robbery, or misconstruction of the tariff system—it makes but little difference—some one has pocketed the profits accumulated from this wholesale thievery, at the expense of the grower and all who handle American wool.

Think of it, for sixteen years up to June 30, 1883, rags, shoddy, and all refuse in the art of manufacture, the average foreign cost per pound was 14 cents, the percentage of duty being 66 per cent., while for the five years ending June 30, 1888, the average (foreign cost) for what was claimed to be the same class of stock increased very nearly three times in value, or 38.8 cents per pound, at the same time only paying a duty of 10 cents per pound, or 27 per cent.

The Schmidt "table" leads the public to believe that so-called ring waste, lap waste, carbonated waste, etc., pays a duty of 154½ per cent., when in reality the very so-called waste, which is scoured wools of the first class in disguise, is being smuggled in through this big loop-hole in our tariff system, and instead of paying 154½ per cent. as "his table" shows, they are paying less than 27 per cent., and scoured wools at that.

This misconstruction, either done through ignorance or tempered by rascality, has caused some of the most glaring frauds to be committed under the statutes. Millions of pounds of scoured wools, entered as refuse waste under a rag and shoddy classification, whose foreign cost is valued at 38.8 cents per pound by the Treasury Department, which is a higher value than for any wools imported of the three classes in the last twenty-two years (taking the average cost of all wools imported), and still this stock under the name of so-called waste, composed of all the purest and perfect fabric of wool, is admitted fraudulently under a rag duty in total contradiction of the intentions of the framers of the statute. Again, Mr. Schmidt in his table tries to hood-wink intelligence by stating that top is paying a duty of 102½ per cent. This I pronounce as a false conception of the real facts.

Let us see what the records show. For the last twenty-one years ending June 30, 1888, only 41 pounds of this class of stock, valued at \$55, has been imported into the United States, which paid a duty of 60 cents per pound, or 47 per cent. instead of 102½ per cent. as Mr. Schmidt would have the whole country believe. Top undisguised has been admitted in large quantities in the last several years; every one conversant with the matter knows this to be a fact. Tops (broken up), top laps, roving laps, slubbing laps (all frauds), came in and comes in mixed with so-called ring waste, and in many instances in their original shape under a rag classification; stock valued at 42 to 50 cents per pound (broken up, to deceive, but not injured), only paying a shoddy duty of 10 cents a pound, or 20 to 24 per cent. ad valorem, instead of 154 per cent., according to the Schmidt "table." Is there not a reason why the wool-growers are disgusted, and are intrenched at Washington to fight for their rights during the present session of Congress?

Is there not a reason why the American merchant handling wools produced in his own country should be dissatisfied with the manner in which the tariff schedule has been and is being misconstrued? Have they not a right to demand justice from the party who under the dome at Washington was placed there to right these wrongs?

The time has come for action. I, therefore, place before the great wool interest of the country a "table" carefully compiled, showing the scoured cost of foreign wools as used by the American consumer as well as the weak points in our present tariff system. It represents a true picture how the merchant operating in the home market and the producer of American wools have been defrauded by wrong classifications and misconstruction.

The "table" shows another feature, and that is, a "specific" duty alone does not properly protect, for when wools are advancing abroad it narrows the limit of cost between the American and foreign consumer, while on the other hand an ad valorem duty fully protects on an advancing market abroad, but loses its protective principles on a declining one.

A simple ad valorem duty means next to free wool—American industries subject to European disasters. It means the wool-grower and merchant at the mercy of Europe's surplus. With an ad valorem duty (only) to protect the producer of wool or the manufacturer of goods (for what is good for the goose is good for the gander) both eventually would be driven out of the home market. If the manufacturer can not live under an ad valorem duty, the wool-grower certainly can not.

Under an ad valorem duty a surplus of wools in Europe in any one year would cause a quick decline abroad, the outcome of which would be to glut this country with foreign stock at a very low cost, causing ruinous losses to all who had purchased American wools. This is not protection. For the merchant and grower as well as the manufacturer indirectly would be at the mercy and caprices of Europe's shrewd operators. The price of our wools would be made in the continental markets. Rascality that is practiced now under our present system would pale before the robberies that would be committed under an ad valorem duty. What the grower wants is the same system of protection granted to the manufacturer, and that is a specific and ad valorem duty combined—no proper protection can exist without both.

The tariff system of 1867 is conclusive evidence of this fact. Better a lower or specific duty in conjunction with an ad valorem duty than either separate, for neither by itself protects. Petitions are now going to Congress signed by many corporations in the East and West—some advocating free wool, while others ad valorem duties.

It is well for those who have signed the latter petition to study this question carefully—for they are digging their own graves if they think it means protection. What the country wants is a tariff system with all the loop-holes plugged up where fraud of any kind can enter. A system that will properly protect the manufacturer of woollens, worsteds, and carpets, as well as the producer of wool. Each industry should have ample protection under the statute. No one interest should be sacrificed to build up another. In presenting this "table" of the true percentages of the scoured cost that the American consumer pays more than the foreigner, I have at the same time tried to open up to the public mind the system by which frauds have been and are being continually committed at the expense of the people's pockets. I also give for the benefit of all interested in this matter the average percentages of duties per pound from June 30, 1887, to the month ending June 30, 1888, on balmorals, blankets, clothing (ready made), cloths (woolen), hats (wool), flannels, knit goods, shawls, yarns (woolen and worsted), etc., imported into the United States. At the same time I reserve a column for Mr. Schmidt's misleading "table."

The student of political economy and the public at large, after comparing both, can draw their own inference as to why a Philadelphia importer of all classes of foreign wools, so highly respected for integrity of character, should so antagonize facts.

WILLIAM H. B. THORNTON.

A table for the producer of wool, the merchant and manufacturer, compiled by Mr. William H. B. Thornton, of Chicago.

[Giving the amounts of wools and wastes imported from June 30, 1867, and the average percentage of cost on a scoured basis between the American and foreign consumer; also the average ad valorem duties paid on waste and goods as compared with a misleading "table" published by Mr. Henry Schmidt, of Philadelphia, Pa. :]

	Total amounts of wool in the grease, washed and scoured, also rags, shoddy, waste, etc., imported into the United States from June 30, 1867, to June 30, 1888.					
	Foreign cost of wool per pound in Europe.	Average specific duty.	Average cost of wool per pound in N. w. York, duties, commissions, and freight paid.	Difference in the percentage of cost of wool in the grease between the European and American consumer.	Average shrinkage.	Average cost of scouring wool per pound to the European consumer.
Total amount imported in the grease, washed and scoured, from the month ending June 30, 1867, to the month ending June 30, 1888: In the grease... pounds... 258,693,103 Washed .....do..... 3,395,412 Scoured .....do..... 551,390						
Total.....do..... 262,639,905 Valued at.....\$59,373,144.53 Duties collected..... 30,992,997.86	22.6	11.8	Est. 35.9	50	Est. 51	46
Average foreign cost of different kinds of wool of this class in the months of July, August, and Sep- tember, 1889, and the cost to the American consumer (scoured) :						
Australian (Port Phillip) superior...	30	12	43.5	44.9	51	61.2
Australian (Port Phillip) average....	26	10	37.5	44.2	56	59.5
Australian (Port Phillip) super.....	29	10	40.5	39.6	53	61.7
Australian (Port Phillip) cross- breeds.....	29	10	40.5	39.6	40	48.3
Australian (Adelaide).....	24	10	35.5	47.9	52	50
Australian (Sydney).....	23	10	34.5	50	57	53.4
New Zealand superior.....	28	10	39.5	41	52	58.3
New Zealand average.....	24	10	35.5	47.9	55	53
Montevideo superior.....	19	10	30.5	60	57	44
Schmidt's misleading percentages of cost on a scoured basis between European and American consumer.						

A table for the producer of wool, the merchant, and manufacturer, etc.—Continued.

	Foreign cost of wool per pound in Europe.		Average specific duty.		Average cost of wool per pound in New York, duties, commissions, and freight paid.		Difference in the percentage of cost of wool in the grease between the European and American consumer.		Average shrinkage.		Average cost of scoured wool per pound to the European consumer.		Average cost of scoured wool per pound to the American consumer (scoured in the United States).		Difference in the percentage of cost of scoured wool per pound between the European and American consumer.		Average percentage of duties on manufactures of wool, etc.		Schmidt's misleading percentages of cost on a scoured basis between European and American consumer.
<i>Second class (combing wools).</i>																			
Total amount imported in the grease, washed, and scoured, from the month ending June 30, 1867, to the month ending June 30, 1888:																			
In the grease and washed,																			
pounds	212,724,956																		
Scoured	40,381																		
Total	212,765,337																		
Valued at	\$51,533,473.68	24.2	12	Est.	37.7	56.2		Est.	20	30	47	56.6							
Duties collected	25,546,754.25																		
Average foreign cost of different kinds of wool of this class in the months of July, August, and September, 1889, and the cost to the American consumer (scoured):																			
Kent, wethers	22	10	33.5	52	23	28.5	43	50											
Lincoln, hoggets	21	10	32.5	65	18	27	40	48											
Shropshire, hoggets	22.5	10	35	50	28	30	48	60											
Down, teg's	26	10	37.5	44	22	33	48	54											
Irish selections, hoggets	21	10	32.5	55	16	25	39	56											
Irish selections, wethers	21.5	10	33	53	18	26	40	54											
Irish super, hoggets	22	10	33.5	52	16	26.1	40	54											
Cheviots	26	10	37.5	44	24	34	42	44											
Canada combing	23	10	34.5	50	17	30	49	40											
Down matchings	26	10	37.5	44	24	34	49	44											
<i>Third class (carpet wools).</i>																			
Total amount imported in the grease, washed and scoured, from the month ending June 30, 1867, to the month ending June 30, 1888:																			
In the grease and washed,																			
pounds	915,589,166																		
Scoured	441,027																		
Total	916,030,193																		
Valued at	\$122,560,708.88	13.3	3.5	18.3	38.5	18	16.2	22.3	37.6										
Duties collected	32,848,260.33																		
Average foreign cost of different kinds of wool of this class in the months of July, August, and September, 1889, and the cost to the American consumer (scoured):																			
Bagdad (best)	17	5	23.5	20.4	16	20	28	40											
East India Vickamir	22.5	5	20	22.2	10	25	32	28											
East India Candahar	18	5	24.5	27.7	10	20	27	35											
Danskoi Tagaurag	17	5	23.5	29.5	14	20	27	35											
Danskoi Moscow	15	5	21.5	33.3	15	18	25	40											
Scotch (white Highland)	18	5	24.5	27.7	16	21.5	30	35											

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A table for the producer of wool, the merchant, and manufacturer, etc.—Continued.

Total amounts of wool in the grease, washed and scoured, also rags, shoddy, waste, etc., imported into the United States from June 30, 1867, to June 30, 1888.	Foreign cost of wool per pound in Europe.	Average specific duty.	Average cost of wool per pound in New York, duties, commissions, and freight paid.	Difference in the percentage of cost of wool in the grease between the European and American consumer.	Average shrinkage.	Average cost of scoured wool per pound to the European consumer.	Average cost of scoured wool per pound to the American consumer (scoured in the United States).	Difference in the percentage of cost of scoured wool per pound between the European and American consumer.	Average percentage of duties on manufactures of wool, etc.	Schmidt's mislabeled percentages of cost on a scoured basis between European and American consumer.
<i>Rags, shoddy, mungo, waste, and flecks (woolen).</i>										
Imported into the United States from the month ending June 30, 1867, to the month ending June 30, 1883:										
Total amount.....pounds 20,815,754.	14.1	9.4	<i>Est.</i>	<i>Est.</i>					66.5	
Valued at.....\$2,941,286.42										
Duties collected.....\$1,956,681.16										
Imported into the United States from the month ending June 30, 1883, to the month ending June 30, 1889:										
Total amount.....pounds 22,758,883.	38.6	10							27	
Valued at.....\$8,799,005.00										
Duties collected.....\$2,275,883.30										
Average foreign cost of so-called wastes, and cost to the American consumer in the months of July, August and September, 1889:										
Garnetted, etc., A quality.....	42	30								154½
Garnetted, etc., B quality.....	38.5	30								
Garnetted, etc., C quality.....	33.5	30							82.6	
Rings.....	46	10							21	
Broken tops, top laps, roving laps, stubbing lap should pay a duty same as tops—but how much has ever done so? It is imported with ring waste, and pays a duty of about.....									23	
Tops (in other than ordinary condition). Only 41 pounds has been imported from the year 1867 to the month ending June 30, 1888. That has paid a duty of 60 cents per pound, which was.....									47	102½
<i>Woolen and worsted (manufactures of).</i>										
Average percentage of duties paid from the year ending June 30, 1887, to the year ending June 30, 1888:										
Balmorals.....									54.62	
Blankets.....									69.79	
Clothing (ready made).....									58.57	
Cloths (woolen).....									71.17	67½
Hats (of wool).....									50.33	
Flannels.....									69.78	
Knit goods.....									61.65	
Shawls.....									64.83	
Yarns (woolen and worsted).....									68.45	80
All manufactures of every description not elsewhere specified.....									68.31	

That brings me up now to the provision which I am directed to ask of the committee to prevent frauds in the importations of wool. I will endeavor to abbreviate as much as possible and omit as much as possible. The first provision to which I ask the attention of the committee is "provision to prevent frauds on unwashed and scoured wools."

The CHAIRMAN. Will it make any difference for you to have that printed?

Mr. LAWRENCE. No, sir. We ask that a provision be made to require statistics of wool to be given the Treasury Department. I will state in a moment how this is. The present statistics of wool show the imports of clothing wool and combing wool and all grades of carpet wool. That is classed as wools unmanufactured. That is put under the head of unmanufactured wool, and 8,000,000 pounds of miscalled waste come in worth 50 or 60 cents a pound, 1 pound of which is equal to 3 pounds of unwashed merino wool which makes it equal to 25,000,000 pounds. This is not included in the imports of wool at all. It is not included among the imports of wool, and the general public are kept in ignorance of the fact that 25,000,000 pounds of wool come in which does not get in that report. These noils are included with wool. They are not separated, and they are just called wool. We ask for a provision for noils.

The CHAIRMAN. Does the Senate provision cover the case?

Mr. LAWRENCE. No, sir; it does not.

The CHAIRMAN. How is your provision?

Mr. LAWRENCE. It is substantially the same as the Senate provision, but changed in the rate. I have given this upon the authority of Geo. William Bond, and I particularly invite your attention to it. We ask a provision to prevent frauds by the importation of round lots of wool. That is all explained here. The importer will buy a quantity of wool of a given value, and he will find he can put into a bale a package of wool of more value which he will bring in and pay the whole duty on the lower grade, and in that way he gets in valuable wool. We ask that that be remedied.

We ask a provision to prevent admixture frauds. They will mix wool with wool waste. Mr. Thomas Lee, of Philadelphia, was in London not long since and he found men there who were going into the business of mixing waste with wool and swindling the revenue laws of the United States by that mixture. We ask that that swindle be stopped. The ring-waste swindle you are all familiar with.

Here are specimens of ring waste [exhibiting same] coming in at 10 cents a pound. Mr. Wallace told you how this wool came in.

These are the provisions in brief which we ask of you gentlemen. Here are specimens of wool [exhibiting] which are imported at 2½ cents duty and specimens imported at 5 cents duty. They are good clothing wools and they are ruining the wool industry of this country.

Mr. FLOWER. [Holding up sample] That is waste?

Mr. LAWRENCE. Yes, and that is a swindle. That [picking up another sample] is California scoured wool which sells in the market at 48 cents. Ring waste worth 62 cents comes in at a duty of 10 cents, and California scoured wool, selling at 48 cents, is used to adulterate that foreign ring-waste.

Mr. FLOWER. [Holding up another sample.] This is wool?

Mr. LAWRENCE. Yes.

I thank the gentlemen of the committee for their courtesy.

ADDITIONAL STATEMENT OF MR. LAWRENCE.

Mr. LAWRENCE filed the following argument which he prepared to read to the committee.

Mr. Chairman and gentlemen of the committee, I am here as one of a committee appointed by the National Wool Growers' Convention, which was held in Washington in December, to ask that certain provisions be inserted in a law revising the tariff which are believed to be necessary to secure an honest administration of the tariff law, to carry out its real purposes, and prevent evasions.

Some of these provisions will be stated, with reasons in support of them.

I wish to say in the outset that all the provisions we ask are *deemed vital*, and that in the opinion of the convention, whose representative in part I am, *no one* of them can be surrendered or omitted without irreparable injury to the wool industry.

These provisions are not presented for the purpose of securing a compromise, but in the hope and belief that these inherent merits and absolute necessity are so palpable that they will commend themselves to the approval of this committee and of Congress.

These provisions are not all we desire; they are not all we believe we might properly ask, but we recognize the fact that any measure which will limit or reduce importations will encounter opposition, and in view of that only such provisions are now insisted upon as will command the assent of all who are ready to concede to wool-growers legislation necessary to save the wool industry of this country from ruin.

WASHED AND SCOURED WOOLS.

The recent national convention of wool-growers asked that any tariff law that may be enacted shall "define washed and scoured wools."

The wool report of the Bureau of Statistics for 1887 (p. xxv) says:

"Tub-washed wools and cross-bred sheep generally yield from 80 to 90 per cent. of scoured wool. Scoured wools, as usually manufactured or as scoured for sale, yield from 85 to 90 per cent. of scoured wool in rewashing.

The wool-tariff acts of 1867 and 1883 provide for duties on *unwashed*, *washed*, and *scoured* clothing wools and on combing or carpet wools scoured, and those not scoured. That is, the duty on combing and carpet wools is the same washed or unwashed, but it is treble on scoured.

Immense frauds on the revenue and on wool-growers in this country have been perpetrated by the importation of practically scoured wools as only washed wools.

The necessity for a definition of washed wool is shown by the report of the United States consul at Odessa, made to the State Department, November 4, 1887, on the condition of the wool trade between south Russia and the United States, in which he sums up his conclusion thus:

"*First.* That the wool trade between south Russia and the United States has been carried on for twenty years greatly to the detriment of the revenue of the United States.

"*Second.* That all the wool shipped from south Russia to the United States is the property of three or four American importers.

"*Third.* That these importers, in combination with the shippers, have contrived to prevent the recognition of a market price for the so-called Donskoi washed wools at Rostoff-on-Don.

"*Fourth.* That all of these wools are, and ever have been, scoured wools.

"*Fifth.* That these wools have in many instances succeeded in entering the United States at low-duty limits ($2\frac{1}{2}$ cents), others again at high duties (5 cents), when all of them should have paid duty as scoured wool.

"*Sixth.* That the fraudulent designation of these wools has benefited the American importers, and has been a corresponding loss to honest wool merchants and the United States Government.

"*Seventh.* That the loss will exceed \$10,000,000 can easily be demonstrated.

"*Eighth.* That this loss will reach between \$15,000,000 and \$20,000,000 is very probable."

The accuracy of this report is confirmed by a letter from Thomas Scott, at one time merchant appraiser of wools in the New York custom-house, but now a wool merchant in New York, dated December 21, 1888, and addressed to the Hon. Columbus Delano, president of the National Wool Growers' Association, as follows:

[Thomas Scott & Co., successors to Dike Bros., wool commission merchants, 129 Duane street.]

NEW YORK, December 31, 1888.

Hon. C. DELANO,

President Wool Growers' Association, Columbus, Ohio:

DEAR SIR: I notice that there is to be a meeting, early in January, of wool-growers for the purpose of consultation on the tariff. When the tariff of 1867 was made the argument was used that the country grew but little carpet wool; so duties were made to discriminate in favor of that grade, as you well know. * * * However, we can grow carpet wool, and in 1885, when coarse wools of Missouri, Indiana, and Kentucky were at a low point, all the low edge of those wools was used in carpets, but since then the large *cheviot* demand has taken all our coarse domestic wool and a large amount of *so-called carpet wool*.

As I say, we can grow carpet wool in all States, but particularly in all Southern States, also Kentucky, Tennessee, and Missouri, which States grow coarse wool very successfully. The present tariff makes carpet duty $2\frac{1}{2}$ and 5 cents per pound, while combing and clothing wool pay 10 cents per pound. That is not the worst of it. Customs decisions have always favored carpet wool, and all carpet wool has been admitted, whether unwashed, washed, or scoured, at the one duty of 5 cents per pound when valued at above $11\frac{1}{4}$ cents per pound; and East India wool, shrinking not more than 5 or 10 per cent. has been so admitted for twenty years; also Donskoi wool of Russia has been admitted in a scoured state at 5 cents per pound duty for twenty years. There are, as you know, many large scouring establishments (called *washing* in Russia) grading, scouring, and shipping to the United States.

Bagdad, Egyptian, and many other Mediterranean wools are so admitted. The custom laws on carpet wools say clearly, duty on scoured, treble, but the large carpet mills and carpet-wool importers have had the ear of the Government for twenty years, and will continue to hold their position unless the wool-growers are extraordinarily strenuous about the matter. *At least one-half of all the carpet wool imported is entirely washed or scoured, and yet it gets through at the one rate of duty—not so with clothing wool, although you know of that miserable subterfuge on the ring-waste matter.* There are establishments which advertise to manufacture and furnish American markets with ring waste, etc. Also a large amount of skin wool or pulled wool taken

from River Plate sheep-skins in England, almost a scoured wool, as it only loses 15 to 18 per cent., is annually imported, which is also a practical plan of smuggling. I am very familiar with all these things, and would like, if I had time, to attend the meeting at Washington. I have been merchant appraiser here many times in Scotch, English, and Donskoi wools. I know well about the abuses here and elsewhere, and they are numerous.

* * * Are the carpet mills and the carpet-wool importers to rule, or are the growers to get their rights? * * * The carpet mills have grown immensely in wealth, and they are always ready to spend money to hold their fort.

Senator Manderson, of Nebraska, is well aware of the extent of my knowledge of these matters.

Truly, yours,

THOMAS SCOTT.

It is time that the law shall so plainly specify what are washed and scoured wools that these frauds may cease.

It was in view of these considerations that the wool-growers at one time insisted that wool containing less than 15 per cent. of impurities should be deemed scoured, but they have taken the lowest average stated in the Wool Report.

There is manifestly a necessity for some definition. When we take that most favorable to manufacturers we think it should be accepted.

The act of 1867, the act of 1883, and the Senate bill, all contain the classification of scoured as to all wools—clothing, combing, and carpet. They all provide treble duties on all scoured wools.

We were told in substance in the hearing before the Senate Finance Committee in January, 1883, that the distinction between washed and scoured carpet wools had long since disappeared in practice.

This confirms the report of the consul at Odessa and the letter of Thomas Scott. It shows that no sufficient effort has been made at the custom-houses to find out what was scoured.

Why should the distinction disappear in practice when it has not disappeared from the tariff law?

It has been because of the frauds upon the law that it becomes necessary to define scoured wool.

We have been told it is impossible to execute the law as to scoured wool; impossible to tell what is scoured wool. Then a definition is necessary, and with the science at our command in this country there is no difficulty in ascertaining what wools fall within the definition and what not.

The law has been executed as to scoured clothing combing and wools. The Wool Report, pages 17 to 28, inclusive, gives for successive years, 1867 to 1886, inclusive, the pounds of unwashed, washed, and scoured clothing wools, the pounds of combing wools not scoured and scoured, and there is a faint showing of scoured carpet wools, but they have substantially disappeared from the custom-house books.

Theodore Justice, in a letter December 16, 1889, in referring to the shrinkage of so-called *washed* imported carpet wools, says:

"Washed Donskoi wools as usually imported shrink less than 10 per cent. The best East Indies, such as Candahar and Vicaner, shrink from 10 per cent. to 15 per cent. These are practically scoured. For the other grades you will see by the inclosed tables the shrinkage of the best foreign wools—such as are usually imported—taken from Messrs. J. L. Bowes & Bro.'s circular, Liverpool, of November, 20 [1889]. Bowes's circular is considered the best wool circular in the world."

Washed and scoured wools are explained in the report of Consul Heenan, of November 4, 1887, to the State Department, as follows:

"I also send you copy of a letter from Mr. George Fernan, a competent and reputable expert, not interested in the Donskoi trade, as to the commercial character of wools containing 88 per cent. of pure wool fibers," etc.

Mr. Fernan's letter, or rather a copy of it, is made an inclosure in this dispatch.

I quote from Mr. Fernan's letter:

"Wools containing 88 per cent. of pure wool fiber and from 2 to 6 per cent. of grease associated with mechanical impurities are considered in England and on the Continent as scoured wool, irrespective of the process by which it reached such condition. The term scoured applies to the condition of the wool, and the process by which this condition has been procured does not alter that general term."

Mr. Fernan's views are in direct conflict with the views of the Treasury Department, as expressed in its decisions during the past twenty years. Mr. Fernan claims that "the term scoured applies to the condition of the wool," etc.

The Treasury Department holds that it applies to the process by which the wool was brought into such condition. It is fortunate, in the case of these Donskoi wools, that from whichever stand-point a decision be taken the wools must be considered as scoured. With the question of the amount of pure wool fiber which these Donskoi

washed wools contain, sufficient evidence has been produced to show that they are as clean as the best chemically-washed wool, and on that point I will not dwell any further, but I submit that, be the amount of pure wool fiber in these wools what it may, if the decisions of the Treasury Department during all of these years have been correct, then under these decisions, and irrespective of the cleanliness of these wools, I claim that the so-called Donskoi washed wools are, and ever have been, scoured wools.

Quotations on carpet wools from J. S. Bowes & Bro.'s Liverpool circular, November 20, 1889.

	English.	American.	Importers' estimate of shrinkage.
	<i>d.</i>	<i>Cents.</i>	<i>Per cent.</i>
East India Candahar, best of white.....	9½	19	10-15
East India vicaneer, first white.....	11½	23	10
East India soria, first white.....	11½	23	10
Bagdad white washed, superior.....	8½	17	20
Karadi white washed, average.....	6½	13	20
Smyrna white unwashed, average.....	5	10	50-55
Cordova white unwashed, average.....	5½	11	50-55
Egyptian washed white, extra.....	11½	23	10
Donskoi white washed, Camberg.....	8½	17	8-14
Georgian first clip B O, washed white.....	9½	12½	20-25
Aleppo unwashed white.....	4½	9	50
Salonica unwashed white, fine.....	5½	11½	50-55

(For other statements of shrinkages see Senate Report 2332, Part 2, first session Fiftieth Congress page 615; and Part 2, pages 583-617.)

Thus, of *five* of the enumerated varieties the average shrinkage is only 10½ per cent. and of all the washed it is 14½ per cent. It will be seen the unwashed shrinks in scouring an average of about 52 per cent.

Thus a duty of 4 cents per pound on the five varieties mentioned of so called carpet wools if washed is the equivalent of less than 2.22 cents on unwashed, and is only the equivalent of 1.46 cents per pound on unwashed merino wool shrinking one-third in scouring.

A duty of 8 cents is only the equivalent of less than 4.44 cents per pound on unwashed carpet wools and 2.92 cents on merino clothing wool.

To call this protection to American wool-growers is simply absurd.

It is to be assumed that the classification of wools into *unwashed*, *washed*, and *scoured* has a *purpose*, and this should be made effectual in the administration of the law. It may be said that the carpet wools costing 12 cents and less are not generally washed, but Bower & Brother's circular shows that *some* are washed wools.

A much larger quantity of those that are washed are quoted in the same circular only slightly above 12 cents, so that a small decline in the price of such washed wools would bring them below a value of 12 cents and would thus admit washed wools at the lowest duty of only 4 cents.

Most of the low-grade carpet wools are imported unwashed, because by so doing the scoured cost to the American manufacturer is much less than if the same wool was imported scoured at three times the duty on unwashed. This is shown by the last column of the wool circular found in Senate Report No. 2332, part 2, first session, Fiftieth Congress, page 615, and part 2, pages 583-617.

A copy of the circular is hereto appended.

Some of the better grades of carpet wools are imported unwashed for the same reasons, but much of it is imported washed.

William H. B. Thornton, a well-informed wooldealer, in an article in the Chicago Inter-Ocean of December 28, 1889, says:

"Third. Of the 916,030,193 pounds of so-called carpet wools imported under the third class from June 30, 1867, to June 30, 1888, only 447,027 pounds paid a scoured duty. These wools averaged, delivered in New York, etc., in the grease, washed, and scoured, about 18.3 cents per pound; the average shrinkage being about 18 per cent., or 22.3 cents per pound scoured, the difference in the percentage of cost on a scoured basis being only 37.6 between the American and European consumer, while during the months of July, August, and September of the present year the percentage of the scoured cost was only 34.4.

"Such wools imported into the United States as Bagdads, East India, Donskoi, Scotch (white highland), etc., under the classification of carpet wools; millions of

pounds of stock (yearly) are admitted nearly scoured and in many instances so well scoured that they are used by large corporations in the manufacture of woollens and worsteds without rescouring at a cost of less than 28 cents a pound ready for the cards, to take the place of wools that should pay a scoured duty under the first and second classes.

"No wonder large corporations importing so-called (*only washed*) *carpet wools*, but who manufacture not only carpets, but, also, plushes, woollens, and worsteds, can offer No. 26 worsted yarn to American consumers at 62 cents per pound which costs 72 cents per pound if made out of American wools, or honestly imported foreign stock.

"The third class, as interpreted by the appraisers, is striking a blow of injustice at all who raise or handle medium and low medium wools.

"Think of scoured stock at less than 28 cents per pound to large American corporations, openly admitted under a duty of 5 cents per pound, or 17.8 per cent., to be used in competition with wools of the first and second classes.

"Is there no remedy whereby justice shall assert itself and give to the producer his rights under the statute? This cankerous evil that is well known to exist in the carpet schedule is eating out the vitality of American industries, that is, it is fast destroying what little confidence is left among a large proportion of the woolen and worsted interests, as well as deranging the intrinsic values of wools handled by merchants and produced by the American grower.

"A few only derive a benefit from this wrong and corrupt classification of stock, millions of dollars in the last few years having been added to their fast-increasing wealth, which, plainly speaking, has been stolen from the pockets of the people."

It must be apparent that the great body of the carpet wools have been imported in a condition purified beyond what the law intended as washed wool, but at the low rate duty of only washed.

The danger goes beyond this. *What has been done as to carpet wools will soon be done with clothing and combing wools.* Thus the duty intended by the law will dwindle down to a half or less of what the law intends. Fraud in the importation of wool is fast becoming a science. It is dangerous—in fact monstrous—to leave the customs officers the decision of the question what is washed and scoured wool without a definition in the law. A *definition* can be more safely administered than official *discretion*. Washed and scoured wools can be better determined by rule or definition than without it. I can conceive of no reason for objecting to a definition except to aid fraud.

"Washed wools shall be such as have been washed on the sheep's back, and wools cleansed in any other manner shall be deemed scoured wools."

The necessity for *some* definition must be apparent. Speaking for myself, I believe an additional definition should be given declaring that all wools which contain less than a specified per centum of yolk, grease, dirt, or other foreign matter should be classified as scoured wool and pay duty accordingly. If objection be made to the definition given, those objecting should supply a better one.

The Senate bill, section 343, defines "class three carpet wools," and adds the words, "and including all such wools of like character *as have been heretofore usually imported into the United States* from Turkey, Greece, Egypt, Syria, and elsewhere."

The words "*as have been heretofore usually imported into the United States*" are unnecessary, and may be used to cover frauds, by reason of the improvements of the breeds of sheep in the countries specified in the present classification of carpet wools. Such improvements have been made by the introduction of merino or English bloods immediate or remote. The migration of the English people into the East Indies carried with it sheep of English blood, so that the Candahar and Vicaner and other East India wools, which are now so largely imported as carpet wools, are in point of fineness superior for clothing purposes to the many well-known varieties of English breeds, such as the Lincolns, Cotswolds, and Scotch highlands, and so great has been the improvement in the former Cordova carpet wools by the introduction of merino blood, that although Cordova wools are mentioned in the present law as carpet wools, it is alleged that it is difficult any longer to obtain any large supply of real carpet wools in that country. So the words in section 345, "*as now and heretofore practiced,*" should be omitted for the same reason.

FIGURES FOR WOOL-GROWERS TO STUDY—SUGGESTED BY THE PRESIDENT'S MESSAGE.

Table showing a comparison of the scoured value and the value in the grease of competing grades of American and foreign wools on the basis of the scoured value in London, December, 1887.

[Prepared by Justice, Bateman & Co.]

	Average market price in Philadelphia, December, 1887, under tariff act of 1883.	Shrinkage.	Scoured cost.	Free-trade prices for wool in the United States on the basis of scoured wools of competing grades in London, December, 1887.	Decline per pound in prices in Philadelphia necessary to reach the level of prices current in London, December, 1887.	Foreign wools which compete with wools grown in the United States.	Foreign price, December, 1887.	Shrinkage.	Foreign scoured cost December, 1887.	Cents.	Existing difference between cost of American and foreign wools of competing grades in December, 1887.
WASHED COMBING.											
Ohio and Pennsylvania fine delaine, X, XX, and above.....	35	Per ct. 50	70	24½	10½	Australian.....	23	53	49	21	27
Ohio and Pennsylvania medium combing, three-eighths to one-half blood.....	37	40	61	27½	9½	Australian cross-bred ..	28	40	46	15	24
Ohio and Pennsylvania one-fourth blood combing.....	37	23	48	20	17	Irish super hogs.....	22	16	26	22	22
Ohio and Pennsylvania braid.....	34	20	42	20	14	Irish wethers.....	21	17	25	17	17
Canada combing.....	35	17	42	24	11	Canada comb.....	24	17	29	13	13
WASHED CLOTHING.											
Ohio and Pennsylvania XX and above, choice.....	32	51	65	18½	13½	Montevideo primo.....	16	58	38	27	27
Ohio and Pennsylvania XX and above, average.....	30	53	63	18	12	do.....	16	58	38	25	25
Ohio and Pennsylvania X.....	30	50	60	18	12	Montevideo secundo.....	16	56	36	24	24
Ohio and Pennsylvania medium, three-eighths to one-half blood.....	37	40	61	27½	9½	Australian cross-bred ..	28	40	46	15	15
Ohio and Pennsylvania coarse, one-fourth blood.....	37	23	48	20	17	Irish super hogs.....	22	16	26	22	22
Michigan and New York, fine delaine.....	32	53	68	18	14	Montevideo primo.....	16	58	38	30	30
Michigan and New York, X, and above.....	28	53	59	18	10	do.....	16	58	38	21	21
Michigan and New York medium, three-eighths to one-half blood.....	36	40	60	27½	8½	Australian cross-bred ..	28	40	46	14	14
Michigan and New York coarse, one-fourth blood.....	36	22	46	20	16	Irish super hogs.....	22	16	26	20	20
Choice, tub-washed.....	42	14	49	27	15	Down tegs.....	22	22	31	18	18
Average tub-washed.....	39	17	47	26	13	do.....	24	22	31	16	16

Table showing a comparison of the scoured value and the value in the grease of competing grades of American and foreign wools, etc.—Continued.

Average market price in Philadelphia, December, 1887, under tariff act of 1883.	Shrinkage.	Scoured cost.	Free-trade prices for wool in the United States on the basis of scoured wools of competing grades in London, December, 1887.	Decline per pound in fleeces in Philadelphia necessary to reach the level of prices current in London, December, 1887.	Foreign wools which compete with wools grown in the United States.	Foreign price, December, 1887.	Shrinkage.	Foreign scoured cost December, 1887.	Existing difference between cost of American and foreign scoured wools of competing grades in December, 1887.
	Per ct.			Cents.		Cents.		Cents.	Cents.
UNWASHED COMBING.									
Fine unwashed delaine, X, XX, and above.....	63	65	17	6	Australian.....	23	53	49	16
Medium unwashed combing, three-eighths to one-half blood.....	52	60	22	7	Australian cross-bred.....	28	40	46	14
Coarse combing unwashed, one-fourth blood.....	44	48	14½	12½	Irish super hogs.....	22	16	26	22
Braid unwashed combing.....	43	42	14	10	Irish wethers.....	21	17	25	17
UNWASHED CLOTHING.									
Fine unmerchantable, XX and above Ohio.....	63	65	14	10	Montevideo primo.....	16	58	38	27
Fine unmerchantable, X and above Michigan.....	63	63	13½	8½	do.....	16	58	38	25
Fine unwashed clothing, XX and above, choice.....	63	64	13½	9½	do.....	16	58	38	26
Fine unwashed, X and above, average.....	63	60	13	7½	do.....	16	58	38	22
Medium unwashed clothing, three-eighths to one-half blood, choice.....	52	60	22	7	Australian cross-bred.....	28	40	46	14
Medium unwashed clothing, three-eighths to one-half blood, average.....	54	60	21½	6½	do.....	28	40	46	14
Coarse unwashed clothing, one-fourth blood, choice.....	42	48	15	13	Irish super hogs.....	22	16	26	22
Coarse unwashed clothing, one-fourth blood, average.....	44	48	14½	12½	do.....	22	16	26	22
Common and burry unwashed.....	50	40	13	7	do.....	22	16	26	14
TERRITORIAL.									
Kansas and Nebraska fine unwashed, X and above.....	60	55	12½	4½	Montevideo poor.....	13	68	40	15
Kansas and Nebraska medium unwashed.....	60	50	14½	5½	Montevideo secundo.....	16	58	36	14
Kansas and Nebraska coarse unwashed, one-fourth blood.....	53	45	10½	10½	Bagdad best.....	19½	16	23	22
Kansas and Nebraska carpet.....	50	30	11	4	East India.....	20	10	22	8
Eastern Oregon and Washington, fine, X and above, choice.....	67	55	11½	6½	Buenos Ayres.....	12	67	36	19
Eastern Oregon and Washington, fine, X and above, heavy.....	71	55	10½	5½	do.....	12	67	36	19

18	65	52	124	54	Montevideo secundo.....	16	56	36	16
Eastern Oregon and Washington, fine, medium, and one-half blood, choice.	16	69	11	5	.....do.....	16	56	36	164
Eastern Oregon and Washington, fine medium, and one-half blood, heavy.	16	69	11	5	.....do.....	16	56	36	164
Eastern Oregon and Washington, coarse, one-fourth blood.	20	55	104	94	Bagdad best.....	194	16	23	22
Valley Oregon fine X and above.	22	60	55	84	Cape.....	104	16	23	22
Valley Oregon medium, three-eighths and one-half blood.	25	50	50	8	New Zealand X bred.....	15	55	34	16
Valley Oregon coarse, one-fourth blood.	25	45	45	11	East India good.....	21	10	254	194
Valley Oregon, No. 3 common.	22	40	37	12	.....do.....	18	10	20	17
Texas fine, twelve-months, choice.	22	64	55	154	Montevideo poor.....	13	68	40	15
Texas fine, short.	14	70	47	12	.....do.....	13	68	40	7
Texas medium, twelve months, choice.	22	56	50	7	New Zealand X bred.....	15	55	34	16
Texas medium, heavy.	16	68	50	44	Montevideo secundo.....	16	56	36	14
Texas medium, fall clip, short, choice.	17	64	47	13	.....do.....	16	56	36	11
Texas medium, fall clip, short, heavy.	14	70	47	11	.....do.....	16	56	36	11
Texas carpet.	15	50	30	11	East India.....	20	10	22	8
Wyoming and Idaho fine, choice.	18	67	55	54	Montevideo poor.....	12	68	38	17
Wyoming and Idaho heavy, fine.	16	71	55	104	Buenos Ayres.....	12	67	36	19
Wyoming and Idaho medium, three-eighths to one-half blood, choice.	20	60	50	13	Montevideo secundo.....	15	56	34	16
Wyoming and Idaho medium, heavy.	17	66	50	114	.....do.....	15	56	34	16
Utah and Idaho coarse, one-fourth blood.	21	53	45	104	Bagdad best.....	194	16	23	22
Utah and Nevada, fine, choice.	18	67	55	114	Buenos Ayres.....	12	67	36	19
Utah and Nevada, fine, heavy.	15	73	55	114	Montevideo poor.....	13	68	40	15
Utah and Nevada medium, choice.	20	60	60	144	Montevideo secundo.....	16	56	36	14
Utah and Nevada medium, heavy.	16	67	484	5	.....do.....	16	56	36	124
Utah and Nevada coarse, one-fourth blood.	20	54	44	104	Bagdad.....	18	18	22	22
Utah and Nevada carpet wool.	15	50	30	10	East India.....	18	10	20	10
Montana choice, medium, three-eighths.	24	56	55	16	Montevideo secundo.....	16	56	36	19
Montana average, medium, three-eighths.	22	60	55	144	.....do.....	16	56	36	19
Montana choice, fine medium, one-half blood and X.	21	63	57	134	.....do.....	16	56	36	21
Montana average, fine medium, one-half blood and X.	19	67	57	12	.....do.....	16	56	36	21
Montana fine XX, choice.	21	65	60	14	Montevideo poor.....	13	68	40	18
Montana fine XX, heavy.	18	68	58	124	.....do.....	13	68	40	18
Montana coarse, one-fourth blood.	22	56	50	11	East India.....	21	10	25	16
Colorado, New Mexican, and Arizona choice, fine XX.	17	69	55	124	Montevideo poor.....	13	68	40	16
Colorado, New Mexican, and Arizona, fine XX heavy.	13	76	55	11	Montevideo inferior.....	15	63	47	8
Colorado, New Mexican, and Arizona fine medium, one-half blood and X, choice.	18	65	52	124	Montevideo secundo.....	16	56	36	16
Colorado, New Mexican, and Arizona fine medium, one-half blood and X, choice.	16	69	52	11	.....do.....	16	56	36	16
Colorado, New Mexican, and Arizona fine medium, one-half blood and X, heavy.	19	62	50	134	.....do.....	16	56	36	14
Colorado, New Mexican, and Arizona medium, three-eighths, choice.	16	68	50	114	.....do.....	16	56	36	14
Colorado, New Mexican, and Arizona medium, three-eighths, heavy.	20	56	45	104	Bagdad best.....	194	16	23	22

FIGURES FOR WOOL-GROWERS TO STUDY—SUGGESTED BY THE PRESIDENT'S MESSAGE.

The table preceding shows a comparison of the values of all grades of foreign and domestic fleeces and a comparison of the values of foreign and domestic scoured wool. It also shows what would be the price in Philadelphia for each grade of American wool on the present basis of values in London in the event of the removal of duties on wool as recommended in the President's message.

The first column of figures on the left contains the average price for each grade of American wool at this date in Philadelphia, New York, and Boston.

The second column contains the percentage of shrinkage in scouring the various grades of American wool, and the third column shows the scoured cost of the same to the manufacturer here.

The fourth column shows the free-trade price for each grade of American wool, or, in other words, it shows the price which would have to be accepted for domestic wool, on the basis of present values in London if the duty were taken off.

The fifth column shows the decline in cents per pound in fleeces which must occur to domestic wool to reduce it to the free-trade level. This column also shows the actual amount of protection in cents per pound which the different qualities of domestic wool now have.

The list of foreign wools on the right-hand side of the paper enumerates some of the qualities which compete with domestic wools named on the same line on the left-hand side. The first column of figures to the right of the foreign list is the foreign price in cents in London. The last column on the extreme right shows how much decline would have to take place in the value of domestic scoured wool to reduce it to the London basis of value to-day.

This last or ninth column is also the difference in cents per pound between the scoured cost of American wool and the scoured cost of the corresponding grade of foreign wool in London, and is the actual amount of protection which the American wool-grower now gets on scoured wool when it is imported in the unwashed condition. This same column is interesting as indicating how much protection the American manufacturer needs on his goods to overcome the difference in scoured cost of wool in favor of the foreign manufacturer, not taking into consideration the additional protection which he needs to offset a difference of over one hundred per cent. between the wages of European and American mill labor.

This comparison of the difference in cost of foreign and American scoured wools throws much light upon the cause of the present depression in the woollen manufacturing business, which depression seems to be the principal cause of low prices for American wool.

It is maintained that the amount of protection which the manufacturer receives is the limit of the actual protection which the wool-grower receives, for the reason that the manufacturer must buy wool low enough to enable him to compete with foreign goods. If the duty were taken off of goods and kept upon wool, American wool would decline until the American manufacturer could buy it at a price at which he could compete with foreign goods made by operatives who received less than half the wages paid to the same class of operatives in America. Therefore, in revising the present tariff law, the higher the duties which the wool-grower can induce his Representative in Congress to put upon woollen goods, the higher will be the price which he will receive for his wool, and legislation of this kind more directly affects him than any increase of duties upon the raw material. When the agricultural interests permitted the heavy reduction in the tariff on worsted goods in 1883, they struck the severest blow at the wool producer. It is important that the grower should immediately have his Representative in Congress correct the abuses of the wool schedule by shutting out such scoured wools as now come in under the head of waste; by making washed wools of all classes pay double the duty on unwashed, and scoured wools of all classes pay three times the duty on unwashed; and make such changes in the carpet-wool schedule as will prevent the importation of clothing wools under the disguise of carpet wools. Yet these changes are of minor importance in comparison with that of raising the duty on worsted goods to the present level of other woollen goods so urgently and forcibly recommended as an act of simple justice by the Secretary of the Treasury in his message to Congress. This recommendation, coming as it does from an administration which favors free trade in many articles, shows the unfairness of the working of the worsted clause in the tariff law of 1883, and if growers can secure nothing else at this time, this correction, suggested by the Secretary of the Treasury, would be an enormous gain to the producer of wool.

STATISTICS OF IMPORTS OF WOOL.

The wool-growers ask that a new section be adopted, as follows:

3533. The statistics of imports published by the authority of the Department of the Treasury, and those reported to Congress by that Department, shall specify in detail and in connection with the imports of wool, the different classes, amounts, and values of wools, rags, shoddy, mungo, waste, flecks, noils, and other materials, with the duties collected thereon.

The reasons for this provision can be readily stated: In the volumes of Commerce and Navigation the wools imported with these classed values and duties thereon are given under the head of "Wools—unmanufactured." Noils are included as wool, without any separate statement, as to material, amount, value, or duty.

George William Bond estimated that our imports of noils in the four years ended July 1, 1883, probably amounted to 10,000,000 "pounds of scoured material, equivalent to about 30,000,000 pounds of wool in the grease." Yet this is included in the statistics of imports as only 10,000,000 pounds of wool (Senate Rep., No. 2332, Part 2, first session Fiftieth Congress, page 586). Wool-growers and the public have a right to know how much of this material is being imported to supplant American wools and reduce their price, both by competition and as furnishing a standard for the cost of clothing material. It is now covered up and the public are misled and deceived.

Then the volumes of Commerce and Navigation do not show the imports of "rags, shoddy, mungo, waste and flocks," under the head of unmanufactured wool, but under the head of "manufactures of wool," etc. Yet all these articles supplant wool and aid in fixing its price. They are covered up and do not appear as wool imports. Even the Wool Report of the Bureau of Statistics, of 1887, and the imports of wools furnished the Senate Finance Committee do not show these articles (Senate Report No. 2332, Part 2, first session Fiftieth Congress, p. 592).

The public are thus kept uninformed of the full measure of these articles, which are in fact wool.

For the fiscal year 1889, the import of so-called "rags, shoddy, mungo, waste, and flocks" aggregated 8,662,209 pounds. How much of each class does not appear. But there is evidence that nearly all of these imports consist of so-called "waste."

Mr. Grinnell, consul at Bradford, in his report to the State Department of March 19, 1889, shows that exports of so-called waste from Bradford and Liverpool to the United States for a year will reach about 8,919,944 pounds, of which 1,225,366 pounds are "genuine salable product," and 7,694,578 pounds a swindling, fraudulent contrivance, manufactured to evade our tariff laws. This waste, contrary to what you would suppose from its name, and differing from what is real waste, "is a highly purified article of scoured wool" (Wool Report, 1887, p. XXII), worth in our markets from 50 to 62 cents a pound, and 1 pound of it is the equivalent of 3 pounds unwashed merino wool. This import of 8,662,209 pounds is the equivalent of 26,000,000 pounds of Ohio merino wool, and which is more than all the wool produced by the 4,000,000 sheep in the State. Thus the equivalent of 26,000,000 pounds of good merino wool is imported as nominally, only about 8,000,000 pounds, and the general public are kept uninformed of the full extent of imported wools.

A provision such as we have asked for seems to be just and necessary.

NOILS.

The bill which passed the Senate January 22, 1889, provides, "352. Noils shall pay the same rate of duty as the *washed wools* or hair *from which they are made.*"

The effect of this under the bill is, that noils from clothing wool would pay 11 cents per pound, from combing wool 12 cents, from carpet wool would be either 4 or 8 cents; but no man could tell which, because it would be impossible to determine the value of the wool "from which they are made."

The Wool Report, XXIV, says:

"Noils is the name given to the short fibers, knots, broken fleeces, and tangled fibers combed from wool *usually scoured*. They are carded and mixed with longer fibers for clothing purposes. Sometimes *long noils* have been bought by worsted spinners to recomb, a percentage of top being obtained by the second process of combing, the first process having failed to remove all of the long fibers. This was more frequently the case with old-fashioned machinery."

The National Wool Growers' Convention, of January, 1889, asked that the word "scoured" be substituted for "washed," and we now ask the duty be fixed at 33 cents, the same as on scoured clothing wools.

Among the reasons I present the following: The duty should be uniform, because it is impossible to ascertain the kinds of wool from which they are made.

George William Bond, of Boston, is an eminent expert, and equally eminent as the advocate of legislation in the interest of manufacturers, but in his letter of September 16, 1889, said, that "whether it is *expedient* to attempt to make all wools free, is to be considered." (Bulletin of Wool Manufacturers, vol. 19, p. 328; see Senate Report 2332, Part 2, first session Fiftieth Congress, 586; Wool Report of 1887, p. lvi.)

Yet he admits that noils should pay the same duty as first-class scoured wools.

In his statement before the Senate Finance Committee in 1888, he said:

"If you will refer to the columns in the wool circular which I submit herewith, you will find that the imported wools entered for consumption during the four years ending with the 1st of July, 1883, show that during those years there were about 10,000,000 pounds less of wools of the first and second classes than there were in the four succeeding years.

"There have, however, been during that period imported into this country a large

amount of wool wastes of qualities not anticipated by the framers of the tariffs of 1867 and 1883, amounting, possibly, to 10,000,000 pounds of scoured material, equivalent to about 30,000,000 pounds of wool in the grease; and of noils I can not tell the exact amount, *but probably as much more.*

"A very large proportion of these, I have reason to believe, have been erroneously passed as third-class wools. This it is not necessary to assume to have been fraudulently so passed by our customs officers, inasmuch as I hold it to be no easy matter to discriminate between the noils made from many of the third and first class wools.

"I have myself, I think, given as much attention to this subject as any one, and have repeatedly, when called upon by the appraisers, found it difficult to decide from which class they have been combed.

"As most of these noils have been used for clothing purposes, I think it would be no hardship to impose a duty on all noils, *as of the first-class scoured wools, all of them at the present time having been made from wool which had already been scoured*, though having, a portion of them, a small quantity of oil, barely sufficient to prepare them for immediate use for the cards. A portion of these noils are undoubtedly used for carpets and blankets, but this amount is so small compared with the quantity of wool used for these fabrics that the loss of them will be of little consequence to those who are engaged in their manufacture." (Senate Report No. 2332, Part 2, first session, Fiftieth Congress, page 586.)

The statistics of commerce do not show the imports of noils; they are simply included in the imports of wool. But here is the evidence of Mr. Bond that noils equal to 30,000,000 pounds of wool in the grease came in, in the period stated—*more than the whole wool crop of Ohio for a year.* And "most of these have been used for clothing purposes."

These noils are valuable, as may be seen from John L. Bowes & Brother's Liverpool circular.

It would be no misfortune if they should not be imported at all, just as it would be no misfortune if we should import neither carpets nor woollen goods of any kind.

Finally, if noils are left dutiable only as washed wool the door will be open for fraud, bribery and perjury. "Long noils," pure *scoured wool*, 1 pound making as much cloth as 3 of unwashed merino wool, will come in as carpet-wool noils at a duty of 4 cents, equal to only $1\frac{1}{2}$ cents on such merino wool. They will be manufactured for import just as ring waste is so manufactured. (See Report of Consul Grinnell at Bradford to State Department, March 19, 1889.) The finer grades of carpet wools will yield at least 15 per cent. of "noils" and about 85 per cent. of "top." The noils are a species of fur, finer than the top, and in the process of combing the noils or bottom is removed, being a short separate fiber from a distinct root. It is proper to add that in the process of combing there will be a slight loss, so that the top will not quite reach 85 per cent.

UNDERVALUATION FRAUDS.—CARPET WOOLS UNDERVALUATION FRAUDS.

In this connection I invite attention to House Executive Document No. 101, first session, Forty-eighth Congress, February 19, 1884.

I also invite attention to the report of Thomas E. Heenan, United States consul at Odessa, Russia, made to the State Department November 4, 1887, on the condition of the wool trade between south Russia and the United States, which concludes as follows:

"In conclusion, I beg to state that this report will show—

"First. That the wool trade between south Russia and the United States has been carried on for twenty years greatly to the detriment of the revenue of the United States.

"Second. That all of the wool shipped from south Russia to the United States is the property of three or four American importers.

"Third. That these importers, in combination with the shippers, have conspired to prevent the recognition of a market price for the so-called Donskoi washed wools at Rostoff-on-Don.

"Fourth. That all of these wools are, and ever have been, scoured wools.

"Fifth. That these wools have in many instances succeeded in entering the United States at low-duty limit ($2\frac{1}{2}$ cents), others again at high duty (5 cents), when all of them should have paid duty as scoured wools.

"Sixth. That the fraudulent designation of these wools has benefited the American importers, and has been a corresponding loss to honest wool merchants and the United States Government.

"Seventh. That this loss will exceed \$10,000,000 can easily be demonstrated.

"Eighth. That this loss will reach between \$15,000,000 and \$20,000,000 is very probable.

"Ninth. That a market value for the so-called Donskoi washed wools exists at Rostoff-on-Don.

"Tenth. That the charges in the invoices of wool shipped from Odessa and Rostoff are false, and are introduced for the purpose of defrauding the revenue.

"Eleventh. That the commissions charged are never paid as commissions.

"Twelfth. That the legitimate and proper charges have been excessive.

"Thirteenth. That the gross weight in an invoice has caused great loss of revenue, and has been successfully practiced for many years.

"Fourteenth. That the interests of the United States require the permanent closing of the Rostoff consular agency."

It is of course understood that the custom-house valuations of wool are not the values in this country, but the lower foreign valuations.

It seems only reasonable that the whole foreign valuation be the basis on which to impose duties. Provision should be made to guard against undervaluation.

MUTTON SHEEP.

The wool-growers ask that better protection be imposed on sheep imported for other than breeding purposes.

For the ten months ended October 31, 1889, such sheep imported were 158,427 of the custom-house value of \$734,437, or of \$4.68 per head. For the corresponding ten months of 1888 the number imported was 292,428, of the custom-house value of \$832,540, or \$2.85 per head. The average value per head for the two periods is \$3.76. A duty of \$1 per head is only equal to 27.599 per cent. ad valorem. These sheep come with wool on them which pays no duty. The duty on such sheep by the act of 1883 is 20 per cent. ad valorem. The Senate bill proposes a specific duty of 50 cents per head. The ad valorem duty on carpets proposed in the Senate bill is 35 per cent. The producers of mutton are entitled to protection as fully as carpet manufacturers.

The wool-growers ask for an ad valorem duty of 30 per cent. with a proviso that the duty shall in no case be less than \$1 per head.

A large amount of wool is pulled from the pelts of the imported mutton sheep, and this wool pays no duty, except as it is or may be covered by the insignificant and inadequate duty of the live imported sheep. This duty is even inadequate as a duty on the mutton alone, practically leaving the wool free.

ROUND LOTS OF WOOL.

A letter dated March 2, 1889, from one of the most prominent wool merchants of the State, though not the city of New York, says:

"I inclose you Bowes & Brother (Liverpool) wool circular. You will notice the market value of wools in London of class 3 (carpet). Now, India wools, worth from 7 to 10 pence, if *purchased separately*, have to pay a duty of 5 cents per pound, but the importer will buy a *round lot* of these wools, valued from 3 to 10 pence per pound, at a price that does not *average* above 12 cents per pound, nor exceeding the low-duty rate (2½ cents), and thereby defraud the revenue of 2½ cents per pound on 20 or 30 per cent. or more of the whole amount of the invoice. This is practiced the same way with wools and various classes of carpet stock."

In the tariff statements before the Senate Finance Committee September 13, 1888, the testimony of a prominent manufacturer, Mr. Houston, was as follows:

"I have heard of instances of wools being imported under the third class and stopped at the appraiser's office because they contained wool which belonged to the other classes—first and second. There has been a good deal of litigation under such circumstances. I have imported, for instance, black-faced wool—third-class wool—understood as such, and known to be such. I have been notified by the appraisers in Boston that there was wool of the second class in that lot; but there was no fraud or corruption or anything of that kind in the case. The appraisers stopped the wool, and, under proper circumstances, the wool was examined, and fleeces were found belonging to the third class and others belonging to the second class in small proportion; and under the practice of the Government in such cases, where there is no attempt to defraud at all, the high duty of 10 cents has been assessed on the second class, while the third-class wool pays the third-class duty. Such cases are rare, but at the same time they have been frequent enough to show that the classification of the wool is insisted upon at the custom-houses, and it is dangerous for anybody to undertake to import under the head of third-class wool wool belonging to any other class." (Senate Report, No. 2332, part 3, First session, fiftieth Congress, p. 1136.)

These evidences prove that the better class of carpet wool has been imported with lower grades at low-grade duty, and that even clothing and combing wools have been imported as carpet wools in the same fraudulent mode. Yet the *average value* per pound of a "*round lot*" may bring it within the low carpet-wool duty.

The (Boston) American Wool Reporter of September 19, 1889, refers to "The Valparaiso wool imported some weeks since by W. R. Grace & Co. to order of the Lowell Carpet Company and Bigelow Carpet Company, and says that at the custom-house the examiner, after a thorough examination of the entire invoice, comprising 1,436 bales, set aside 229 bales as dutiable at 10 cents per pound [as clothing wool] and of the remaining 1,207 bales he estimated that 10 per cent. of the wool was fine. *

* * The appraiser finally decided to classify the entire invoice as fine wool in order to take the question before the collector."

I see nothing in the law to reach this fraud and there is abundant evidence that perjury will not be wanting to perpetrate it. (House Ex. Doc. 101, Forty-eighth Congress, first session, February 19, 1884.)

One of the resolutions of the National Wool Growers' Convention held in Washington, D. C., December 2 to 9, inclusive, asks for a provision in the tariff law:

"(3) To impose increased duties on 'round lots' of imported wool, in which valuable clothing and so-called carpet wools are mixed with inferior grades of carpet wools, leaving the aggregate dutiable only at the lowest rates."

We ask that a provision be inserted in the tariff bill as follows:

SEC. —. If any bale or package of wool or hair specified in this act imported as of any specified class, or claimed by the importer to be dutiable as of any specified class, shall contain any wool subject to a higher rate of duty than the class so specified, the whole bale or package shall be subject to the highest rate of duty chargeable on wool of the class subject to such higher rate of duty.

ADMIXTURE FRAUDS.

The National Wool Growers' Convention of December, 1889, resolved,

"That in any tariff law which may be enacted provision shall be made: (5) To prevent evasions of the law by admixtures of wool with shoddy and other inferior articles."

It is manifest that some good wool may be mixed with shoddy, that so called "waste" and other articles more valuable than wool may be mixed with wool, and if imported in these and other forms the real purpose of the law may be evaded.

While enacting a law, which it may be hoped will be stable and just, it is important that it be made as perfect as possible.

I present reliable evidence of the necessity of some provision on this subject.

The Boston American Wool Reporter of December 26, 1889, contains the following from one of the most prominent wool dealers in the United States:

"RING WASTE.

"[Reply to L. Renant.]

"PHILADELPHIA, PA., December 21, 1889.

"MR. EDITOR: In reading your issue of December 12, I notice an article in regard to ring waste, by L. Renant, agent. While I was in London, England, last February, I was dogged almost to death for ten days, by a party who wanted me to go in partnership with him to doctor and prepare wools to be imported into the United States to take the place of our fine Ohio wools. In order to do this we would have to mix in so-called ring waste to defraud the Government of the United States and the wool-grower.

"In mixing the waste with the wool top, which is being done every day, they mix from 1 to 2 per cent. of ring waste and then term it all ring waste, thereby bringing in 95 to 97 per cent of pure wool top, which is worth from \$1.10 to \$1.20 per pound, at the rate of 10 cents per pound duty, which ought to pay at the least 60 cents per pound. Now, Mr. Renant, if he is a judge of his business, ought to know ring waste ought not to be admitted at less than 30 cents per pound duty under the present tariff rates. No manufacturer would make ring waste purposely, but there is a certain amount made during the process of spinning and drawing. But the man who buys fine wool to manipulate, so as to bring it in as ring waste, purchases the waste and mixes it with the best broken wool top, and then palms it off on the United States Government as ring waste.

"Yours, truly,

"THOS. LEE."

We ask that a section be inserted in the tariff law as follows:

SEC. —. That if any bale or package be imported as, or be claimed by the importer to be, shoddy, mingo, flocks, wool of any class, or hair, specified in this act or other material, and such bale or package contain any admixture of any one or more of said materials, or of any other material, the whole bale or package shall be subject to duty at the highest rate imposed upon any article in said bale or package.

RING WASTE AND OTHER WASTES.

Immense frauds on the revenue and on wool-growers have been perpetrated by the importation of so-called wastes. Some of these imported at 10 cents per pound duty are worth 60 cents per pound in American markets, and even more. Scoured California clothing wools are being sold at 45 cents per pound and are used as an adulterant for foreign wastes in the manufacture of clothing goods.

The Senate bill proposes a duty of 30 cents per pound on wastes. A duty less than this will not give adequate protection. It is at least doubtful if it is sufficient. This is submitted to the committee.

I append for information the protest of the Philadelphia Wool Merchants' Association on this subject.

PROTEST OF THE PHILADELPHIA WOOL MERCHANTS' ASSOCIATION AGAINST THE CLASSIFICATION AS "WASTE" OF SO-CALLED RING WASTE AND OTHER SCoured WOOLS.

The following papers were read before Assistant Secretary of the Treasury Fairchild, at Washington, January 22, 1887, and copies filed with him, together with the samples referred to:

PHILADELPHIA, January 5, 1887.

To the Secretary of the Treasury, Washington, D. C.:

The Philadelphia Wool Merchants' Association respectfully and earnestly protest against the classification of so-called ring waste, thread waste, or garnetted thread waste as "waste," as such classification defeats the intent of the law and virtually admits to our ports scoured wool at one-third of the intended duty. We, therefore, urge that all such stock imported as so-called ring waste, thread waste, or garnetted thread waste, now paying a duty of 10 cents per pound, be hereafter classified and made dutiable the same as scoured wool, for the following reasons:

(1) So-called ring waste is scoured wool, and can, with little or no preparation, be used in the production or manufacture of goods, the same as other scoured wools, without rescouring and without requiring any mixture of any other material.

(2) The class of stock in the intent of the law classed as "waste," is merely refuse from the cards or other machinery, and not adapted for using again in manufacture without the admixture of good material, in the same manner as shoddy or mungo are used (*vide* sample No. 4), while so-called ring waste is scoured wool—a direct portion of the "top," free from any extraneous matter—and can be used as scoured wool without further washing, and by itself alone without any mixture with other material.

(3) We urge the classification of so-called ring waste as scoured wool to prevent foreign manufacturers converting into the class of "waste" (paying only 10 cents per pound duty), the product of worsted machinery in the shape of this so-called ring waste, thread waste, or garnetted thread waste, which is again used the same as the original scoured wool.

(4) We urge the classification of so-called ring waste as scoured wool on the same argument as was used by your Department in the decision in the case of J. Basch & Sons, July 13, 1883 (34684). This is a parallel case for the same reasons then named by the Department, to wit: The following principles are laid down. This article must pay the same duty as the wool from which it comes. It comes from wool that has been scoured, and the duty should be assessed upon it at the rate imposed by law as scoured wool, and is not dutiable under the schedule of woolen rags, mungo, waste, etc.

(5) That your decision of April 29, 1885 (9693), of the Hockanum Company, classifying wool waste imported per "Roman," January 28, 1885, as scoured wool, also applies equally to this so-called ring waste, exactly as it did to that case, being made of scoured wool. The value of this so-called ring waste in Liverpool per late quotations is 24 pence, or about 48 cents; the price of Australian "tops" is also quoted the same. Surely it is not the intent of the law that an article so valuable and useful was to be classified and made dutiable the same as woolen rags, shoddy, mungo, etc.

(6) That the so-called ring waste shall be classified as scoured wool, for the reason that it is a portion of the "top," free from any extraneous matter, and is the cream of the wool, suitable as before stated for all purposes and uses to which other scoured wool can be applied.

(7) Nails are unquestionably now properly assessed at the same duty as the wool from which they are made. Therefore, as this so-called ring waste is the cream of the wool and as valuable, if not more so, for manufacturing purposes than nails, we claim that in justice this so-called ring waste should likewise be classified as the scoured wool from which it is made.

(8) We hold that so-called ring waste should pay the same duty as scoured wool for the reason that, as before stated, the quoted market value of so-called ring waste now in Liverpool is equivalent to that of "top," from which it is produced, showing clearly that it is of equal value in manufacturing. The quoted market value of said "tops" at this date is 24 pence, and which is now assessed at a duty of 60 cents per pound, while the quoted market value of so-called ring waste is the same, or 24 pence, and which is now assessed at only 10 cents per pound duty.

Who should there be such a wide discrimination when this so-called ring waste can be used for the production of "tops," or other goods? Surely, if not really dutiable the same as "tops," it should be assessed at least at the same duty as other scoured wools.

(9) We, therefore, urge the Department to forbid the classification of any articles of so manifest value and use as so-called ring waste, thread waste, or garnetted thread waste as "waste," which is merely an inferior refuse, classed with woolen rags, shoddy, mungo, etc.

Sample No. 1. Scoured Australian wool.

Sample No. 2. Scoured Australian wool in partial process of manufacture, known as Australian "top."

Sample No. 3. So-called ring waste produced from scoured "top."

Sample No. 4. Waste named within the meaning of the tariff law, being something of little value, such as "woolen rags, shoddy, mungo, waste, and flocks."

Sample No. 5. Thread waste, made of scoured worsted wool now admitted at 10 cents per pound duty.

Sample No. 6. Garnetted thread waste, now admitted as "waste" at 10 cents per pound duty; returned from thread waste, like Sample No. 5, to scoured wool, at a cost of 3 cents per pound.

Respectfully submitted.

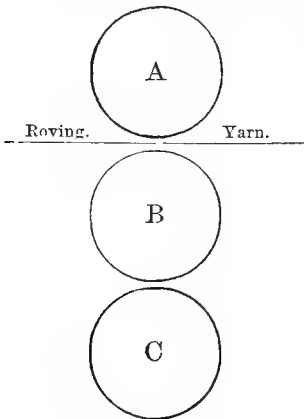
GEORGE H. SHEBLE,
WILLIAM M. COATES,
SAMUEL LEE,

Committee.

[Copy.]

CONSHOHOCKEN, January 19, 1887.

The undersigned is president and treasurer of the Conshohocken Worsted Mills and



what is known as the French system of manufacturing worsted yarns; am perfectly familiar with what is called ring waste, how it is produced, and to what uses it can be applied. The production of this article, when made in the regular course of aiming to produce all the yarn possible, will not exceed 1 per cent. of the amount of roving used. The machinery could be so arranged as to produce it in any quantity. What we produce ourselves is again used, the same as if scoured wool, and can be used by woolen manufacturers the same as other scoured wools and without any further manipulation or preparation other than in the condition in which it is now imported except removing the thread, which is a small expense. I have made sketch showing how made, which shows that a mill can make ring waste and nothing else if price warrants it. I also inclose sample known as tops, roving and ring waste of our own manufacturing.

The roving passes between A and B and then to the spindle, being twisted into yarn from rolls to spindle. If end to spindle breaks, then the roving (without twist) passes over roll B to roll C, winds around it,

forming ring waste. Roll C is detachable and is cleaned of waste whenever any quantity has formed.

GEORGE BULLOCK.

Sworn to and subscribed before me this 20th day of January, 1887.

[SEAL.]

MORRIS R. BOCKIUS,
Notary Public.

[Copy.]

PROVIDENCE, R. I., January 20, 1887.

To whom it may concern :

This is to certify that the Providence Worsted Mills have recombed all the ring waste, so called, made by two sets of French machinery for the last two years, and have never sold 1 pound classing it as waste. It has all been put into top again, as we class it—equal in value to scoured wool; and have carded, combed, and put into top, ring waste, so called, that has been imported by other parties, and can comb it successfully without putting it through the garnetting process.

Yours, respectfully,

PROVIDENCE WORSTED MILLS,
CHARLES FLETCHER,
Treasurer.

[Copy.]

PHILADELPHIA, January 18, 1887.

The undersigned is a manufacturer of worsted and woolen yarns, and has been engaged in the business some years; is familiar with the articles called "ring waste" and "garnetted thread waste," and desires to state that the same can be used in the production of woolen goods, without further manipulation or preparation, the same as other scoured wools are used.

WM. E. MONTAGUE,
Howard and York Streets.

Sworn and subscribed to this 21st day of January, 1887.

[SEAL.]

JOSEPH P. COBB,
Notary Public.

[Copy.]

STATE OF PENNSYLVANIA,
City of Philadelphia, s

PHILADELPHIA, January 19, 1887.

The undersigned has been superintendent of the Glenmore Worsted Company, of this city, for the past three years, and previously engaged in the business of worsted yarn spinning in England; is familiar with the business in all different branches and systems, and asserts that the production of so called ring waste would be but a very small percentage of the amount of scoured wool used, if the machinery was run with the object of making all the yarn possible from the wool used, and also that the machinery of the French system of spinning can be so arranged as to produce a large amount of said so-called ring waste; is perfectly familiar with this article of so-called ring waste, and asserts that it can be used in manufacture of woollen goods and without any manipulation or preparation (except simply picking out any little thread that might be in it) just the same as any other scoured wool.

[SEAL.]

ROBERT EXLEY.

Sworn and subscribed to before me this 20th day of January, A. D. 1887.

[SEAL.]

JAMES F. NEALL,

Magistrate of Court No. 20, in and for the City of Philadelphia.

SUPPLEMENTARY.

PHILADELPHIA, January 5, 1887.

In regard to the classification as "waste" of this so-called ring waste, thread waste, and garnetted thread waste, as stated in article No. 2:

The tariff act of 1867 (the wording of which is the same as the present act of 1883) puts under one classification "woolen rags, shoddy, mungo, waste, and flocks." The act was passed immediately after the close of the late war, and the intent was to include in one classification only such articles as were refuse or of inferior uses to what good material (like scoured wool) could be applied. It includes shoddy and mungo, which are made of woollen rags torn up and reduced to fiber, although nothing like what the fiber of the original wool would be. This material is used by mixing a portion of it with good wool and making goods of inferior character. We are all probably aware of the discredit "shoddy," or shoddy articles, were held in during the war; the word was in a manner a synonym for what was ill-made, poor quality, or worthless; and it seems no more than natural, with that idea fresh in the minds of the public, to have classed shoddy, mungo, waste, and flocks all in one class, as we may say, of refuse matter, and the intent and spirit of the law, in simply using the word "waste," was that it was to embrace only poor refuse material, and not to be applied to any such material of value and use as this so-called ring waste, thread waste, organetted thread waste; calling such "waste" is a misnomer, and it is not, we claim, either the intent or spirit of the law that they should be so classified; if it was, the phrasing of the sentence of the law above quoted would be more direct and specific.

In regard to article 3, to prevent foreign manufacturers converting into the class of "waste" the product of their machinery, etc.:

This article of so-called ring waste is, we are advised, produced largely in France and Germany on what is known as the French system of worsted spinning, claimed as an improvement on previous systems, whereby inferior wools can be used to advantage, and wools combed of much shorter staple than can be by other systems. The wools used for this purpose are known as Montevideo, Buenos Ayres, and the shorter stapled wools of Australia. We are informed that, working with the view of producing all the yarn possible from the wool used, there would not be produced, of this so-called ring waste, an amount exceeding 1 per cent. in weight of the amount of scoured wool used. We are also informed that the importation of this material to this country the past year was in round numbers 4,000,000 pounds. Now, according to this, to produce it legitimately, it would require the enormous amount of nearly 1,000,000,000 pounds of raw wool, taking an average shrinkage of 58 per cent. to produce scoured wool, to make such an amount of so-called ring waste legitimately, this shrinkage of 58 per cent. in the raw wool being a moderate estimate for wools of the class used; they shrink, in scouring, from 55 to 62 per cent., and some lots even more. It has been asserted to us that manufacturers in France and Germany were running their mills to produce this article to a large extent—much greater than could be done if produced legitimately in the regular course of the yarn business; and we are also advised and assured that positively this can be readily done. One of the special agents of the Treasury Department, at New York, called upon us a few days since inquiring if we had any positive information about this matter, as he had been told the same story; and he also advised us of there now being large amounts of this material imported into New York, and also very little wool coming there outside of carpet kinds. We have no means of positively proving this assertion about the manufacture of this article abroad; but it looks very probable, when we consider the enormous amount of wool required to make the amount reported as imported last year, if made regularly and legitimately in course of manufacturing; and

the prospects are that the importation will be very largely increased, if no change is made in the present classification. Our inference is, that it is being made for export to this country. The foreign manufacturer of woolen goods can get his scoured wool at home much cheaper than by buying this so-called ring waste at present quotations; but it comes here now under the ten-cent duty, and is much cheaper than any scoured wool we can produce here, and will further exclude the importation of raw wools unless stopped by proper classification and proper assessment of duty.

We annex a table showing the cost in England and cost laid down here in raw state, and also cost of same wools scoured here and also scoured in England, of such wools as are used in this French system of manufacturing, with the English circular attached as a voucher for quotations and shrinkages of wool. The cost of the scoured wool in England is in each case less than the quoted market value of what is called ring waste. In J. L. Bowes & Bros'. Liverpool circular of December 18 (one of the largest wool brokerage firms in England), in their quotations of ring waste and garnetted waste, they say "duty 10 cents, but some uncertainty," showing that our English brethren have their doubts, also, about the present ruling.

GEORGE H. SHEBLE,
WM. M. COATES,
SAMUEL LEE,

Committee.

Statement showing the cost of wools such as are used in the French system of worsted spinning, showing cost, scoured, here and also in England, quotations and estimates of shrinkages, from Wedekind & Wilson, London Circular, December 18, 1886.

Montevideo.

Superior, yielding 43 per cent. scoured wool $9d = 29\frac{1}{2}$ cents, cost here $68\frac{60}{100}$ scoured.
In England, cost $9d = 18$ cents, yield 43 per cent. $= 41\frac{80}{100}$ scoured.

Montevideo.

Average, yielding 40 per cent., $8d = 27\frac{1}{2}$ cents, cost here $68\frac{1}{2}$ scoured.

In England, yielding 40 per cent. $8d = 16$ cents, cost, England, 40 cents scoured.

B. Ayres.

Superior, yielding 38 per cent., $7\frac{1}{2} = 26\frac{1}{2}$ cents, cost here 70 cents scoured.

In England, yielding 38 per cent., $7\frac{1}{2} = 15$ cents, cost, England, $39\frac{1}{2}$ scoured.

Sydney.

Average, yielding 40 per cent., $8\frac{1}{2} = 28\frac{1}{2}$ cents, cost here $71\frac{1}{2}$ scoured.

In England, yielding 40 per cent., $8\frac{1}{2} = 17$ cents, cost, England, $42\frac{1}{2}$ cents scoured.

Adelaide.

Average, yielding 37 per cent., $7\frac{1}{2} = 26\frac{1}{2}$ cents, cost here $71\frac{60}{100}$ scoured.

In England, yielding 37 per cent., $7\frac{1}{2} = 15$ cents, cost, England, $40\frac{60}{100}$ scoured.

For lower grades, of which in importation of ring waste some little comes with the fine, we estimate, on very best wools, to produce it:

Fort Philip.

Half-bred fine yielding 60 per cent., $12\frac{1}{2}d = 37$ cents, cost here $61\frac{60}{100}$ scoured.

In England, yielding 60 per cent., $12\frac{1}{2}d = 25$ cents, cost, England, $38\frac{60}{100}$ scoured.

New Zealand.

Half-bred good yielding 57 per cent., $11d = 33\frac{1}{2}$ cents, cost here $58\frac{70}{100}$ scoured.

In England, yielding 57 per cent., $11d = 22$ cents, cost, England, $38\frac{80}{100}$ scoured.

The quoted marked value of ring waste in England on same date as above, December 18, 1886, is $24d$, or 48 cents.

Published by order of the association.

CHARLES M. HILL,
Secretary.

JANUARY 26, 1887.

SKIRTED WOOLS.

A practice has grown up by which Australian clothing wools, and perhaps some others, are imported skirted; that is, with the belly, neck, and breech wool removed, thus giving added value to fleeces so imported. Such unwashed fleeces will not shrink in scouring more than about 50 per cent., while unwashed American merino will shrink 66 per cent. By this skirting process a duty of 10 cents per pound on unwashed wools becomes only the equivalent of 7.032 cents.

And this is shown by another fact. For a series of years the Philadelphia prices of Ohio and Dondon merino wools have been generally 3 cents per pound less than that fixed by the London cost of Austrial wools plus the duty of 10 cents. In other words, the duty of 10 cents in practice has only been the equivalent of about 7 cents. All this may be seen by reference to the Liverpool and American wool circulars and prices-current.

The rate of duty of 10 cents on combing wools which are admitted washed at that rate is the equivalent of less than 7 cents on unwashed. These rates do not give "full and adequate protection" to the wool industry.

There are many modes in which the tariff law has been evaded, but it is not deemed necessary to consider them further, but leave to the judgment of the committee the determination of the provisions proposed and such other as may be deemed necessary.

STATEMENT OF ISAAC N. HEIDELBERG.

Mr. ISAAC N. HEIDELBERG, in behalf of the wholesale clothier manufacturers, made the following statement:

For the first time in history a delegation representing the wholesale clothing industry of the United States appears before a committee of Congress and respectfully asks that recognition be extended to them, and that the industry which they represent should not be allowed to suffer in the formation of a new tariff act; but that the same protection which is granted to kindred manufacturing industries be given to them so that their business will not suffer in the future, as it does at present, by a tariff act which no doubt intends to adequately protect, but which fails in important points to do so.

Previous to the tariff of 1883, ready-made clothing for men's wear paid the same duty as the material from which it was made, while ready-made clothing for women and children was protected, if made wholly or in part of wool, at 5 per cent. ad valorem above the material, the duty at that time being 50 cents per pound, plus 35 per cent. on all woollens; and on women's and children's manufactured garments 50 cents per pound and 40 per cent. When the tariff act of 1883 was adopted it provided for a duty of 35 cents per pound and 35 per cent. on woollens worth less than 80 cents per pound, and 35 cents per pound and 40 per cent. ad valorem, on woollens costing over 80 cents per pound; and the duty on ready-made woolen clothing for women and children was fixed at 45 cents per pound and 40 per cent. ad valorem; so on garments the material of which cost less than 80 cents per pound, the manufacturer of ladies' and children's cloaks and other garments made of wool was protected to the extent of 10 cents a pound and 5 per cent. ad valorem, and if the value of the material was over 80 cents, his protection was 10 cents per pound.

At that time Congress saw fit to protect the manufacturer of ready-made clothing for men's wear to a slight degree, but to a very slight degree only. The act above alluded to provided for a duty on ready-made clothing for men's wear, if made wholly or in part of wool, of 40 cents per pound plus 35 per cent. Now, if the garment was made of a material costing under 80 cents a pound, the manufacturer was receiving a protection of 5 cents per pound; but if the material cost over 80 cents per pound, the domestic manufacturer received 5 cents a pound protection while he had to grant 5 per cent. reduction in duty to the foreign manufacturer; or in other words an inducement in the shape of an ad valorem duty of 5 per cent. less was exacted from the foreign manufacturer of ready-made garments than what the domestic manufacturer had to pay to the Government if he desired to make his garment from the same material. That is how the tariff has stood and stands to-day, so far as it affects clothing made wholly or in part of wool. With your permission, we should like to dwell for a few moments upon the duty on garments made from other materials; for instance, a silk jacket made in Japan, and for which was paid only a few cents for the making, is admitted under the present tariff at the same rate (50 per cent.) as the material of which the jacket is composed.

The same thing applies to a linen duck vest made in England, where it is an acknowledged fact that labor on ready-made clothing can be procured for a mere pittance, the made vest is entered at the custom-house at the same rate as the material; and this same example applies to every garment not made of wool. The object of exacting a higher rate of duty on the made garment is not only to protect the manufacturer, but more especially to protect the American laborer; under the same state of circumstances the American manufacturer does not need and ought not to ask and should not receive any protection; but it is not necessary to say to you that the conditions prevailing here are not the same. No person, no matter how prejudiced he may be, but will acknowledge that labor exacts and receives a far larger compensation in this country than in any other country in the world. This being the fact, and in order to continue paying the present rate of wages, the domestic manufacturer absolutely requires the protection which it is your intention, no doubt, to grant him. Our motive in appearing before you is to give you the information which it is necessary for you to have, in order to arrive at a conclusion satisfactory to yourselves and to those interested.

We require an increase of duty on the ready-made garment in excess of the duty on the material from which it is composed for the following reasons:

First. The larger cost of labor, which in our line amounts to not less than 100 and oftentimes 200 per cent.; for instance, if a coat cost, say, \$2.50 to make here it could be made in Europe for \$1, so while we pay \$1.50 more or 150 per cent. additional wages we are protected in that additional outlay to the extent only of 35 per cent. The relation which the item of labor bears to the entire cost of the garment varies in the different styles and grades, but we can confidently say will amount to not less than 20 per cent. and often 30 and 35 per cent.

Second. As previously stated the present law makes the specific duty on woollens,

35 cents a pound and on manufactured garments 40 cents a pound. This discrimination is right and should be at least maintained, if not increased, for the reason that, for example, we import 50 yards of woollens weighing 16 ounces to the yard, or 50 pounds to the piece. From this piece of goods we can cut thirty garments which will consume the 50 yards less the cuttings and scraps, which is always a very large item; but these thirty garments will not weigh more than, say, 45 pounds, the balance being the weight of the scraps, so while we pay duty on 50 pounds the buyer of foreign manufactured clothing pays only on 45 pounds. The justice of this claim has been recognized in the present tariff, the Mills bill, and in Canada where the duty on woollens is $7\frac{1}{2}$ cents per pound, and 20 per cent. ad valorem, and on manufactured garments 10 cents per pound, and 25 per cent. ad valorem. But curiously this important point was entirely overlooked in the formation of the "Senate tariff bill," the features of that bill being that woollens worth over 60 cents a pound should pay 40 cents a pound, and 40 per cent. ad valorem, and that woollen clothing should pay 40 cents a pound, and 45 per cent. ad valorem, but woollen cloaks for women's wear should pay 45 cents a pound, and 45 per cent. ad valorem. That there should be this discrimination in favor of goods for women's wear we can only attribute to the fact that the men's clothing interest has never made known its position and its requirements, and we are therefore present for that purpose.

The question now arises what duty should be placed on ready-made clothing, whether composed of wool, silk, or cotton, that will be equitable to all. We ask for an increase of at least 10 cents a pound specific duty on the ground, as before stated, of our having to pay on increased weight. We ask an advance of 25 per cent. additional in the ad valorem duty in excess of the duty on the material of which the garment is made, whether wool, silk, or cotton, on the ground that in order to be able to continue paying the same satisfactory rate of wages that we are now paying to our hands we must know that the product of foreign labor can not be entered into competition on a more favorable basis than the same garments can be produced here with domestic labor: and as the clothing industry is one of the largest in the land, and as the number of people employed in it reaches into very large figures, we feel confident that the matter as presented will receive the attention at your hands that it deserves.

Respectfully submitted.

WHOLESALE CLOTHING ASSOCIATION.

MEMORANDA.

If woollens pay 35 cents a pound and 40 per cent., we ask a rate on ready-made woollen clothing of 45 cents a pound and 60 per cent. ad valorem.

If cottons pay 40 per cent. ad valorem, we ask for a duty on cotton clothing of 65 per cent.

If linens and Union linens pay 35 per cent., we ask for a duty on clothing made of these materials of 60 per cent.

If silk material pays 50 per cent., we ask for a duty on garments made of that material of 75 per cent.

STATEMENT OF JOHN T. RICH.

MR. JOHN T. RICH, president of the Michigan Merino Sheep Breeders' Association, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I come before you representing the Michigan Merino Sheep Breeders' Association, and in that connection our needs and situation are almost identical with the average wool-grower of Michigan. Michigan in some respects differs in the farming industries from what are known as the Western States. I am not aware of any farmer in Michigan who raises exclusively one product, with the possible exception of the fruit-growers in the fruit belt, which is raised upon land that for some reason is practically worthless for other purposes. Now, our land is what would be generally considered in the farming portion of the State as fertile land. It is good land, cleared up with buildings on it, and the buildings are in the main comfortable; but as I said before, there is no other production which we can raise at a profit alone. I do not know of a farm in Michigan which can be devoted entirely to wheat, entirely to grass, entirely to the raising of pork or corn or sheep. All our business there is what is known as mixed farming in the broadest sense of the term. We have to raise wheat because it is necessary to increase our revenue to a certain extent. It is used as a medium to grow seed clover. The practice has been to sow a crop and with it clover, which becomes necessary. Now on these farms we keep some cattle, some sheep, some hogs. If you vary the proper proportions of that you have almost no profit, or a loss. Now, for the past few years our cattle have been excessively low. A few cattle have been sold in Buffalo for 1

cent per pound. So you can imagine what prices were with us. The wheat yield of last year in bushels was fairly light. It was sold anywhere from 65 to 75 cents per bushel.

In this farming country of Michigan the sheep have cut a very important figure. Our flocks are small, ranging from twenty-five and thirty sometimes, up to two and three hundred. I have a flock of two hundred, which is unusual. They are almost a necessity to our farming country. When sheep fail, or any farmer fails to keep sheep, it is useless for him to look for prosperity. He is having a hard time. Since the depreciation in wool, farmers have been, in some cases, getting rid of sheep because they do not think they pay, and the general amount of sheep in the State has been decreased from another cause. My own sheep in Michigan are merino; but we have these Cotswold rams. We passed a temporary revenue law which has afforded some relief, as these lambs are raised and sold at \$2 per head, and are usually sold to butchers. Another class buy grain, feed, and sell in the spring, which makes some revenue; but the difficulty with this class of business is that the entire crop of lambs go to market. So far as the sheep go, they represent about what the mule does and other animals; they do not perpetuate themselves. So the direct result is that there is never a surplus. Our people desire that we shall be substantially protected in the interest of the farmers of Michigan. I belong to an association which raises merino sheep, which is a distinct association. In regard to the other class, the conditions are almost identical. We ask that you give us substantially what has been asked by other people—asked in the interest of the wool-growers here. I will submit the resolutions passed by our association and will not detain you longer.

The committee on tariff reported the following resolutions as indicative of the position of the association on legislation upon that subject:

Resolved, That the wool-growers of Michigan will not agree to any reduction in the present tariff on wool or woollens; and earnestly urge and demand of the proper officers who have the interpretation of the law under control, to so define it that there shall be no opportunity allowed for foreign wools, in any form or under any name, manufactured or otherwise, to be admitted as an article of commerce, except in conformity with, and in the spirit and letter of, the law when so interpreted.

Resolved, That we will indorse any honorable and any amicable arrangement whereby the interests of the manufacturer and wool-grower shall alike be benefited.

Resolved, That such legislation as shall be necessary to check the fraudulent undervaluation of foreign wools and woollens shall be insisted on from Congress in any future revision of the tariff.

These resolutions were adopted unanimously.

VIEWS OF ANDREW KULL.

Whatever the beliefs and requests among wool-growers and manufacturers may appear to you to be as set forth by their various representatives and memorials, allow me, a wool-grower at this time, and during each of more than twenty-five years past, to respectfully submit:

(1) That the tariff of 1867 on wool and woollens was the result of the joint recommendation of both industries.

(2) That the act of 1867 has been a damage and a detriment to the wool-grower, and to the manufacturer of wool.

(3) That the act of 1883 remedied nothing.

(4) That the price of wool has continually declined until the industry of wool-growing, so necessary to the highest degree of agriculture, has become a fit subject for caricature, equaled only by the deplorably impotent condition of our wool manufacturers, while at the same time imposing onerous burdens upon the people, presenting a spectacle to behold—a people largely wearing shoddy—and two twin industries going hand in hand to destruction through their greedy, selfish obstinacy for aggrandizement that came not, as each one of you well know, or can readily learn. Please allow me to direct your attention to the protective legislation of France in favor of wool-growers, that likewise resulted in a depreciation of the home product; to the placing of wool upon the free list in England in 1844, with the result of doubling the number of her sheep in thirteen years and sending the price of wool up higher than ever before; to the wool industry in Australia, increasing from 770,000 sheep in 1830 to 3,360,000, in 1840, to 10,140,000 in 1850, to 29,870,000 in 1860, to 51,294,000 in 1870, to 65,915,000 in 1882, and to 78,918,000 in 1887; to the wool industry in the United States, increasing from 19,311,374 in 1840 to 21,723,220 in 1850, to 22,471,275 in 1860, to 28,477,951 in 1870, to 35,192,074 in 1880, to 50,626,626 in 1884, to 44,759,314 in 1887, with a further shrinkage probably to 40,000,000 at this date.

This should call forth serious reflection on your part, not so much upon the mere surface matter thus presented as upon the shifting of sheep husbandry from the farm to the ranch, to wit: The number of sheep in Ohio fell from 7,688,845 in 1868 to 4,302,904 in 1870, a loss of over 3,385,000, and of which loss she had only recovered

260,007 in 1887. Comparatively equal losses have been suffered by other States, thus working an incalculable loss to the farmers, directly traceable to the tariff on wool of 1867.

To the fact that within a large area of the United States wool can be produced as cheaply as elsewhere in the world.

That within this fact lies the only possible need of a tariff on wool that by a good paternally Governmental policy could be recognized, looking to atone in part for a portion of our country's unfriendly climate, with six months of winter handicapping the wool-grower.

Should it be found desirable to occupy some middle ground between the present tariff on wool and free raw material for wool manufacturers, some benefit and improvement will no doubt accrue over the present system by changing to an ad valorem duty, of say 20 per cent., on all washed wool worth 25 cents per pound and upward; on unwashed, 18 cents per pound and upward, all other wool to come in free. Our past history amply vindicates this view. For an example, take the four years, 1857 to 1861, when, under a low duty, Ohio washed fleece sold on an average for the four years at 56 cents per pound in the city of Boston, being over 6 cents per pound higher than for any four consecutive years under the tariff of 1867.

It therefore follows, in conclusion on this point, that if there is any possibility to our country of being benefited by a wool duty, it lies in such a duty as will diversify the industry.

Let it be borne in mind that in the prosperity of our wool manufacturers lies also the prosperity of our wool-growers.

That our tariffs on wool acted as an actual benefit to foreign manufacturers of wool and a corresponding detriment to our own is plain in the single fact that foreign wools selling here in 1866 and 1867 at 18 to 20 cents per pound in the grease fell to 8 cents per pound to foreign manufacturers, while being increased in cost to our own.

Further, that it is not possible for our manufacturers to make cloth that will successfully compete with foreign makes unless they have like wools to make them of, and that the tariff as it now stands works a great wrong to our manufacturers that can be totally eradicated only by placing wool upon the free list, and giving them thereby an opportunity to get the wools they need for whatever purposes free of duty.

Care should, however, be taken not to come under their seductive influences that may lead you to believe in the willingness of the American people to everlastingly pay enhanced prices for wool fabrics.

An eye must be kept open to that subtlety which so elegantly drew the wool over the eyes of the greedy grower. Still, this was not so remarkable, considering the confirmed stupidity against which it was expended. Wool-growers, men with their eyes open to see, who have seen the price of wool go down farther and farther under a tariff of never less than 20 cents on the washed pound, until the industry is on the verge of ruin to all but ranchers or mutton growers, and who still demand more protection to still further depress our people, our national pride, and the wool-growing industry are not longer worthy the consideration of Congress.

In my humble opinion the only right thing to do is to give our wool manufacturers all their raw material free of duty, wipe out their compensating duty, and reduce their protective duty to a 25 per cent. basis or less.

Then place a duty of \$1 per pound on every pound of rags that shall be imported, and make it a criminal offense for our shoddy manufacturers to use the same rags more than five or six times over.

Finally, let it be resolved for gushing patriots that patriotism without national-ity enough to wear home-made goods and stand up for home industry is like an empty husk—a deception and a fraud.

Very respectfully,

ANDREW KULL,
Lake Geneva, Wis.

ACTION OF WISCONSIN WOOL-GROWERS.

MR. LA FOLLETTE. I offer at this time for the consideration of the committee in this connection the following resolution from the Wisconsin State Wool-Growers' Association:

"Whereas it has become known that certain tariff revisions are about to be made at the present session of Congress; and whereas the reduction of 1883 has proven most disastrous to the wool industry, not only in our own State, but throughout the country: Therefore

"Resolved, That the State Wool-Growers' Association of Wisconsin fully indorse the resolutions relative to wool only passed December 4, 1889, at the national meeting of wool-growers held at Washington, D. C.

"HENRY HUTCHINSON, President.
"F. H. GREENE, Secretary."

MANUFACTURERS OF WOOLEN GOODS.

STATEMENT OF JAMES DOBSON.

Mr. JAMES DOBSON, of Philadelphia, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee: When I came here to-day I did not expect to hear such a violent tirade against the carpet manufacturers as came from the lips of my distinguished friend Judge Lawrence. It is altogether uncalled for and I think unjustifiable. He has been here; he has got the records to go to and has gotten his information. He has certainly made misstatements here so far as the character and uses of carpet wools are concerned. We are users of carpet and other wools to the extent of about 50,000 pounds per day, otherwise 15,000,000 pounds a year. Our carpet industry consumes practically 6,000,000 pounds of that. The balance we use for cloths, worsteds, and blankets. He made a statement as emanating from me that only 60,000,000 pounds of carpet wool could possibly be consumed by the carpet manufacturers of the United States. I say in the presence of all these gentlemen that this statement is not true; that in the convention in 1888 of the wool-growers and manufacturers I then said casually that the consumption of carpets alone would be about 75,000,000 yards. Subsequently Mr. Fairbanks, who is here, has been to the trouble to estimate, and finds it is rather over that. Mr. Bond, whom he has been quoting as a statistician, for whom I have the highest regard, says he cannot find any more than 7,000,000 or 8,000,000 pounds of carpet wools are used in the manufacture. We have been manufacturing carpets of all kinds and all kinds of woollen goods for over thirty years. Wools of a third class have always been used for low class woollen cloths, and always will be used, and when they are imported to-day and used for other than their legitimate purpose they are simply used as an adulterant for wool to make a cheaper fabric. That is the use of carpet wools. He quoted Mr. Garnet as using 250,000 pounds. Why did he use it? Simply because the price of domestic wool was so high he had to do so to give work to the hands in his mill, otherwise he would have it to stop. Mr. Garnet is here and he can confirm or deny that as he wishes.

In reference to the importation of this wool, so far as I can see—and I will take the doubtful class—I can not see how that could possibly pay us for the manufacture of other than carpets. It would not exceed in a year over 15,000,000 pounds. Then we import annually of other unwashed wool about 14,400 bales, and these bales will weigh 350 pounds each, which gives us 5,000,000 pounds of wool. Then in regard to the Bagdad wool and the Persian wool, 80 per cent. is colored, and only about 20 per cent. white. The balance is black, gray, and all kinds. When we come to the Turkey wool it is the same quantity identically—15,000,000 pounds. Now, for every pound of this wool possible I give the benefit and put it in. Now, how in the name of common sense can a man with intelligence tell it is ruining their industry? That is really absurd. There is no man, I do not care who he is, that will go further in the protection cause than we will, but we do not want to be hounded for years, as we have been by the wool-growers and wool-dealers. We are tired of it. We will stand to the front with you and do our duty as men and manufacturers, but we do not think you ought to come here and traduce us in the manner in which you have done. If we are to have free trade let us have it pure and simple, and we will take our chances with the wool-growers; but you should not introduce here resolutions or amendments of the existing law which would prohibit the importation of any carpet wool, so you can not import it. There is no place here where carpet wools grow. He comes here with the belief that it ought to be classified at 10 cents a pound. He does not tell you the whole story. He ought to have said this: That if that fleece had come in in this inferior condition it would have been entitled to come in at 2½ cents a pound.

Now, gentlemen, this is the fact: In England there is a class of men called wool-staplers, who make it their duty to take a fleece of wool and divide it into different grades for the purposes and uses to which it is put. These other articles in which this enters I know nothing about. In regard to our manufacture, of which he speaks, I say to-day it is an outrage—I say it is an outrage upon the carpet manufacturers that we should have to suffer as we have suffered. In other words, he comes and tells you that we have had the benefit of protection for twenty-three years, and we ought to take a back seat and let somebody else have something. We admit that we have had protection, and prior to 1872 the carpet industry of the United States was simply bound up by letters-patent in the hands of certain people. No Brussels or tapestry carpets could be made here because of those patents. Upon the expiration of the patents look at the expansion of the industry. That is what made the carpet industry. Now, he says that we can not possibly—I quote from Mr. Lawrence's newspaper correspondent—although I have respect for Judge Lawrence I have not any respect for Lorin Blodgett's statement, because it is totally devoid of truth—that we could not

possibly use more than 40,000,000 pounds of wool. I stated before Mr. Lawrence when I made the statement before the Senate committee that with the carpet machinery we could put in use it would take substantially 174,000,000 pounds to keep them supplied, and that statement I think you will find in the report of the Senate committee. Now, all we ask is that carpets be put on the same level that other gentlemen in the wool cloth manufacture are put on. We ask nothing more, and I think it is unjustifiable for them to come here and talk about industry that has made such progress as this has. Look around you and you can not find an industry that has reduced the price of the product to the amount that we have. In 1872 an ingrain carpet which cost \$1.70, to-day nets us 47 cents. Suppose we put this at 8 cents a pound; 8 cents a pound would be 16 cents a yard duty on this carpet. We put 37 cents in that fabric before it is finished. Take 16 from 37 and it leaves 21 cents, and we have got to pay the labor and the cost of manufacturing. It will increase the cost and there is no question about it; it must naturally increase it.

Will these vast plains to which he has been alluding raise this wool? You have had twenty years' experience, and have you raised it? No; I say you do not raise it, nor can you raise it, nor will you raise it, simply because you can take the land and put other sheep on it that will net you \$1.50 every time, whereas if they compete with semibarbarous countries they would only get 25 cents. Now, what practical and common-sense man would not rather take and feed a sheep and realize \$1.50 than to take and feed the same sheep that will realize 25 cents? Again, he says that this is a coarse, hairy wool, and he says we do not need anything else. I say we do need other wool. Look at the Axminster carpets on your floors, which require a fair grade of wool. We can not carry on our industry without it. If you confine it to such wools as you now use you drive out of existence the present industry, and I for one most solemnly protest against anything of the kind.

I thank you, gentlemen, for the attention you have given me, and if I have said anything which has wounded my friend's feelings I apologize. I said just what occurred to me, but I do not desire to withdraw anything I have said.

The CHAIRMAN. Is there any gentleman present who desires to be heard on the manufacture of woolen goods, cloth, etc.?

STATEMENT OF WILLIAM WHITMAN.

Mr. WILLIAM WHITMAN, president of the National Association of Wool Manufacturers, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee: How much time are you going to give to wool manufacturers?

The CHAIRMAN. How much time will you want, Mr. Whitman?

Mr. WHITMAN. It is pretty late in the day, is it not?

Mr. BRECKINRIDGE. I think we would be willing to meet to-night.

The CHAIRMAN. We do not want to limit the manufacturers at all and we will give you all the time desired.

Mr. BAYNE. Can you be heard in two hours?

Mr. WHITMAN. I think very likely I could get through in that time. I have a pretty bad cold, and I suppose you will all wish it was worse, so you would not have to listen to very much more, and I wish it was so that it was not necessary for me to inflict anything upon you. I shall be obliged to depend upon my associates for nearly all the evidence that I will present to you.

I appear here as president of an organization which is called the National Association of Wool Manufacturers, and I will begin by presenting to you a memorial, and I will read the memorial.

A MEMORIAL TO THE WAYS AND MEANS COMMITTEE OF THE FIFTY-FIRST CONGRESS, PRAYING FOR A REVISION OF THE WOOL AND WOOLENS SCHEDULE OF THE TARIFF LAW, PRESENTED BY THE NATIONAL ASSOCIATION OF WOOL MANUFACTURERS, JANUARY 3, 1890.

To the Ways and Means Committee of the House of Representatives:

At the annual meeting of the National Association of Wool Manufacturers, held in New York, October 2, 1889, the following preamble and resolutions were unanimously adopted as expressive of the sentiment which prevails among its members regarding the necessity for prompt action on the part of Congress in the revision of that portion of the tariff law which relates to manufactures of wool, and the nature of the modifications in the existing law which are demanded to restore prosperity to this suffering industry.

These resolutions have been submitted to the woolen manufacturers of the country, and a large number of responses have been received. The signatures of those who

have affirmatively approved the resolutions are attached to this memorial, together with the number of sets of woolen machinery which they severally represent. The latter will aggregate nearly 3,500 sets of machinery. Had time permitted a personal canvass of the manufacturers this list would have been indefinitely extended. We entertain no doubt whatever that the National Association represents the views of an overwhelming preponderance of the machinery actually engaged in the wool manufacture in the United States.

At the same time it is not denied that there exists a counter sentiment among manufacturers which favors free wool, instead of the compensating duties on manufactures of wool necessary to overcome the disadvantages of the wool duties. The names of all manufacturers who have notified the National Association of their preference for free wool are attached to this memorial for the information of the committee. It has come to our knowledge also that other manufacturers have attached their names to petitions praying Congress that wool may be put upon the free list, and also that the wool duties may be made ad valorem instead of specific. When due allowance is made for all the machinery fairly represented by the signatures to the free wool petitions, the undersigned are of opinion that they will be found to include but a small percentage of the actual wool-manufacturing capacity of the United States, certainly not to exceed 10 per centum, which represents the full measure of the opposition among manufacturers to the position of the National Association.

Entertaining this belief, and speaking for a great industry which has suffered as no other has by reason of ill-considered and improperly adjusted reductions in the compensating duties made in 1883, and which can not develop to the requirements of the country until these unjust and unfortunate discriminations are removed from the law, the signers of this memorial respectfully pray that your honorable body will give all due weight to the statements contained in the resolutions annexed, and report to Congress a revised tariff bill in accordance therewith.

Respectfully submitted in behalf of the executive committee,

WILLIAM WHITMAN,
President.
S. N. D. NORTH,
Secretary.

I will not read the resolutions.

The CHAIRMAN. You can give them to the stenographer to be printed.

(See resolutions hereto appended.)

Mr. WHITMAN. In the first resolution the association takes the position, not to attempt to fix the duties upon wool, but to leave that to the committee without remarks or comments. I may say, however, that the prevailing sentiment among the manufacturers connected with our organization is a preference for the maintenance of duties on wool as they now are. They would prefer not to have the duties on wool increased. In saying, however, that we have no disposition to attempt to guide the committee in arriving at a wool duty, I wish to be distinctly understood that we certainly oppose any attempt to so restrict the importation of foreign wool as to make it practically impossible to do it. I do not know it is necessary really to say anything about it, because I do not believe any committee of Congress would undertake to so restrict the importation of wool to any greater extent than any other class of merchandise, any attempt to restrict by limitations, whatever they may be, as they were not read to the committee, and I do not know what Mr. Lawrence had in his mind. So I am not aware what changes the representatives of the wool-growers propose in the law. I believe no schedule of rates was read, and I am therefore unable to speak in regard to the wool duties; but I want to be put upon record as a representative of the National Association that it would be a most unwise thing to undertake to place upon the importations of wool restrictions which you would place upon no other commodity.

Now, another thing. It will be absolutely impossible for us to manufacture the goods the people of the United States want unless we do import wool. It has been truly stated that the quantity of wool grown in this country is totally insufficient to clothe the American people. The wool-grower tells us the production of American wool can be so increased as to meet all the wants of the people, but in the mean time what are we going to do? In that connection I wish also to state that the carpet branch of our association is more especially opposed to an increase of duties upon wool. That branch of the organization, however, will seek an opportunity to present to you at some later period their views. The wool manufacturers of the country, I believe I can fairly speak for the country, have placed themselves upon record in the first resolution as favoring such rates of duty on the raw material wool as will enable the American grower to continue to produce a sufficient quantity of such wools as he can grow to advantage for the consumption of the American manufacturer.

We recommend to your consideration any legislation that will prevent frauds upon the revenue. We are just as anxious that the importers and users of the foreign wool should be placed upon an equal basis as we are that the imported goods should be

placed upon an equal basis. Anything that can be done to prevent frauds upon the revenue will receive our hearty support.

Now in the absence of knowledge in regard to the rates of duty which have been suggested to you by the representatives of the wool-growers, and not knowing what rates of duty you may finally determine to place upon wool I am unable to present to-day a fixed rate of duty upon manufactures of wool, but we have arrived at a principle of adjustment which we can recommend to you, and which we hope will be embodied in any law you may recommend to Congress. The principal of adjustment is this: It requires $3\frac{1}{2}$ pounds of foreign wool in the grease to make 1 pound of yarn; therefore the compensating duty on yarns should be the duty imposed on wool multiplied by $3\frac{1}{2}$. Upon the cloths it requires 4 pounds of wool to make 1 pound of finished cloth; therefore the compensating or specific duty to be imposed upon the cloth should be the same as the wool duty multiplied by 4. On clothing the specific or compensating duty should be the duty upon wool multiplied by $4\frac{1}{2}$. The reason for that increase is to cover the waste and loss in the manufacture of clothing. We can therefore only present the case to you to-day and go no further than to give certain principles of adjustment, leaving it entirely to the committee to place upon wool a protective, but not a prohibitory nor restrictive duty. In other words, to place upon wool a duty which will commend itself to the average fair-minded protectionist of the United States.

The CHAIRMAN. Restrictive in what sense?

Mr. WHITMAN. Restrictive in regard to the conditions of importation.

Mr. McKENNA. Have you figured in any way how much that will be? Do not you think it will be restrictive and not prohibitory?

Mr. WHITMAN. You mean in regard to the duty on wool?

Mr. McKENNA. Yes, sir.

Mr. WHITMAN. No; we have not gone into that, for as I said, we did not come here to make an argument for a lower duty on wool, nor for a higher duty on wool. We are satisfied with the duty as it now is.

Mr. LA FOLLETTE. Would it be protective if it is not restrictive?

Mr. WHITMAN. Yes; it would be in the sense in which I use it. When I use the word "restrictive" I do not want to surround the importation with such difficulty that a man would not know what the wool would cost him if he imported it. We have also arrived at another principle which we think ought to be applied, and which we feel is absolutely necessary for you to apply in the woolen tariff. That is, that a higher protective rate of duty be imposed upon cloth than upon yarn, and upon clothing than upon cloth. The rates we ask you to place upon these articles are as follows: Upon yarn 40 per cent., upon goods 50 per cent., upon clothing 60 per cent.

The CHAIRMAN. Are you asking for an ad valorem rate or do you speak of the specific equivalent?

Mr. WHITMAN. This is ad valorem.

Mr. BRECKINRIDGE. The ad valorem method is what you have in mind?

Mr. WHITMAN. Yes, sir.

The CHAIRMAN. These are in addition to the duties on wool?

Mr. WHITMAN. These are what we call the protective duty. In other words (I have repeated it often but I will repeat it again), we want you to place manufacturers in the same position they would be in if we had free wool. We have got to pay this duty for the wool. We can not help it if we import it. Place us in the same position we would be in if we had free wool, and then accord to us the fullest rate of protective duty.

The CHAIRMAN. That is to say, if you had free wool you would still want the 40 per cent. on yarn?

Mr. WHITMAN. Yes; and the 50 per cent. on cloth, and the 60 per cent. on clothing. Now, the subject of fine clothing and cloths will be presented by some other person. I will also state to the gentlemen here whom I have not met before, that I am a manufacturer and quite extensively engaged in manufacturing. Sometimes I have been taken for a German student or a minister of some kind or denomination, and I would not like to have you in error in that regard.

Mr. McKENNA. I suppose you have given a good deal of study to this matter, and could be called a student of that.

Mr. WHITMAN. I have been studying it since 1878, and what I may know is at your service.

Mr. MILLS. You propose, then, to increase the present duty?

Mr. WHITMAN. Yes, sir. We have introduced in the first instance a paragraph which is intended to cover wool in the semi-manufactured condition and at rates as follows: "All wools and hair of the alpaca, goat, or other animals which have been advanced up in process of manufacture beyond the washed or scoured condition, not otherwise enumerated or provided for in this act, shall be subject to the same duties as are imposed upon manufactures of wool not specially enumerated or provided for in this act." This provision is contained in the Senate bill. It has been found nec-

essary to insert a provision of this kind to prevent frauds. For instance, tops, which is a manufacture of wool, as had been brought in is admitted as scoured wool. Therefore almost any simple manufacture of wool might be construed to be scoured wool; so a provision of this very kind is necessary, which includes every process of manufacture between the scoured wool and the yarn, and protects these people who have large quantities of machinery adapted to the preparation of wool.

Mr. GEAR. What percentage of the expense, might I ask, was that?

Mr. WHITMAN. The expense of making tops, I think, in round numbers, is about half.

Mr. BRECKINRIDGE. Between tops and yarn.

Mr. WHITMAN. Tops are one-half the expense. That varies according to the fineness to which the yarn is spun. The next provision that we offer is the following: "Woolen and worsted yarns made wholly or in part of wool, worsted, the hair of the goat, alpaca, or other animals, valued at not more than 50 cents per pound, 30 cents per pound; valued at more than 50 cents per pound, 38 cents per pound; and in addition thereto upon all the above-named yarns 40 per centum ad valorem." We ask for an equivalent of three and a half times the duty on wool and 40 per cent. ad valorem. This paragraph is also in the Senate bill, and we suggest a change in it. In the Senate bill there is a dividing line of value. We ask that that dividing line of value be abolished; that on all kinds of woolen and worsted yarns there be put one rate of duty, a rate that shall cover the highest and the lowest. We ask this for two purposes. One is to prevent frauds. If there is any one thing in the tariff law that induces frauds it is a sliding scale of values. We also ask it for simplicity's sake. If there is but one rate there will be less inducement to fraud and the collection of the revenue will be very much simpler. The next clause is as follows:

"354. Woolen or worsted cloths, woolen or worsted shawls, and all manufactures of every description made wholly or in part of wool, worsted, the hair of the goat, alpaca, or other animals, not specially enumerated or provided for in this act, valued at not exceeding 40 cents per pound, 35 cents per pound, and in addition thereto 35 per centum ad valorem; valued at above 40 cents per pound, and not exceeding 60 cents per pound, 35 cents per pound and 40 per centum ad valorem; valued at above 60 cents per pound, 45 cents per pound and in addition thereto 40 per centum ad valorem.

The CHAIRMAN. That is the Senate provision?

Mr. WHITMAN. That is the Senate provision. Now, we ask you there to make one single rate of duty. It is going back to the law of 1867. This paragraph embraces the great bulk of the woolen importation of the country exclusively of dress goods. Therefore in this particular paragraph if the sliding scale of values is retained, there is an immense opportunity for undervaluation and defrauding the revenue, and at the same time to diminish our protective duty. There is not a dissenting voice among us in regard to the abolition of these sliding scales. They are prolific of all our troubles. Make it for once and for all what it pretends to be and hold the officers of the law up to the execution of the law, and we will not be overwhelmed with foreign importations, which during the fiscal year 1889 reached the market value of nearly \$2 per capita of the United States. There were imported last year at the wholesale market selling values of the United States not less than \$110,000,000. The foreign value was something like \$52,000,000, and the duties and profit and carrying charges brought it up, and the rest of the manufacturers of this country have had to bear up against that overwhelming importation, only a part of which can be expressed in figures. The decline in values has been very great. Why, the average decline in values from 1887 to 1889 was 9 cents per pound, a change of value from \$1.03 to 94 cents. It is not at all surprising in view of these facts why wool-growers come here and complain of the condition of their industry.

I came here without premeditation and without arrangement, therefore I am obliged to say some things a little out of order. One of the thoughts that ought to be foremost in your minds, gentlemen, is to protect the wool-grower through a fully compensated manufacture, so that the manufacturers in the United States can make goods instead of importing them; so that he can employ the people in his own country instead of giving employment to the people of other countries; so that he can keep the money in his own country instead of sending it out to other countries; so that he can make a market, the only tangible market within the reach of the wool-grower.

The woolen manufacture of this country during my connection with it has always been afraid, somehow or other, to ask adequate protection. I complain just a little of Mr. Lawrence in one regard—perhaps not complain—but the tenor of his argument was that the carpet men had greater protection than the wool men. The same argument has been used over and over again in all my dealings with these gentlemen. They seem to have a feeling that the goods we produce are just a little more protected than the wool is protected. Now, do not understand me as objecting to the protection of wool. I think my views in that regard are almost too well known for me to repeat them, but the more protection you give the manufacturer the more you keep out foreign goods and the more encouragement you give, and the less revenue you will get,

and the greater ability at home to pay taxes. I will not weary you on this point longer; but let me state, assuming the duties suggested by the gentlemen who represent the wool growers, to be right and proper, in order to make this particular thing valuable to him, in order to make this operative you must give us the protection we need. Then, again, there has always been a sort of feeling of hostility to the wool manufacturer in regard to duties as compared with other branches of the manufacturing industry. There is not a branch of textile industry that requires so high a rate of duty as the woolen industry of this country. It has not prospered as it ought to have prospered for that very reason. The industry in which I am more especially engaged is the manufacture of dress goods and is about equal to about four-tenths of the whole importation of the United States. I do not like to get into figures, but there are many more foreign dress goods imported than there are made here, and they will be imported unless the law is changed. The importation is something immense.

Mr. BRECKINRIDGE. Is there not in some instances a less tax on the finished product than on the raw material?

Mr. WHITMAN. No, I do not think so, if I understand your question.

Mr. BRECKINRIDGE. The worsted men complain of some matters of that sort. I understand you to say in your particular line of business you have a greater compensatory duty than the actual duty contemplated by the present law, and it is not in your opinion sufficiently protected?

Mr. WHITMAN. We have not enough duty on the goods.

Mr. BRECKINRIDGE. In addition to the compensatory duty, and both are inadequate?

Mr. WHITMAN. So far as the effect upon the manufacturer here is concerned it would be unimportant whether the duty imposed is part specific and part ad valorem, or all imposed in one form, the duty is inadequate.

Mr. BRECKINRIDGE. As I understand you, you say the compensatory duty in your case is inadequate, and of course that encroaches upon what is meant to be protected, and in your opinion leaves a margin that is not sufficient?

Mr. WHITMAN. Yes, sir.

Mr. GEAR. You think that is an undervaluation?

Mr. WHITMAN. Yes, sir.

Mr. GEAR. If I am mistaken correct me.

Mr. WHITMAN. Very large indeed. Take, for instance, worsted yarns. If you will refer to the evidence (it was all published) which was presented to the Finance Committee of the Senate, it will be seen how that particular industry has suffered during the last five years. It has grown with a wonderful growth. I have been a manufacturer of worsted yarn in New England. We have made dress goods and sold them for several years, and we can not make any money on them. I do not believe any yarn-spinner has been making any money.

The CHAIRMAN. State the particular trouble at that point.

Mr. WHITMAN. The trouble is that the worsted yarns came in under a schedule where there was a sliding scale. They came in at a rate of duty where the specific rate was wholly inadequate and depressed the American prices.

The CHAIRMAN. It was more because of a defective clause in the tariff law than undervaluation by the importers?

Mr. WHITMAN. Yes. The next clause in the Senate bill is No. 355. We ask to have it abolished, as all these goods would come in under the term "all manufactures of every description made wholly or in part of wool, etc." We want that abolished, first, for simplicity, and, secondly, to avoid trouble in regard to undervaluations and frauds. We would say that all heavy woolen goods should be placed at one rate of duty and be uniform. This feature will undoubtedly be enlarged upon by others who will come after me.

The next two paragraphs in the Senate bill relate wholly to dress goods, coat-lining goods, and every description of light goods. It is an immense industry and it is suffering really more by foreign competition than any other branch of the textile industry. I have framed two clauses to take the place of those in the Senate bill, which I will read:

"Women's and children's dress goods, coat linings, Italian cloths, bunting, and goods of like description composed wholly or in part of wool, worsted, the hair of the goat, alpaca, or other animals, and not otherwise especially enumerated or provided for, 12 cents per square yard and in addition thereto 50 per cent. ad valorem: *Provided*, That all such goods weighing over 4 ounces per square yard shall pay a duty of — cents per pound and in addition thereto 50 per cent. ad valorem."

"Women's and children's dress goods, coat-linings, Italian cloths, and goods of similar character or description of which the warp consists wholly of cotton or other vegetable material and the remainder of the fabric is composed wholly or in part of wool, worsted, the hair of the goat, alpaca, or other animals, 8 cents per square yard and in addition thereto 50 per centum ad valorem: *Provided*, That all such goods weighing over 4 ounces per square yard shall pay a duty of — cents per pound and in addition thereto 50 per cent. ad valorem."

That clause is put in to provide for what is known as cotton warp, which means where the warp is made of vegetable material and the filling or weft made of wool or a similar thing. We ask for the abolition of the dividing line, so we say that upon all cotton-warp dress goods one single rate of duty shall be imposed.

Then the next clause is to cover what is known as all-wool goods, an industry that in so far as relates to the worsted part of it has been begun since 1883. Wool dress goods, of course, have been made in the United States almost from the beginning of the wool manufacture; but what are known as all-wool worsted dress goods, such as cashmeres, serges, and kindred goods, are made in England, France, and Germany. We import more of that particular class from France than from any other country. The wages on the continent of Europe are about one-third the wages in the United States—understand that I am speaking of the wages in factories.

Mr. BRECKINRIDGE. You are speaking of the wage per day?

Mr. WHITMAN. Daily earnings.

Mr. BRECKINRIDGE. Are they paid by the day, or paid by the piece, or by some pick measure?

Mr. WHITMAN. Both ways; there is no rule about it.

Mr. BRECKINRIDGE. Where they are paid by the piece—or I believe it is frequently termed by the "pick"—do we pay three times as much per pick as they do?

Mr. WHITMAN. I do not think we do; but our weavers earn at least three times as much.

Mr. BRECKINRIDGE. How do our payments compare per pick?

Mr. WHITMAN. I do not know. The productive capacity of the power loom in foreign countries is fully as great.

Mr. BRECKINRIDGE. I am not speaking of that. I am speaking of the payment per pick, whatever it may be, whatever the capacity of the loom, let them be using the same loom. My inquiry is, how much would we pay a weaver per pick on that loom, and how much would they pay in England or France per pick for that loom?

Mr. WHITMAN. I can not give an accurate answer to that, because I have not looked into that particularly. The price of weaving varies very greatly with the kind of fabric that is being woven.

Mr. BRECKINRIDGE. Take fabrics of the same kind.

Mr. WHITMAN. Take, for instance, one of these wool fabrics I am talking about. If it is upon a plain loom in foreign countries, they usually attend to two looms, and the speed of the looms is just about the same as here; therefore, the output per loom is practically the same.

Mr. BRECKINRIDGE. This is so much per loom, and not the price per "pick." How many looms will one man take care of?

Mr. WHITMAN. Some mills run two and some three.

Mr. BRECKINRIDGE. Four in some?

Mr. WHITMAN. Hardly.

Mr. BRECKINRIDGE. And this is a class of goods where the foreign mill will run two looms to the hand, and we will run about two to the hand?

Mr. WHITMAN. Yes, sir. I think as a general rule our operatives produce rather more than they do in foreign countries. I suppose that will run up to 10 per cent.

Mr. BRECKINRIDGE. Inasmuch, then, as there are some cases where the number of looms run per hand vary in the two countries, and inasmuch as the payment is in large part by the pick and not by daily wages, is it not entirely misleading to give the daily earnings as constituting the cost of production?

Mr. WHITMAN. Let me answer your question by stating the case in another way. I said that the daily wages here were equivalent to three times those on the continent. It is possible that a greater amount of production in weaving may be obtained from a given amount of labor and a given number of hours of labor.

Mr. BRECKINRIDGE. From a given amount of labor you mean a given number of hands?

Mr. WHITMAN. And given hours of labor. Now, the American production averages over and above the foreign production, and that comes in to reduce the cost of production. What I mean is that we make a greater amount, but our men earn a larger amount of money, which goes to explain—

Mr. BRECKINRIDGE. Right there. Does not that work economically in the cost of production to the producer per yard? He gets a larger output from the same plant. Therefore it makes it in favor of our cheaper production of that at a higher wage.

Mr. WHITMAN. It modifies it to some extent.

Mr. BRECKINRIDGE. Now, inasmuch as the wage per "pick" has not been given at all can not you compile for us and furnish to the stenographer a statement of the earnings per week and the earnings per yard on a given piece of cloth in this country as compared with the earnings of those in England?

Mr. WHITMAN. I could, but it would take a long time.

Mr. BRECKINRIDGE. And any other figures which would give us any information on the wage question.

Mr. WHITMAN. I think I could get that.

Mr. GEAR. Do you use jacks in spinning yarns?

Mr. WHITMAN. No.

Mr. GEAR. What do you spin with?

Mr. WHITMAN. I spin cotton as well as wool. In spinning wool we use what is known as cop spinning.

Mr. GEAR. Do they use the same in England?

Mr. WHITMAN. Yes, sir.

Mr. GEAR. Running at the same speed, will you turn out in this country more product than in England?

Mr. WHITMAN. In spinning I should say the product would be about the same in both countries.

Mr. GEAR. The element of difference is in wages?

Mr. WHITMAN. Yes.

Mr. BRECKINRIDGE. Do you use the same looms for the same fabric in your mill that they are using in France and England?

Mr. WHITMAN. No.

Mr. BRECKINRIDGE. Are our looms any better than theirs?

Mr. WHITMAN. That is a disputed point. I have an American loom, and we think it is the best loom in the world.

Mr. BRECKINRIDGE. You think it is more economical to use than other looms?

Mr. WHITMAN. Yes, sir.

Mr. GEAR. May I ask what loom you use?

Mr. WHITMAN. Well, I would be perfectly willing to tell you that in private, but I would hardly like to advertise the maker of the loom publicly.

Mr. GEAR. I presumed your mill was open and gentlemen could go there and see the name of the maker.

Mr. WHITMAN. Any one can see it. We have nothing to reserve. Manufacturers do not agree about which is the best loom; one thinks one loom is best and another thinks another loom is best. Our place is a large one, and I calculate to have everything in the world that is good for anything.

Mr. McKENNA. Do you think the difference in the proportion of wages in the United States is three to one or two to one?

Mr. WHITMAN. I said the wages would be about one-third the wages of the United States.

Mr. McKENNA. You have said there might be some calculation which would modify that probably by reason of the superior output in the United States?

Mr. WHITMAN. Yes.

Mr. McKENNA. Will you get it?

Mr. WHITMAN. It might reach 10 per cent., possibly no great consideration.

Mr. McKENNA. This is all the modification you would make?

Mr. WHITMAN. Yes, sir; I do not know of any other.

Mr. McKENNA. I want you to be very sure, because we are met by this question continually. You gentlemen come and say you need this protective tariff on account of the difference in wages. Some gentlemen say it is one thing and some gentlemen say it is another. Other gentlemen say notwithstanding you pay the same wages you get more product from the wages and I want you to make that very clear now and forever.

Mr. WHITMAN. If I see on reflection that my testimony should be modified in that regard I shall communicate with the Chairman. My judgment is it would not exceed 10 per cent.

Mr. McKENNA. Ten per cent. in favor—

Mr. WHITMAN. In favor of the American system.

Mr. McKENNA. In the proportion of three to one as far as wages are concerned.

Mr. WHITMAN. Three to one, or one-third of the wages paid in the United States.

Mr. GEAR. Do they regulate the output by a combination of looms among the weavers in France and England?

Mr. WHITMAN. No, sir.

Mr. GEAR. In this country?

Mr. WHITMAN. No, sir.

The CHAIRMAN. Do they have less waste and imperfect goods on the other side than on this?

Mr. WHITMAN. I do not think there is any difference in that respect.

Mr. BRECKINRIDGE. My understanding of your statement then is that apart from this possible 10 per cent. that if the labor cost in a yard of cloth in France and England say was 2 cents, in this country, the labor cost per yard for such cloth would be 6 cents. Is that correct?

Mr. WHITMAN. With the modification I have submitted of about 10 per cent. I think that would be a fair way to state it.

Mr. BRECKINRIDGE. Then we have not then any advantage except the 10 per cent.,

and probably by having longer hours of labor and running additional labor; but if we run the same looms and turn out the same amount per loom that would only be one-third as much per pick as we pay. Is that correct?

Mr. WHITMAN. Yes; that would be right. I would like to say right there—

Mr. MCKENNA. Do not get the thing into a confusion. I wish you to state distinctly whether if we pay more wages we have a full compensation in the greater amount of production or not?

Mr. WHITMAN. We do not; most decidedly not.

Mr. MCKENNA. And your answer is that in superiority of production it is about 10 per cent., but the difference in wages is one to three more?

Mr. WHITMAN. No; it would be one to two more.

Mr. MCKENNA. I expect you are better in percentage than I am.

Mr. WHITMAN. I have not had a good opportunity to know what it is lately.

Mr. MCKENNA. But you mean it is three times as much here?

Mr. WHITMAN. Yes, sir.

Mr. MCKENNA. That applies, so far as your knowledge extends, to the cloth and dress goods industry?

Mr. WHITMAN. Yes. There can be no question but what a given amount of labor and a given amount of machinery will produce as much; and I think it will produce 10 per cent. more in this country than it will in any other country on the face of the earth. So that the legislation which we ask for is not to provide against inefficient machinery nor misapplied labor. Labor in our factory is applied as skillfully as it is in any country in the world, and will produce greater results; and these greater results do not begin to compensate the difference in prices or anything like it. I compute the gain at 10 per cent. Further, there is nothing new in the world to-day in the production of worsted dress goods that I have not got in my mill.

Mr. MCKENNA. This is the finished cloth?

Mr. WHITMAN. Yes; and it can be made here without any additional expenditure for a given amount. I hope I make myself clear. I understood you to say—

Mr. MCKENNA. I did not say that, because you are making yourself clear. I want to clear up this disputed proposition through you.

Mr. WHITMAN. I did not so understand you. Shall I go on with my previous statement?

The CHAIRMAN. You may proceed.

Mr. WHITMAN. This provision provides for all-wool dress goods other than cotton-warp dress goods. I will tell you what happened. I was very largely instrumental in 1883 in securing the all-wool dress-goods provision in that act. I wanted them to give us 15 cents, as it used to be, but they cut it down finally before the committee got through with it, or before the bill was signed, to 9 cents. Nine cents was not an equivalent for the duty on the wool. It was a great deal better than we had before. When we started to make these goods the foreigner mixed in about 3 per cent. of cotton in the warp in this all-wool goods and sent them over to this country, and it went through the New York custom-house at a low rate of duty. It was just 3 per cent. in the warp; none in the filling; so it is equal to just 1½ per cent. The case was brought before the courts and the circuit court decided in favor of the importer. It has now gone to the Supreme Court, so I want to provide so that the foreign manufacturer can not evade the law in just that way. Another thing. We find they weave a little cotton in, sometimes running longitudinally and sometimes crosswise, or filling, as we call it. This they color in the piece. In some cases there would not be 5 per cent., some cases 10 per cent., and some cases 15 per cent. That came in at a low rate of duty and competed with us. The market for anything fancy, of course, is temporary; but in the case of these all-wool goods it is permanent, because 1½ per cent. of cotton would not materially injure the goods.

Mr. BRECKINRIDGE. Did not Mr. Fairchild, by a ruling, correct one or both of these importations on the conclusion it was fraudulent; that it was not put there really to mix, but to deceive?

Mr. WHITMAN. Mr. Fairchild ruled against the importation. I think he ruled in accordance with the law.

Mr. BRECKINRIDGE. I expect he did.

Mr. WHITMAN. I think so. I am not, as you can see, in very good trim, and if I should deem it necessary to send in a printed brief embodying what I have said, at some future time, I presume I would have a right to do so.

The CHAIRMAN. Certainly, you can add anything to what you have said to-day.

Mr. WHITMAN. There is one other industry to which I wish to call your attention. In the Senate bill, on page 63, paragraph 371, "endless belts, or belts for paper or printing machines, 20 cents per pound and 30 per cent. ad valorem." We think this is a glaring wrong. There is not any reason in the world why these endless belts should not pay as high a duty as other things. We ask to have that eliminated so that they will come in under the general provisions of manufactures of wool. In

regard to the carpets, I can say nothing, because the carpet people are not in accord with the duties that have been suggested by the representatives of wool. They will argue their own cause, and Mr. Dobson has already made a statement. I will leave the other matters to those who come after me.

Mr. BRECKINRIDGE. If it is not interrupting you, I would like to ask you what, in your opinion, would be the effect on the prices of all grades of wool grown in this country, of better quality than what are known as carpet wools, if carpet wools, camels' hair, cows' hair, and fibers that are used as adulterants for the purpose of mixing with better grades of wool, were admitted free? Do you believe it would decrease the price of other grades of wool—the higher grades?

Mr. WHITMAN. Admitting carpet wool—

Mr. BRECKINRIDGE. Carpet wool, cows' hair and camels' hair we do not produce here, and are mixed more or less with wool. Let the tariff, of course, remain upon all wools except carpet wools.

Mr. WHITMAN. And admit carpet wools free?

Mr. BRECKINRIDGE. Yes, sir. Do you believe it would lead to a more liberal demand for the better grades and the maintenance of the higher price?

Mr. WHITMAN. No, I do not.

Mr. BRECKINRIDGE. Do you believe it would lessen the demand for the better grades of wool in this country? I am not speaking now in general terms of free wool; I am speaking upon the supposition you continue the present rate of taxation upon all wools except carpet wools.

Mr. WHITMAN. I think the admission of carpet wools free would have the effect to depress the price of wools akin to them.

The CHAIRMAN. Are they made and used to displace the others?

Mr. BRECKINRIDGE. I do not understand so far as the carpet wool is concerned. I am willing to grant that it would lower the price of carpet wool proper, but what of that can not be logically classed as carpet wool?

Mr. WHITMAN. I should be opposed to free carpet wool and dutiable wool for this reason: I think it would discriminate too much in favor of the very lowest kind of goods.

Mr. BRECKINRIDGE. Are we consumers to a very great extent of the kind of goods that would be made out of carpet wool?

Mr. WHITMAN. We are immense consumers of all low goods.

Mr. BRECKINRIDGE. I do not mean of carpets; I mean clothing.

Mr. WHITMAN. Well, I do not believe that a very large amount of carpet wool is used in the manufacture of clothing. I mean an average large amount. There is no kind of wool you can not put in cloth in some form or other.

Mr. BRECKINRIDGE. As a buyer of wool and a manufacturer of goods you are, I presume, able to represent intelligently what the discount and probable effect may be on the market prices. I understand you to say we import clothing and cloths, a great many millions in excess of what we grow in this country and produce. We also import quite largely of clothing wools—combing wools. Now, if carpet wools were admitted free, would it not lead to the larger manufacture of good cloths which would embody some carpet wool and additional amounts of better wools?

Mr. WHITMAN. I do not think it would have that effect.

Mr. BRECKINRIDGE. Do you think it would depress the price of our better wools?

Mr. WHITMAN. I think it would have a tendency to depress the price, but not of what I would call our better wools, but those akin to carpet wools in grade.

Mr. BRECKINRIDGE. Is there any difficulty in the classification of wools by experts?

Mr. WHITMAN. I think there is.

Mr. BRECKINRIDGE. I think it was stated to the contrary by wool men who talked of experts. For instance, I know in the matter of cotton, there are many varieties of cotton, and yet no man who passes as a classifier could be imposed upon for a moment. I have been told that such was equally true in the matter of wools. Are they classed with absolute accuracy by what you call a wool classifier?

Mr. WHITMAN. I think they are classed fairly accurately.

Mr. BRECKINRIDGE. Are you familiar with the classifications of cotton? You use them in your mill, I believe.

Mr. WHITMAN. We do.

Mr. BRECKINRIDGE. Do you believe the classification of wool is done as accurately as the classification of cotton?

Mr. WHITMAN. I do not think it is possible to classify wools with the same degree of accuracy as cotton.

Mr. BRECKINRIDGE. I have heard it stated by those who are considered experts that it is done.

Mr. WHITMAN. I am a buyer of cotton and I use long staple cotton and comb it. I find a good deal of inaccuracy in the classing of cotton.

Mr. BRECKINRIDGE. Is that on the part of the classifiers?

Mr. WHITMAN. Yes. There would be less opportunity for variation of judgment in cotton than in wool, but a man's mind is not capable of doing any of that kind of work with any degree of mathematical accuracy.

Mr. BRECKINRIDGE. You mean in cotton, too?

Mr. WHITMAN. Yes; cotton.

Mr. BRECKINRIDGE. Are you yourself a judge of cotton?

Mr. WHITMAN. I would not like to call myself an expert. I think I manufacture perhaps the best cotton that is grown in the United States, ranging from Florida cotton to the cotton that comes from the Mississippi Valley.

Mr. BRECKINRIDGE. It is really the buyers who are imposed upon by fraud?

Mr. WHITMAN. I think it is both. I do not think it is possible to fix a standard for the United States. It is a movable standard, and it is not like the standard they have in France. They have been at work a long time to get that accurate.

Mr. BRECKINRIDGE. I do not know about the French standard, but I do know our own to be minutely accurate. If you add free wool can you enlarge your market by sales to foreign countries?

Mr. WHITMAN. Oh, no.

Mr. BRECKINRIDGE. I believe our sales of woolen goods now are nominally not over half a million a year abroad?

Mr. WHITMAN. Practically nothing.

Mr. BRECKINRIDGE. But under no circumstances, I understand you to believe, would woolen manufacturers be able to extend the sales into the foreign markets?

Mr. WHITMAN. Under no circumstance would free wool enable us to make any impression upon the foreign markets.

Mr. BRECKINRIDGE. Or free anything else?

Mr. WHITMAN. I would like to confine my answer to things I know about.

Mr. BRECKINRIDGE. Of course I do not expect you to go beyond that. I only ask you about those things which enter into your business.

Mr. WHITMAN. I am a manufacturer of cotton, using, as I told you before, from the sea-island cotton down. I suppose last year I have been one of the largest importers of cotton yarn instead of exporting it. I imported for my manufacture about 40,000 pounds of what is known as fine yarns.

The CHAIRMAN. Free wool would increase the prices to the American grower.

Mr. WHITMAN. I should hardly think so.

The CHAIRMAN. Did you call our attention—I beg your pardon for inquiring—to the paragraph of all-wool dress goods?

Mr. WHITMAN. I did do so and read and spoke in regard to it.

Mr. FLOWER. Do you import any woolen yarn?

Mr. WHITMAN. No; I do not.

Mr. FLOWER. There is some wool yarn spun in England and imported to this country?

Mr. WHITMAN. A great many have been importing them, but I think they have been making no money on it.

Mr. FLOWER. They claim that the peculiar climate there makes them spin better, and makes these yarns more perfect.

Mr. WHITMAN. That is all nonsense.

Mr. FLOWER. Why do our manufacturers import them?

Mr. WHITMAN. Because the tariff law and the condition of the market have operated so that a certain class of worsted yarns could be imported at a less price than we could afford to make it.

Mr. FLOWER. These are woolen yarns used for goods made in New England and in Maine. They are spun in England first, because the duty is very low.

Mr. WHITMAN. I do not know about that particularly. I can only answer in a general way, but I am absolutely correct about that. I can state from my own knowledge, without any shadow of reservation, that the tariff on worsted yarns for the past few years has been such that certain numbers of worsted yarns could be imported at a less price than any American manufacturer could afford to sell them for.

Mr. FLOWER. Do you know of a mill just being started at Utica where they are using entirely Australian wools?

Mr. WHITMAN. I know myself it is an old mill.

Mr. FLOWER. It is a new industry, but it is an old mill. These are worsted yarns.

Mr. WHITMAN. I know that very well.

Mr. BRECKINRIDGE. Are the yarns you import made at all in this country?

Mr. WHITMAN. Some of them. I make them myself sometimes.

Mr. BRECKINRIDGE. Do other manufacturers make them?

Mr. WHITMAN. Yes; similar yarns.

Mr. BRECKINRIDGE. Do others manufacture similar yarns that could be used for the purpose for which you import these yarns?

Mr. WHITMAN. They are made here and can be made here, but they do not care to make them under the present tariff law.

Mr. BRECKINRIDGE. They are very fine yarns?

Mr. WHITMAN. Yes, sir.

Mr. BRECKINRIDGE. They have not engaged in manufacturing yet, and you think it would not be possible for them to do so under the present rates of taxation?

Mr. WHITMAN. I think not.

Mr. BRECKINRIDGE. If you had free wool would it greatly increase, in your opinion, the sale of your products in this country if your manufactures were cheapened by free wool?

Mr. WHITMAN. Is that the full question?

Mr. BRECKINRIDGE. That is the full scope of the question so far.

Mr. WHITMAN. That would depend upon what accompanied free wool.

Mr. BRECKINRIDGE. Well, with what you call full protection.

Mr. WHITMAN. Leaving the law on the goods?

Mr. BRECKINRIDGE. Yes.

Mr. WHITMAN. If you leave the law on the goods just as it now is and give us free wool—I am trying to see if I can not condense my answer in a small compass.

Mr. BRECKINRIDGE. Your answer might be "yes" or "no." You mean you are trying to condense your thoughts into a small compass.

Mr. WHITMAN. I want to answer you intelligently and not evade your question at all. I do not know whether you are with me or against me.

Mr. BRECKINRIDGE. That should not control your answer.

Mr. WHITMAN. I think you will admit I have answered you as if you were with me.

Mr. BRECKINRIDGE. I am a Democrat, and you know what that means. I do not want to deceive you.

Mr. WHITMAN. If you give us the present duties on goods and give us free wool there can hardly be any question but what it will stimulate the production.

Mr. BRECKINRIDGE. Why? By giving a larger consumption?

Mr. WHITMAN. No; because it would give us an opportunity to displace foreign production that is now used here.

Mr. BRECKINRIDGE. It would be a certain amount of foreign importations that are now used here; and would it not also lower the price of the article, without taking anything from your laborer, and enable you to increase your sales?

Mr. WHITMAN. I think that the first effect of free wool would be to diminish the price of wool in this country.

Mr. BRECKINRIDGE. Then?

Mr. WHITMAN. Then its next effect would be to discourage the wool industry, and that is an industry—as I was born on a farm I can speak from a little knowledge, but not very much—the effect would be to discourage the farmer, and he would kill off his sheep. The moment we begin to take from the world's product any particular amount of wool the effect of that would be to raise the price in foreign countries. I think that is clear. Then the probability is that wool may be no cheaper free than it is now.

Mr. BRECKINRIDGE. That is your line of reasoning as to the probable effect of free wool upon the home market?

Mr. WHITMAN. Yes.

Mr. BRECKINRIDGE. So far as the foreign market is concerned I assume that it is important for the manufacturer here to be on an equality with his competitors in what he pays for raw material, at least he should not have to pay more. I understand you, then, to hold that with free wool you have no idea that our manufacturers of woolen goods would ever be able to make foreign sales?

Mr. WHITMAN. That is out of the question. Foreign trade in woolen goods is utterly out of the question.

Mr. BRECKINRIDGE. Then so far as that is concerned you would look upon the industry as an industry that must be perpetually maintained by protection?

Mr. WHITMAN. Not necessarily. I could not answer that question, for I do not know. So long as the price of labor in the United States is much greater than it is in other countries, and so long as the people of the United States live so much better than they live in other countries, why, it must necessarily follow, except in some specialties, where other affairs control their production, that to compete with foreign countries in our own market we must have a protective tariff.

Mr. BRECKINRIDGE. To compete with them we must have a tariff?

Mr. WHITMAN. In our own country.

Mr. BRECKINRIDGE. Can you explain to the committee why it is you think we will have trouble, when with foreign trade we get a larger range of consumption? As I understand, you do not expect your line of business will ever be able to compete with this international trade, and yet we find that other businesses in which labor seemingly enters as much as yours, such as manufacture of cotton, enjoy a good foreign trade.

Mr. WHITMAN. It is pretty small.

Mr. BRECKINRIDGE. Some mills ship altogether abroad.

Mr. WHITMAN. Very few.

Mr. BRECKINRIDGE. But some do.

Mr. WHITMAN. Yes.

Mr. BRECKINRIDGE. Some ship every pound of their product there. The leather business enjoys a good foreign trade. Other classes enjoy it, such as the manufacture of locomotives and agricultural implements. Why is it now everybody in these latter articles when they are handicapped by a tax can compete, and in your business with free raw materials you can not compete at all? Can not you help give us a cargo for the ships it is said we are going to subsidize?

Mr. WHITMAN. There is no country in the world that uses woolen goods to any extent except where they manufacture them. Now it would be like sending coals to Newcastle.

Mr. BRECKINRIDGE. Does not the Argentine Republic use woolen goods?

Mr. WHITMAN. Not to any degree. They use cotton.

Mr. GEAR. Near eight millions.

Mr. WHITMAN. I do not remember.

Mr. BRECKINRIDGE. Do they not in parts of China?

Mr. WHITMAN. They use nearly all cotton; also in India.

Mr. BRECKINRIDGE. Now I see on the shipping list from New York and from Baltimore exports of cotton goods from New York to Glasgow and English ports. If we got South American and Australian wools as cheap as England do you believe we could not sell any goods in England?

Mr. WHITMAN. They hold the market there all the time. We could not compete with them on their own soil.

Mr. BRECKINRIDGE. We do in cotton.

Mr. WHITMAN. With Great Britain, on her own territory?

Mr. BRECKINRIDGE. We ship there.

Mr. WHITMAN. For every dollar shipped to their territory there are \$10 taken away.

Mr. BRECKINRIDGE. It is against us, of course.

Mr. WHITMAN. For every dollar of cotton goods shipped to Great Britain there are \$10 of cotton goods taken from them.

Mr. BRECKINRIDGE. I do not dispute that, and it does not conflict with my information that they do consume more or less of cotton goods of American manufacture.

Mr. WHITMAN. In Great Britain?

Mr. BRECKINRIDGE. Yes, sir.

Mr. WHITMAN. My mill can make more goods than all the American goods consumed by our export trade with England.

Mr. BRECKINRIDGE. That would not be a great deal.

Mr. WHITMAN. No; there is not a large export. We are large exporters of stuffs in this part of the United States. Where we have such overwhelming natural advantages we can not help ourselves.

Mr. BRECKINRIDGE. We export largely to England of agricultural implements, and yet with all these advantages we should not export woolen goods.

Mr. WHITMAN. I know we do export agricultural implements. You had better believe that if we could export we would do it.

Mr. BRECKINRIDGE. My reason for asking you is that you are well informed in the business. If you had some similar position in regard to your raw materials—which is not the case with clocks, locks, etc., which we nevertheless export pretty largely all over the world—but if you had free raw material where labor does not enter so much in as in these more finished articles, why is it you could not export?

Mr. WHITMAN. Labor is the great element with us. It is utterly out of the question for us to export woolen goods to foreign countries.

Mr. GEAR. You stated in reply to Mr. Breckinridge recently that the first effect of free wool would be to diminish the value of the American wool.

Mr. WHITMAN. Yes, sir.

Mr. GEAR. And that the second effect would be that the American wool-grower would go out of the business?

Mr. WHITMAN. I think so.

Mr. GEAR. If that was the case would not the general result be to largely enhance the foreign wool and compel you as a manufacturer to pay an increased price?

Mr. WHITMAN. I think the destruction of the American clip, which is about one-seventh of the whole, would enhance the price of wool in foreign countries.

Mr. BAYNE. As we are giving notice from good sources here, our farmers may recollect this and hold to their sheep and wait for a rise. I think that would be a pretty good thing in that line of business.

Mr. WHITMAN. If the stenographer will take down the all-wool dress goods paragraph, which I supposed I had read, I will be much obliged. You can not fix the duties on these dress goods too high.

RESOLUTIONS ADOPTED BY THE NATIONAL ASSOCIATION OF WOOL MANUFACTURERS, OCTOBER 2, 1889.

Whereas it is the sense of the people that a revision of the tariff is necessary at the approaching session of Congress; and whereas it is demonstrated by six years of experience under the existing tariff that the prosperity and development of the woolen manufacture of the United States require important modifications in the wool and woollens schedule, therefore

1. *Resolved*, That the National Association of Wool Manufacturers, adhering to the attitude it has consistently held since its organization, and having in mind the proper protection of the American wool-growing industry, leaves to the wisdom of Congress the determination of the rates of duty which should be applied to the raw material wool, for the purpose of enabling the American grower to continue to produce a sufficient quantity of such wools as he can grow to advantage for the consumption of the American manufacturer. We do not demand lower rates of duty on our chief raw material wool, nor upon other materials used in the fabrication of our goods, nor upon the machinery we employ.

2. *Resolved*, That the Forty-seventh Congress, in the tariff revision of 1883, ignoring in many instances the principle of adequate compensation, reduced the specific duties upon the manufactured product so far beyond the reduction in the duties on wool as to destroy their compensatory character. In consequence steadily increasing importations of certain classes of goods are flooding a market which wise legislation would enable the capital and machinery employed in the woolen manufacture of the United States to exclusively occupy.

3. *Resolved*, That after struggling for 6 years under legislation which thus discriminates against them, the woolen manufacturers of the United States demand of Congress a revision of the tariff, in which there shall in every instance be placed upon the manufactured product the full amount of the specific duty necessary to compensate whatever rates of duty public policy may require to be imposed upon the raw material.

4. *Resolved*, That apart from the specific duties—which are not protective to the manufacturer, but simply compensatory, being necessitated by the duties upon raw material, the woolen industry is entitled in addition thereto to the highest degrees of protection. To an extent unknown in any other industry the woolen manufacture includes an almost endless variety and form of product, and employs everything known in the arts, embracing, besides all the other fibers, coal, dye-stuffs, chemicals, and oils in infinite variety, iron in all its manufactured forms, and the most complex and expensive machinery, upon all of which the highest rates of duty are paid by the American woolen manufacturer. He employs the most skillful, the best educated, and the most expensive labor in America, and the amount of labor value in his product is larger than in any other textile industry. Competing with rivals who pay labor one-half, and on the continent of Europe one-third, of American wages, he is entitled to a protective duty sufficient to overcome these manifold disadvantages. That he does not possess under existing laws.

5. *Resolved*, That while the duties on wool are specific in form, and thus become more highly protective to the grower, with a fall in the price of the raw material, the manufacturers' protective duties are ad valorem, and have become less and less protective as values have tended downwards. While the importations of woolen goods have trebled in quantity in the last twenty years, they have only increased in value about 90 per centum, so that the existing duties afford nearly 20 per centum less protection than was deemed necessary for the development of the industry when the rates of 1867 were fixed. In view of this fact the National Association demands of Congress an increase in certain of the ad valorem duties.

6. *Resolved*, That the protection now accorded is still further reduced by systematic undervaluations in customs' invoices, the only effective remedy for which is the adoption of the single rate of duty as applicable to each paragraph of the woollens schedule. The amount of the importations of goods rightfully entitled to entry at the lower rates of duty is so inconsiderable that the retention of the system of minimums is equally valueless to the consumer as an element in the cost of clothing and to the Government as a source of revenue. On the other hand, as an incentive to frauds upon the treasury and as an embarrassment to our manufacturers, the system of minimums is an unmixed evil, the abolition of which will simplify and purify the collection of the revenue and promote and stimulate the woolen manufacture.

7. *Resolved*, That the wholesale introduction into the United States of foreign wools in the form of finished fabrics, thereby displacing American wool which would otherwise be consumed in American mills, is due to the unjust and illogical arrangement of the tariff herein described, and is a condition which this association predicted must follow, when the existing schedule was adopted against its protest. It demonstrates that no rates of duty upon wool are or can be protective of the American grower in the sense and to the end contemplated by our tariff system which are not accom-

panied by corresponding duties, compensatory and protective, upon the manufactured articles sufficient to enable the American manufacturer to hold the home market. While the imports of clothing and combing wools have not materially increased, and the American production is materially decreasing of late years, notwithstanding the rapid growth in our population and the increasing per capita consumption of wool by this increasing population, the value of the importations of manufactures of wool for the fiscal year 1889 was \$52,681,482.56. Calculating three and one half pounds of greasy wool to each dollar's worth of goods, they represented the enormous total of 184,385,189 pounds of foreign wool introduced into this country in a single year in the shape of goods and yarn, equaling 57 per centum of our total home production of wools of all descriptions. The wholesale market value of our annual importations of manufactured wool exceeds by nearly 50 per centum the value of our annual wool clip. This emphatic evidence of the failure of the present duties to protect the wool-grower is due to the failure to correspondingly protect the manufacturer, by whose prosperity alone can a prosperous sheep husbandry be maintained.

8. *Resolved*, That this association strongly approves the administrative sections of the Senate tariff bill, the most important features of which were originally proposed and formulated by this body, and are necessary for the prevention of undervaluations and frauds in importations.

9. *Resolved*, That the action of Secretary Windom in correcting the erroneous classification of worsted cloths was an act of justice long delayed, required by an intelligent interpretation of the statute and necessary for the preservation of one of the most promising branches of our woolen industry.

10. *Resolved*, That in asking adequate protection at the hands of Congress, the National Association of Wool Manufacturers is not seeking to foster an artificial industry, alien to soil, climate, or other natural conditions. On the contrary, it is conceded by free-traders and protectionists alike that a given amount of labor and machinery in the woolen industry in the United States will produce results in excess of those achieved in any other country. It is as natural for us to manufacture our own clothing as to grow our own food; and under well-devised laws we may do all of the one as well as the other.

11. *Resolved*, That the increase of the duties upon wools used exclusively in the manufacture of carpets, amounting to sixty per centum, proposed in the Senate bill, can not stimulate the American growth of the coarse, low grade wools now cultivated only in semi-barbarous countries, and commanding less prices than the better wools grown to better advantage by our farmers, and at no additional cost, everywhere in the United States. On the other hand, such duties must seriously cripple the one branch of the woolen manufacture which has been enabled to fully supply all the demands of the home market at greatly reduced prices to the consumer.

12. *Resolved*, That the National Association of Wool Manufacturers, speaking for a great industry which has suffered as no other has from the constant agitation of the tariff duties affecting it, solemnly and emphatically protests against making that industry any longer the football of politics. In no session of Congress since the tariff of 1867 was impaired has the woolen manufacturer been exempt from the loss and damage engendered by attempted modifications of the woolen tariff, never in the interests of a larger development of the industry. Industrial prosperity is impossible under such conditions; and the woolen industry, more than any other known, is susceptible to conditions so calculated to destroy stability. Whatever depression has marked the industry in the past has been largely due to this cause; and so long as it continues to exist similar depressions must continue to recur.

13. *Resolved*, That the members of the National Association hereby pledge themselves to resist any revision of the tariff which fails to recognize the needs and the welfare of their industry as herein set forth.

STATEMENT OF T. C. SEARCH.

Mr. T. C. SEARCH, of Philadelphia, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I am here to represent the Manufacturers' Club of Philadelphia, and in doing so I shall be, as far as I know, in harmony with the gentleman who preceded me. I shall possibly reiterate very considerably what he has said.

At the last agitation of the tariff, which was during the preparation of the Senate bill, and even before that time, the manufacturers of Philadelphia had arranged among themselves and had printed a schedule which they thought should be applied to the compensating duties or as a compensatory duty for the duty on wool. That schedule has for the first time been presented to the public to-day, because for the first time it has been before the committee in time to have it properly considered and properly agreed upon. The manufacturers of Philadelphia are not at all opposed to a duty upon raw material, nor are they particular as to the amount of that duty upon

the raw material. They believe that is a matter which can safely be left to this committee of Congress to fix, because they believe it entirely possible that the compensating duty upon the manufactured goods can be made in such a manner as to fully protect us in the use of that material. We go a little further than that in regard to the wool duties, and say we believe it is for the best interests of this country that there should be a duty on wool. Our reasons for making that statement may be embraced in this statement, that we believe in the protection of all classes of industry where they come in contact with foreign competition, as far as it is possible to protect them. They believe that the wool-grower is compelled to use a high-priced labor in the production of the raw material. They believe that that high-priced labor, while it may not be in volume as much as used in the manufacture, yet it has been enhanced in price for what they do use and to as great a degree as the labor we employ ourselves. Therefore we think it is right that they should be protected in the employment of that labor, so that they may grow these wools in this country as far as possible.

To make this point a little more clear, I will go back to my own experience and tell you what I know about that point of agricultural labor. I was brought up on a farm. I worked on a farm until I was twenty-two years of age, and I took all the hard knocks that belonged to it; and I suppose I grew up pretty strong under the influence of those hard knocks. My father was a farmer, and I recollect very distinctly he used to pay for the best laboring man he had in his employ \$100 per annum and board. I recollect it very distinctly. I also recollect the time when he was compelled to pay \$110 in order to retain the services of that laborer, and it made a sensation in the community because he had to do so. Now I have a brother engaged in farming to-day, in Pennsylvania, and I know this, that to-day he is paying for a man no better than that man I spoke of \$240 per year, and boarding him, as we call it. That shows how much labor has advanced in these latter days, and it shows the reason, in my mind, why the agricultural community needs protection wherever protection can be applied, as in the case of the wool-grower. I have reason to believe that what I have stated to you in regard to the increase of wages which we manufacturers know has taken place in our business as well—I have reason to believe that what is true of our locality is true of the whole of this country of laborers of all kinds, and applies to every man, woman, boy, and girl, that we employ in our manufactures; believing that as I do, and as the association which I represent does, we do not have any hesitation in saying we believe the wool-grower ought to be protected. We believe also that as he knows more of the measure of protection needed to do his work, just as I think we know what measure of protection we need to carry on and prosecute our work more than other people who are not engaged in it. We are perfectly willing to leave the statement of that whole question between the wool-grower and Congress, and say that they have the moral support of our association that they should be sustained.

Now, having made that point, the thing is what do we want? It has been stated to you by Mr. Whitman. For the first time we can come to you and lay down what we consider might hereafter be used very judiciously and practically as the law, when we say for every cent per pound on unwashed clothing wools and wools of the first class, for our yarn industry, our home yarn manufacture exclusively, we need three and one-half times that amount of protection. Whether the wool-grower gets from you 10 or 20 cents, three and a half times that protection is necessary for us.

Mr. GEAR. Do you make a pound of yarn out of $3\frac{1}{4}$ pounds of wool?

Mr. SEARCH. That is the idea. I wish to state a little further on so you may see we are on the safe side, that the duty on scoured wool to-day is 30 cents a pound. The expense contingent on getting that wool here is probably 2 cents a pound. That means 2 cents a pound on the scoured wool. If it was unwashed wool from a foreign port shipped to our country it would cost from $1\frac{1}{4}$ to 2 cents extra duty on the unwashed, which would enhance the duty on the scoured wool, and pays 5 or 6 cents a pound. Therefore 36 cents a pound is three and a half times the duty on wool that sells for 10 cents. That is the reason for it. Shorn of every other idea which might obscure it, plainly stated, that duty on scoured wool is 30 cents a pound. The duty upon the wool that I get scoured would be 35 or 36 cents.

So I say that we are not transcending the bounds of common justice if we come here to make this statement to you as we have done to-day. Going a little further than that, we know there is an average loss from yarn in the cloth. I know when I send a pound of my yarn to the manufacturers (some of whom are here to-day who use my yarn), I know they can not possibly get a pound of cloth out of that pound of yarn. It is impossible for them to do that. There is a loss, and a loss in other operations. I send them a pound of yarn, and the first thing they do is perhaps to dye the yarn in the condition in which we are sending them to-day. They will take them off on spools, and in the spooling there is a loss which amounts to more than 1 per cent., and in many cases in the dyed yarns, some colors much more than that; but it is at least 1 per cent., and in the spooling of these dyed yarns there is a ten-

dency to break the thread and make ends, all of which is so much waste, which is worth very little. After putting them into the loom there is still further operation and loss in the loom and waste. After you get the cloth made, it goes through the shearing and finishing, all of which involves loss in weight of the material which we have sent to the manufacturer. This loss in weight has been pretty fairly investigated by the members of our association, as well as the individual members of the national association, and they are fully agreed that no less than four times the value of the pound of wool should be considered in that case. And this is the reason we come before you, and ask that four times the duty on first-class wools be applied to the manufactured article. When we get the clothing made, you can readily understand that when you take a pound of cloth and endeavor to get out of it a pound of clothing there is a very great waste of course. It is impossible to go through a pound of clothing, all the ins and outs for the sleeves, for the backs, all operations connected with the trade in making these garments, without a loss. They have figured down that a duty required to compensate those people is four and a half times the wool duty.

Now, gentlemen, we think that might almost pass into history as a law so long as protection is given to the wool-growers. For every penny given to them, you should make these rates applicable to us, and then no matter what may happen you will be in the right position, and we can live. To do over again the wrong that has been done us since 1883, I can not impress it upon you too strongly. Immediately after the law of 1843 was passed I commenced a sort of pilgrimage to try and see if I could not get rectification. At that time we were apparently prosperous. We had not yet got into the trouble we are in to-day. Why? Because goods of less than 60 cents a pound could come into this country for 18 cents a pound. Yarn could come in here for 18 cents a pound, and you ask me to pay the wool-grower 10 cents a pound for unwashed or 30 cents a pound on scoured, making this 35 or 36 cents on every pound of yarn. It threw us into a swamp at once. As soon as it was found out by our friends across the water, that this thing was unequal in its operation, we had such a struggle that I do not think any industry passed through that is living to-day. They did put these goods in at 18 cents a pound, and we bought similar material, identical with it, and paid 35 or 36 cents a pound for it. What has been the result? Do you believe we could make money? Not at all. The result has been a positive loss right straight along for the last three years. That loss has gone to a very considerable extent, and it has gone so far recently that manufacturers have their paper on the financial market scrutinized to an extent they never knew of before. Statements of their ability to pay have to be pinned on the application to the public. What has been the result? You know the history of our industry and those which are kindred to it. Within these last six months particularly the wrecks of the firms that have gone down strew the whole country on this side of the mountains, in the section where these industries are principally engaged in.

Now, whatever may be the existing state of things, we have decided on the ratio of computation which we think should go into the law of the future. When the law was passed I was down here and I took it up, and after reading it over I said, "This will never do"; but they did not believe me. They did not know; they did not have the experience. I tried to have this condition of things avoided, but I could not do so. In this case we have made a very close computation. It has been a reasonable computation straight through, and we think it is equally just to everybody. If you give the wool-grower a duty, you should give duties on the manufactured and clothing goods in the ratio we have given.

Mr. McMILLIN. Do you favor an increase on the wool duties?

Mr. SEARCH. I do not object to having what the wool men ask for to-day. We can get along if our compensating duty is fixed right. I do not think it will make a particle of difference to us. I think it will not interfere with our business a particle. It will cost perhaps a little more, but very little more.

Mr. McMILLIN. That increases the cost to the consumer?

Mr. SEARCH. To that extent, it is true, but it is very little. Now, as to the cost of labor. We have been through an investigation of this labor business pretty extensively, and we have agreed among ourselves, and as has been stated by Mr. Whitman very forcibly, that the yarn industry should be given 40 per cent. and the cloth industry should be given 50 per cent., and the clothing industry be given 60 per cent. that it will enable the different industries to use the production.

If our production is good for anything it is good for something, and the man who makes the cloth ought to be able to use it. He can not use it unless he has an advantage over the foreigner in protection, because he pays upon that, recollect, additional labor, and that additional labor should be protected in order that he may put it there. After he has made the cloth the clothing man is exactly on the same basis. Unless the man is protected who used the cloth he can not use it. We think, therefore, these contingencies are settled by this schedule, and if it is used we will be in very good shape. Now, then, I take it this way: When gentlemen get together to

pass a law, if they can agree upon a basis upon which that law is to be based and upon the very best data the manufacturer has to give, it is a very simple thing for them to place the necessary protection they may need. But I have heard it stated here in the halls of the House, when there was a basis that was admitted as a basis by the legislators—at least some of them—and when an effort has been made to put a knife in here, and here, and here, it is to see if he could not find some places where he could shear that thing off in some particular without seeing or knowing whether it was the proper point, or taking into consideration its effect upon the dependent interests.

Now, section 353½ of the Senate bill would make that clause read as follows:

“Woolen or worsted yarns made wholly or in part of wool, worsted, the hair of the goat, alpaca, or other animals, the duty on unwashed wools of the first class, three and a half times the duty on unwashed wools of the first class, and in addition thereto 45 per cent. ad valorem.”

It would make the section following that read like this:

“Woolen and worsted cloths, woolen and worsted shawls, and all manufactures of every description made wholly or in part of wool, worsted, the hair of the goat, alpaca or other animals, not specially enumerated or provided for in this act, four times the duty on unwashed wools of the first class, and in addition thereto 50 per cent ad valorem.”

It would make clause 358 read as it reads in the clause exactly, only instead of 45 cents a pound it would be four and a half times the duty on unwashed wool of the first class. Then we might put the 60 per cent. ad valorem. In section 359, the part which refers to “cloaks, dolmas, jackets, talmas, etc.,” would be exactly the same thing. We can say that is a clear statement of the case as we make it up. We believe that to be strictly and entirely right and just, and it is because it is so we ask it. We ask that with the understanding, gentlemen, that this is right from these figures. There ought not to be a fraction of any per cent. shorn off so long as labor is what it is in this country to-day.

MR. BRECKINRIDGE. This is not the rate of the present compensatory duty?

MR. SEARCH. Not at all. The compensatory duties are not compensatory.

MR. BRECKINRIDGE. You are aware the present compensatory duties were stated by those who represented the woolen manufacturing industry at the time these duties were laid to be fully compensatory, and that they were compensatory for taxes on wool?

MR. SEARCH. In the present duties?

MR. BRECKINRIDGE. Yes.

MR. SEARCH. I am not at all aware of it.

MR. BRECKINRIDGE. You are aware that it was stated in their official communications at that time—I cannot turn my hand to it at the moment—that they said these duties were entirely compensatory for taxes on wool?

MR. SEARCH. No, sir; I have no idea that they said any such thing.

MR. BRECKINRIDGE. Are you not aware that they put that as a compensatory tax?

MR. SEARCH. I am, but not as we ask for it at all.

MR. McKENNA. You do not mean to say that the present law has sufficient compensatory conditions in that regard. But it is or ought to be compensatory.

MR. SEARCH. Oh, no.

MR. BRECKINRIDGE. It might not be amiss to have you explain that point a little. All the older members of the committee are aware that these representations, according to official documents of the woolen manufacturers at the time these taxes were laid and in subsequent hearings here, held that this was entirely compensatory for taxes on wool. [To Mr. Search.] It might be well for you to show just exactly how it is the present rates you suggest are necessary.

MR. SEARCH. I thought I had made myself clear in saying the basis should be the three and a half rate.

MR. BRECKINRIDGE. You stated it as a conclusion, but you did not state the proofs.

MR. SEARCH. I thought I did. I stated this, if you will recollect, that the scoured wool duty to-day is placed at 30 cents a pound, and on unwashed wool—

MR. BRECKINRIDGE. I am not disputing that proposition. I am only calling attention to the discrepancy in regard to what is now considered a compensatory tax, and which you generally propose as a rate.

MR. SEARCH. Certainly, there is a large difference there.

MR. BRECKINRIDGE. The reason for this discrepancy or increase has not been explained, only the plan has been given to us. I agree with you that the tariff should have a logical and rational rate of adjustment.

MR. McKENNA. He gives his formula, and from that deduces there should be so much compensatory duty.

MR. BRECKINRIDGE. My point is, the statement he makes in regard to compensatory duty is quite different from the amount, as stated here before by the manufacturers, that entered into a pound of product, with no explanation of the difference.

Mr. McKENNA. It just happens in regard to this end of the table, where many of us have not been members of the committee before, we do not know what was done previous to this time as to the relative amount of compensatory duty. He is only giving his conclusions, which lead him to fix this compensatory rate, and we can compare the statements afterwards when we take the matter under consideration in endeavoring to arrive at a proper compensatory rate. [To the witness.] Have you concluded your remarks?

Mr. BRECKINRIDGE. I wish to say that it suggests itself to me that inasmuch as I discussed the discrepancy between the two statements, it might not be amiss for him to explain why he thinks he is right and the present law wrong.

Mr. SEARCH. I will explain it again, and in explaining I will merely reiterate what I have already said. I said the duty to-day on scoured wool since 1869—I believe a very much longer time—has been three times the duty on unwashed wool, and you are aware that yarns and cloths are made of scoured wool. Three times 10, which is the duty to-day, is 30 cents, and 30 cents being the duty on scoured wool, how can we take a pound of that wool and put it in the yarn for less than three and a half times the rate on wool?

Mr. BRECKINRIDGE. But that is not the point at all, and I have no dispute with you on that question, but it is purely as to the fixing of this compensatory rate.

Mr. SEARCH. Yes, sir, it has been wrong.

Mr. BRECKINRIDGE. Wherein is it wrong? You may have a higher tax on the raw production than the finished product. The result of that would be that you want to increase your protection on the finished product.

Mr. SEARCH. Yes.

Mr. BRECKINRIDGE. But the present compensatory duties have been stated, so far as the mere compensatory part of them is concerned, as being adequate.

Mr. LAFOLLETTE. He declares that to be inadequate. That is what he said.

Mr. BRECKINRIDGE. He speaks of 4 pounds of wool going into a pound of product. We have been told here that 3 pounds was the maximum.

Mr. McKENNA. We will have to take the gentleman's statement, and if he contradicts anybody else, that will be a matter of subsequent consideration.

Mr. SEARCH. The tariff of 1867 was based upon the same statement I am making to you now, about four and a half times the wool duty being necessary to protect their industries. It was in the tariff of 1867, and it was changed in 1883.

Mr. BRECKINRIDGE. If I misunderstood you, proceed with your argument.

Mr. SEARCH. I would say there was some oversight on the part of all parties concerned, because, if you will recollect, that fall after the passage of this law of 1883 all wools were much higher than they are to-day. The duties upon goods and yarns were not supposed to reach 60 cents for this material at all. They were never supposed to go into the 60-cent schedule. Eighty cents was supposed to be the lowest; yet I recollect when the present law fixed it at 30 cents a pound and 35 per cent., between 60 and 80 to-day, it fixed 24 cents a pound and 35 per cent ad valorem. That 24 cents I fought with all the power in me; we said 24 cents was not compensatory; we never dreamed that we would go into the 60 cents limit, but the reduction came and they dropped into that class. That 24 cents was wrong.

Mr. BRECKINRIDGE. I am aware of these inequalities.

Mr. SEARCH. That ought to have been at that time not less than 30 and above, at 35, what I am asking to-day. We had under the 1867 tariff 35 per cent. protection ad valorem. The price of material fixed under that tariff made 35 per cent. ad valorem, better for protection labor purposes than 50 per cent. is to-day, which we ask for. There is quite a valid reason why you should raise that ad valorem. If you can find that our import has in anywise decreased, then you can have a reasonable right to a lower rate of ad valorem to meet them. But when you find the statistics do not bear you out in any such assumption, what is the right and wise thing to do? Raise the ad valorem protection. Why? So as to regulate and enable us to make our product. That is what we ask. Now, we are looking to have something like they have in France apply to this country. What we ask for to-day we ask for because we think it is wise, and we ask it to keep our production on a par with other countries.

France seeks out her manufacturers and gives them a duty which enables them to compete against the world and even against themselves, and that is what I think our people ought to do here. You ought to consider that the manufacturing industry of this country is an industry that requires a labor worthy of preserving and building it up.

Mr. McMILLIN. Is not the rate imposed by our Government on the woolen fabrics higher than France?

Mr. SEARCH. Not at all. I can tell you the French rate very near in American currency. It comes within a few fractions.

The CHAIRMAN. State it if you please.

Mr. SEARCH. Yarns that are No. 20 and better in France are protected by a 4-cent rate of duty specific, where we are obtaining here simply an ad valorem. This goes up

to 80 yarn, and there it is 11 cents a pound. On the quality which our cloth manufacturers are making here, the French tariff says if they weigh 12 ounces or less they shall be 19 cents. The heavier the goods they do not cost so much, and they do not ask so much. Goods of, say, 16 ounces, would pay 14 cents. When yarns are dyed out of France and you attempt to bring them into France, there is an extra 1½ cents a pound put on them. If we had time to formulate a specific tariff, it would be the best tariff the country ever had. Forty per cent. sounds big to a great many people, but it does not convey much meaning. And it would be much better if absolutely stated in dollars and cents.

Mr. McKENNA. We are only required to legislate for two years.

Mr. SEARCH. Now, gentlemen, I want to refer to some other alterations made in the Senate bill, and say they have our sanction.

"Top yarns." We believe we have suffered as much by that as by any other one thing. I was over in England at the time, and a man approached me over there, whom I knew in a business way quite well. He said to me, "Why will you not undertake to sell this waste on your side. I am in a position to furnish you with the material. I am in a position to get it at first hands, and you ought to go into it because you can get it into your market at 10 cents a pound, and you can reap a good reward for it." I said to him, "It is contrary to the genius of our law," and I declined absolutely to have anything to do with it. Notwithstanding that, I have seen it come in through the custom-house, and you may see in almost every ship-load that material landed here for very much less than I could buy wool and make the same things.

Mr. BRECKINRIDGE. Where is that produced?

Mr. SEARCH. On French machinery. I do not know that I can tell you.

Mr. BRECKINRIDGE. What is this [picking up piece of sample]?

Mr. SEARCH. This is thread waste. This article of waste is made only upon French machinery.

Mr. BRECKINRIDGE. Is that made as a direct product or is it waste?

Mr. SEARCH. When I was in England a gentleman told me he was making this as a direct product, and asked me to undertake to sell it, which I declined. It is made as a direct product on French machinery.

Mr. McMILLIN. It is really a waste on some machines.

Mr. SEARCH. It is a waste to that degree.

Mr. BRECKINRIDGE. Is that made as a direct product for the purpose of coming in under the law?

Mr. SEARCH. Yes; that is the purpose especially. It is very difficult for me to describe this article. It would be impossible for me to undertake the thing without your going through my mill and my showing it to you. If you would give me the opportunity, I would take pleasure in showing you the machinery put in there in the last three years. As I told some gentleman last night I had never been sorry but once, and that was when I put this machinery in my mills under the present law, because the outlay was enormous. It is possible for me to make the product as cheaply as any one, but I have been discouraged at every turn. If any gentleman should come to Philadelphia, which is not so far away, I will be glad to show him the entire business, and how it is done.

Mr. BRECKINRIDGE. Has there been any increase in the plants of the woolen industry in any parts of the country?

Mr. SEARCH. No, I should say not. I increased my own, as I said, about four years ago.

Mr. BRECKINRIDGE. In what section of our country has the closing of mills been less marked?

Mr. SEARCH. As far as I can understand, I suppose it has been in Providence, R. I., and Philadelphia.

Mr. BRECKINRIDGE. In what sections of the country has the increase of woolen machinery been most extensive?

Mr. SEARCH. I think it has been very slight. I can think of no great building of woolen mills in the time I speak of.

Mr. BRECKINRIDGE. There has been no marked increase in our country?

Mr. SEARCH. No, sir.

Mr. BRECKINRIDGE. No increase in the West?

Mr. SEARCH. Not materially. I think the thing has been in a position where those people who have made increases have regretted it.

Mr. BRECKINRIDGE. But the depression has been more marked in the East than in the West?

Mr. SEARCH. I do not know that it has. Now, there is another point. Section 353, which says, "All wools and hair of the alpaca, goat, or other animals which have been advanced by any process of manufacture beyond the washed or scoured condition, not otherwise enumerated or provided for in this act, shall be subject to the same duties as are imposed upon manufactures of wool not specially enumerated or pro-

vided for in this act." It might be well to have it definite on this subject, in regard to this top business.

One other thing I wish to call attention to:

"Button forms, lastings, mohair cloth, and other manufactures of cloth woven or made in patterns of such size, shape, or form, or cut in such manner as to be fit for buttons exclusively, 10 per centum ad valorem."

We ask that that clause be stricken out absolutely, and our reasons for it are these: There is a tariff for buttons and button forms, and such a change has taken place that a number of buttons are imported under this clause of button forms that are made of wood and others that are made of soft material, worsted and cloth, and made in the button shape, which come over in that shape, and they are dutiable at 10 per cent. when the material that comes over here to make them with, we ask, to have put at three and one-half times the duty on wool. We ask that that be stricken out. One other thing we wish to call attention to now, and then I believe I am done, except to say that we agree entirely with the changes that have been offered to you upon dress goods. We have some large manufacturers of dress goods in Philadelphia, and we are in accord with them, believing that their own industry will be receiving an impetus at once by only adopting and changing a part of that clause, which will give them an opportunity to make the same material that is now coming over in such enormous quantities. The reasons have been stated before.

Now, I want to call attention to article 360. I wish to notice this subject, Mr. Chairman, belonging to this schedule, knowing that the parties are present themselves who wish the subject introduced, that they may discuss it before you.

ADDITIONAL STATEMENT OF T. C. SEARCH.

1. The word "camel" is introduced into this clause in order to include a class of animals producing hairsuitable for combing and carding purposes which may be used in making cloth of a fine texture, such cloth competing with and supplanting an equal weight of our finest wool cloth, and to that extent multiplying the protection that otherwise is supposed to be granted to the producer of wool. If protection on wool is intended to be of a vital and specific character, then such classes of materials as are here alluded to should not be on the free list, the honest intention of which is to permit free entry to materials not grown or found here only when such admission does not do violence to an industry already supposed to be protected. The admission free of duty of camels' hair is one of that class which should be made dutiable in order to give force and vitality to the protection afforded to the wool-grower.

4. The phrase "excepting improved wools hereinafter provided for" is introduced for the purpose of making paragraphs 5 and 6 effective. These two paragraphs (5 and 6) provide for an increase of duty through reclassification, whenever the character of the wool becomes so changed by the admission of Merino or English blood, and it is therefore plainly necessary that the exception hereby noted in paragraph 4, should be inserted to vitalize paragraphs 5 and 6.

Five and 6 will, with the explanation offered to No. 4, be fully understood. Yet it may be said that there is nothing more easily accomplished than the changing of the character of the wool. The first cross of a Merino or an English sheep with native wools changes the whole character of the fleece quite decidedly, and the second cross usually gives a line of demarcation so strong that the entire character of the wool is altered. In other words, carpet wools may be so changed by the crosses above mentioned in one or two seasons as to make them purely the clothing wools of class 1 or 2. Under such circumstances, and with the knowledge that importations of so-called carpet wools have been used for other than carpet purposes, it is manifestly the proper thing at this time to not only provide for such contingencies, but to remedy the evils of the present importations, all of which, it seems, can be fairly accomplished by these two paragraphs.

8. This paragraph is introduced for the purpose of defining the condition of wool to prevent custom-house abuses, fraudulent invoicing, etc. Hitherto these terms have not been well defined and much trouble has resulted. Scoured wool, or what may be termed as such by fair-minded traders everywhere, has been declared to be only washed wool, and this claim has been set up as a just and valid one that should be applied in all cases when the wool is not scoured absolutely clean, whereas it is well known that absolutely clean wool is a rare article of commerce or of manufacture, and it would probably be very difficult to prove its identity. It has been proposed to limit scoured wools to within certain fixed degrees of shrinkage, but this would involve the maintenance of costly scouring and cleansing facilities by each custom-house and of men expert in this branch of the trade, and therefore it would be impracticable; and for the same reasons washed wools are not to be considered to be wools of any given shrinkage. This paragraph gives the simple definition for

washed and unwashed wools which is prevalent everywhere and so understood by all wool merchants and wool manufacturers. All scoured wools are wools made so after being shorn, and there is no difficulty in determining this fact of "scouring after cleansing," since the process so disarranges the fibres from the original condition and breaks up the fleece in such a manner as to inevitably show the attempt to cleanse after shearing.

The adoption of this paragraph would be of the greatest value in preventing disputes as to double, or triple, duty and totally avoid the unpleasant friction so often engendered by the absence of well-defined laws.

A. Wools of the first and second classes pulled from the pelt, otherwise known as pulled wools, shall be deemed to be washed wools.

This clause has especial reference to wools that are more or less cleansed during the operation of pulling from the pelt, as these wools can not be completely scoured while on the pelt before pulling, and yet are not, strictly speaking, in the unwashed condition; by reason of the operation referred to, it follows that they naturally should be relegated to the intermediate condition of washed wools. They are limited to the first and second class, since they could only seriously affect these two classes.

9. This phrase, "as now and heretofore practiced," has been used to protect many questionable transactions and was introduced into the tariff many years since—so long ago, in fact, that its real value is very traditional. It is quite time that it be deemed an obstruction and thrown out.

No one knows just when or where the claim may be set up by an importer of "now and heretofore practiced," and if the matter should refer to an almost forgotten transaction, it would be difficult to disprove its binding effect, besides, there is a very well settled opinion in the minds of interested people that many questionable things have occurred, which are always liable to be the ground work of similar transactions, and this ought to be avoided. A tariff should be based upon the definite transactions of customs of to-day, and not have its active influence resting upon obsolete methods of a quarter century already past. The bill before us requires no such phrase to make it effective.

A and B need no argument; they simply make dishonesty less easily practiced and are no bar to the honest man.

10 reads the same as Senate bill, excepting the word camel is introduced for reasons heretofore given.

11 and 12. In the propositions finally submitted by the representatives of the carpet manufacturers, when in this city at the time of the hearing of the wool growers and woolen manufacturers before the Ways and Means Committee, this proposition was made on Friday by the carpet manufacturers and accepted Saturday afternoon following by the growers.

The 8 cents duty was asked for by the growers so as to protect their common and quarter blood wools from the injurious competition of a high grade carpet wool, so-called, of which we have the best of evidence, that several million pounds annually are used for other purposes than the manufacture of carpets, and to protect the growth of the best carpet wools in the country. In order that this rise of 3 cents per pound in this class of wool might not operate to the disadvantage of the carpet manufacturers the limit was finally fixed at 15 cents per pound. This conclusion will admit a larger selection of the cheaper wools at $2\frac{1}{2}$ cents duty, but while doing so, it is believed that it will materially aid in the protection of the lower grades of wool now grown here, and that the grower will be fairly compensated for the liberality extended to the low class wools. The words "excluding charges in such port" are cut out, this being part of the understanding between the growers and manufacturers.

13. Unchanged.

14. Noils and shoddy are introduced into this clause on account of their value in the world's markets being such as to seriously interfere with the wool values unless protected by much more than a 10 cent duty.

The term shoddy has grown to be so elastic that it is dangerous to leave the expression in a low duty clause, since attempts will surely be made under that name to introduce material not now known as shoddy under that heading. Some classes of shoddy can scarcely be distinguished from garnetted wastes—such shoddy as is now known as white-yarn shoddy, or white knit goods shoddy, is not inferior to wastes of the garnetted variety. It would therefore seem manifestly a grievous error not to provide for the proper placing of this article where future difficulty could be avoided.

15. The argument for placing shoddy in 14 applies to cutting it out of this.

16. This provides for advanced processes of manufacture, and is intended to prevent any material which the cheaper labor of foreign nations has increased in value, but yet which has not assumed the definite form of the finished products that are named, or alluded to, in this bill. Wool tops are of this character and they have sought entrance to our markets under the guise of scoured wool but have hitherto been con-

demned. This clause would defeat any contemplated effort against our industries by such underhanded process.

17. The object in fixing the duty in this clause at three and one-half times the duty on a pound of unwashed wool of the first class is to enable the manufacturer to recomp himself for actual duty paid to the Government as protection on wool. Yarns are the product of scoured wool, which has a triple duty besides the importing expenses of 2 cents per pound. One pound of scoured wool will not make a pound of scoured yarn, either woolen or worsted. The almost worthless card waste and shrinkage effectually prevents it. Besides this, these wools make 15 to 20 per cent. of noils, the best of which only bring 50 cents per pound on the market, and as 35 cents has already been paid to import a pound of scoured wool, it follows that the actual net results realized on these noils over and above the duty paid is only 15 cents per pound, while in the foreign markets, with free wool, a similar noil is worth 40 cents to 45 cents per pound. This plainly shows that unless three and one-half times the unwashed wool duty be given to the manufacturer to offset the wool duty he cannot be re-imburshed for his actual outlay to the United States Government on his raw material; and, furthermore, so much injury and pecuniary loss has resulted to the manufacturer from the specific duty having been at times changed, seemingly without reason and certainly without a proper understanding of the facts, that now seems a proper time to introduce a new form of specific duty which will be applicable to any duty that may now or ever be placed upon unwashed wool of the first class.

This wording will accomplish everything in that direction and especially so since it is proposed now by the grower to abolish the sliding scale of 10 and 12 cents on unwashed wool and introduce instead one of 11 cents. The sliding scale of rates on yarns is also omitted, since we have seen the finest of wools and worsted yarns drop into the 60-cent limit during the last four years and, in fact, approach 50 cents very closely. The only cure for this is to abolish the sliding scale; this simplifies the collection of duties amazingly, and will avoid much of the re-appraisements now ordered, since the effort made to drop into the new scale, whenever the market gets within 2 or 3 cents of such a limit, in order to get the benefit of lower duties, is sure to result in fraud and under-valuation. The abolition of the sliding scale effectually cures this. There is everything in favor of a single rate of duty on yarns and goods.

19 and 21. It is well known that we produce nearly all the cheaper forms of material used, and that nowhere is cheaper clothing to be found than in our country; so that competition among ourselves effectually fixes the price here, and higher-priced goods, which have a much larger element of labor in them, are the ones which are working us untold injury to-day, and besides, they are the goods which the progressive manufacturer delights to make and should be protected in making. These are the goods sought to be protected by the single-rate schedule here given, and if our manufacturers are given a proper protection they can produce immediately, without any delay, any style of goods that can be manufactured in the world. We have the machinery and the workmen; all we want is a chance.

18. This paragraph refers to cloths and all manufactures of wool not otherwise provided for, and the schedule rate is a single one also, and for the same reasons as given for 17. The compensating duty is given as four times that of a pound of unwashed wool, and is so fixed because of the inability to get a pound of cloth from a pound of yarn on account of the waste incidental to dyeing, reeling, spooling, sizing, weaving, and finishing of goods. It requires such a distinction in the specific rate to enable the cloth manufacturer to use the product of the yarn manufacturer. This paragraph has also 10 per cent. ad valorem duty more than the one preceding, which is given to cover the cost of labor, as it has been found that where so much labor is involved, as in the making and finishing of fine cloth, 40 per cent. is entirely insufficient, hence the naming of 50 per cent. Labor is as high to-day as at any time since the war; under the old schedule 35 per cent. was allowed to cover this difference. During this time wool was nearly, if not quite, double its present value, and 35 per cent. carried as much protection as 70 per cent. on the low-cost material of to-day. There is, therefore, every reason why the manufacturer of to-day can not possibly sustain himself on anything less than 50 per cent. and prosper. We are daily growing more and more in competition with the cheap labors of France and Germany, and even with 50 per cent. there remains a grave question as to its sufficiency in the near future.

19. Women's and children's dress goods, etc. The text has been somewhat changed to make the description more precise and comprehensive, and the duty if under 4 ounces per square yard placed at 8 cents per square yard, and 50 per cent. ad valorem; but if the weight be over 4 ounces per square yard, then the duty is the same as on cloth in the paragraph preceding.

20. Is similar.

21. Ready-made clothing, etc. The text has some slight changes; the duty has been fixed at four and one-half times the duty on a pound of unwashed wool and at 60 per cent. ad valorem. It is a well-known fact, and an apparent one to all, that a

pound of clothing can not possibly be made from a pound of cloth, since the loss incidental to forming a garment is very large, and the waste cuttings are only suitable for mungo, and are of little value compared with the cloth.

Four and one-half pounds of wool to 1 pound of clothing is entirely reasonable, and no better method could be devised to protect, and yet not over protect, the clothing manufacturers whose raw material is cloth, and who should be enabled by proper statutes to use the cloth of our own looms. His *ad valorem* duty should also be increased so as to insure the accomplishment of such result.

Such a graduated scale of duties as is here contemplated would enable each industry to use the product of the other, and result in building a harmonious, logical, and reasonable tariff, working not only for the manufacturer, but for the laborer.

22. For same reasons as 21.

23. Webbing, etc. See braid manufactures, report herewith.

24, 25, 26, 27, 28, 29, 30, 31, 32, 33. Unchanged.

34. Omitted, being included with other manufactures of wool.

Schedule N—390. Cut out.

433. Cut out.

439. Cut out; already provided for.

STATEMENT OF ALEXANDER E. KURSHEEDT.

Mr. ALEXANDER E. KURSHEEDT next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, Mr. Search has made my task very easy so far as the general argument is concerned, so I will confine myself to reading the memorial of the Braid Manufacturers' Association:

UNITED STATES TARIFF LAW—APPLICATION OF THE BRAID MANUFACTURERS' ASSOCIATION OF THE UNITED STATES FOR A REVISION OF THE SCHEDULE AFFECTING MANUFACTURES OF WOOL, AS ESTABLISHED BY THE SENATE BILL, WHEREBY HEAVIER DUTIES ARE IMPOSED ON MATERIALS USED IN THEIR BUSINESS THAN ON THE FINISHED PRODUCT.

THE SENATE BILL PROVISION.—In the Senate bill, section 360 of Schedule K reads as follows:

"Webbings, gorings, suspenders, braces, beltings, bindings, braids, galloons, fringes, gimps, cords, cords and tassels, dress trimmings, head-nets, buttons, or barrel buttons, or buttons of other forms for tassels or ornaments, wrought by hand, or braided by machinery, any of the foregoing which are elastic or non-elastic, made of wool, worsted, the hair of the goat, alpaca, or other animals, or of which wool, worsted, the hair of the goat, alpaca, or other animals is a component material, 40 cents per pound, and in addition thereto 50 per centum *ad valorem*."

THE REVISION WE DESIRE.—We ask that section 360 of Schedule K be amended to read as follows:

"Webbings, gorings, suspenders, braces, beltings, bindings, braids, galloons, fringes, gimps, cords, cords and tassels, dress trimmings, laces, embroideries, head-nets, buttons, or barrel buttons, or buttons of other forms for tassels or ornaments, wrought by hand, or braided by machinery, any of the foregoing which are elastic or non-elastic, made of wool, worsted, the hair of the goat, alpaca, or other animals, or of which wool, worsted, the hair of the goat, alpaca, or other animals is a component material, 75 cents per pound, and in addition thereto 50 per centum *ad valorem*."

To the Committee on Ways and Means of the Fifty-first Congress:

GENTLEMEN: We, the Braid Manufacturers' Association of the United States, respectfully represent to your honorable body the necessity for a revision of the tariff affecting manufactures of wool, as established by the Senate bill. This revision is asked for on the following grounds:

(1) That the tariff imposes a heavier duty on materials used in our business than is imposed on the finished product;

(2) That we are thereby debarred from the use of materials grown and machinery manufactured in this country;

(3) That equity demands the extension to us of a protection commensurate with that enjoyed by the home makers of the materials we consume.

The braid industry, we believe, is much more important than is generally understood. With wool alone it is concerned in the manufacture of the wearing-apparel of every man, woman, and child in the United States. It puts the finishing touch to hats, coats, vests, and trousers and all descriptions of underwear, supplies trimming for nearly every article of women's attire, and takes part in the production of rugs, upholstery, awnings, horse-blankets, and an endless variety of other articles in common use. Under the present and proposed tariff laws the bulk of the profits from all

these sources is permitted to leave the country. Our industry is restricted, and foreign manufacturers are enriched at our expense.

Our association represents the entire braid industry, the employment of over \$10,000,000 of capital, and a yearly payment of at least \$2,000,000 in wages to American workmen. Including those employed in collateral branches, these figures would be largely augmented. We have factories in seven States, with facilities for constant operation, and with adequate protection the business is capable of indefinite development in the interest of American capital and labor.

The total yearly consumption of wool in our processes averages on a low estimate 28,000,000 pounds. Of this only about 1,000,000 pounds, or less than 4 per cent., are of American production. Why is this? Is the domestic material unavailable? We answer, no. With a proper tariff our wool and worsted should come to us exclusively in the form of yarn, which is our true raw material, and every pound of it should be purchased in this country. But this unwise discrimination of the tariff forbids. We are compelled not only to buy our yarns abroad, but to pay for their manufacture in Europe, and import them in the form of braids. Our workmen are as skilled and our machines as efficient as those of England, France, and Germany. But although we are on the ground and enjoy the consequent advantages over the foreign manufacturer, we are powerless to meet his competition, simply because it costs more to manufacture the domestic material or import material from abroad than to import the finished article.

The subjoined table will make our position clear. It shows the relative cost of manufacturing from the domestic yarns and of importing foreign yarns for manufacture in America, or as braid already manufactured in Europe. The calculations are based on actual invoices.

Description.	Price in England.	Corresponding grade produced in America.	Braid manufactured in America from American yarn.	Imported as American yarn and manufactured here, present bill.	Imported as American yarn and manufactured here, Senate bill.	Manufactured in Europe and imported as braid, present bill.	Manufactured in Europe and imported as braid, Senate bill.
	<i>s. d.</i>						
combed	1 7½	\$0.70	\$1.10	\$1.05	\$1.25	\$1.02	\$1.12
luster genapped	2 0	.95	1.35	1.23	1.37	1.20	1.30
mohair genapped	3 3	1.50	1.90	1.70	1.87	1.75	1.87
mohair genapped*	6 0			3.16	3.20	3.00	3.10
mohair genapped*	9 0			4.38	4.41	4.35	4.45

* Not produced in America.

What do these figures show? They show (1) that American yarns cost from 6 to 20 cents per pound more to manufacture than those grown in Europe; (2) that to manufacture American yarns costs 15 cents a pound more than to import European braids, and (3) that to import yarns of grades not produced in America for manufacture here costs actually 16 cents a pound more than to import braids manufactured and paid for in Europe. The contemplated increase of the duties on yarns would enhance this inequality. The tariff is alone responsible. The average duties actually collected on the manufactured product is less than 55 per cent. That on yarns, on the contrary, is fully 70 per cent. Harmonious working of the two rates is manifestly impossible. The proposed provisions of the Senate bill carry no adequate relief. They continue the embargo on American brains and industry and offer a 12 per cent. premium to the foreign producer to defend him from our rivalry and discourage the production here of articles of whose manufacture he has a monopoly. Is competition possible under such circumstances? And what has the European producer done to entitle him to such generous treatment at our expense?

The domestic manufacturer of woollen yarns has suffered under a similar disability. The tariff has, however, been revised in his interest by the placing of increased duties of over 80 per cent. on his products. The duties on goods manufactured by us from those products remain practically unchanged. We do not complain of the ratings of imported yarns, and are willing to pay the heavier duties imposed, but what we need and what we think we are legitimately entitled to is an adequate protective and compensatory duty on the finished article.

The members of this association unanimously regard an increase of the specific duty to 75 cents a pound as required by the necessities of the case. On the grades most used this would afford us additional protection of about 19 per cent.—not sufficient to enable us to import foreign yarns in place of the manufactured braid, but

sufficient to enable us to buy yarns in America for less than we can import them, and to employ American labor and American machinery at American prices in their manufacture. The effect would be one of unmixed benefit. The only detriment would accrue to the foreign producer, who now reaps from the unjust provisions of our tariff an advantage denied to us, and the only objection could come from him.

We therefore respectfully request that section 360 of Schedule K be amended so as to read, "75 cents per pound, and in addition thereto 50 per centum ad valorem," instead of "40 cents per pound, and in addition thereto 50 per centum ad valorem," as proposed by the Senate bill.

Per THE BRAID MANUFACTURERS' ASSOCIATION,

H. W. SCHLOSS,
A. E. KURSHEEDT,
H. N. DAGGETT,
Committee.

"360. Webblings, cullings, suspenders, braces, beltings, bindings, braids, galloons, fringes, gimps, cords, cords and tassels, dress trimmings, head nets, buttons or barrel buttons or buttons of other forms for tassels or ornaments, wrought by hand or braided by machinery. Any of the foregoing which are elastic or non-elastic, made of wool, worsted, the hair of the goat, alpaca, or other animals, or of which wool, worsted, the hair of the goat, alpaca, or other animals is a component material, 40 cents per pound and in addition thereto 50 per cent. ad val."

They wish that clause changed so that it will be 75 cents a pound and 40 per cent. ad valorem. They have their reasons for it, and the introduction of this clause is at the instance of the braid-makers' association. They have reduced their argument to print in relation to this matter which they wish to lay before you, and would like to be heard.

I thank you, gentlemen, for your courtesy in listening to me.

STATEMENT OF W. H. FOLWELL.

Mr. W. H. FOLWELL, of Philadelphia, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I simply wish to confirm what Mr. Whitman, the gentleman who preceded me, has said. I am a manufacturer in Philadelphia, and have been so for the last fifteen years. Thirty years ago we commenced business as jobbers. Fifteen years ago and since then we have built our large mills and are now doing a business of from \$2,000,000 to \$2,500,000. We are both manufacturers, importers, and jobbers, and we want to tell you we have had to sledge to get along. You have no doubt been convinced that those gentlemen who preceded me are intelligent men, and you are no doubt convinced that Mr. Search is, who has spoken here. I am convinced that Mr. Whitman knows what he is talking about. He is, I might say, a competitor of mine, and I was waiting for Mr. Whitman to tell what kind of looms he uses, but he did not tell. I say here that we manufacture our own looms; and I say that we make a better loom than anywhere else right in our own shop. I want to say to you, gentlemen, that, being importers of French and German goods, we do about \$1,000,000 worth of business in that particular line. I am especially interested in the importing branch of our business, and I am continually going up with samples of foreign goods to get the manager to repeat them, and I tell you, gentlemen, there is nothing in it. I do not mean to say our labor is too costly; I do not mean we pay too much for our labor, although we pride ourselves that we pay better prices than other establishments. I have the figures in my pocket. But, as I tell you, when we come to pay the labor we are knocked out. That is the gist of it.

I do not come to you gentlemen here as an enemy, but I come to you as a friend. If you are a Southern man I will tell you my ideas. If you are a Southern man and you grow rice, and you say you can not raise rice at 5 cents, I say, "How much will you want?" You say, "2 cents." I would say to you, "I will give you 5," and I believe you would flood the country with rice in five years. I would do the same thing with other articles, whether it be potatoes, turpentine or what. Now, in South Carolina, in regard to the sugar business. I believe you would make more on sugar if you had a little more protection. I should protect it even if I should give free whisky and tobacco; but I would put a very high duty on all foreign whisky and tobacco.

Mr. McMILIN. Would you give free whisky and tax sugar?

Mr. FOLWELL. I would not tax sugar unless it was foreign sugar and competed with the domestic sugar-making industry of this country. Mr. Breckinridge asked a few questions in regard to the cost of labor. If you want to know to a cent I can tell you the difference between the English labor and the labor in our mills for all grades of work. It is just double.

STATEMENT OF MR. JOHN F. PLUMMER.

Mr. JOHN F. PLUMMER, of New York City, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I have listened with a great deal of pleasure and interest to the remarks of the gentlemen who have spoken and I have nothing to add to that except in this one particular: There has been no man here who has spoken in regard to the sort of material which men wear. It has been confined mostly to the question of sheep, wool growing and yarn production, and on the production of dress goods, but of an industry which has reached its highest point, scarcely anything has been said. In regard to it, that is, the rough fabrics worn by men, I have been connected with it personally for over thirty years. I stand in a different capacity before you, since you had the courtesy to ask me to address you, from the other gentlemen who have spoken. I am not a manufacturer; I own no stock of any mill; I am not a wool-grower; I am not a yarn-manufacturer; but I am interested in the American production of men's wear from wool, simply because I have been helping to make it grow. Perhaps no one man has had a longer experience in the development of pure woolsens on the market than myself. I have seen goods at the time I refer to made in the United States developed from their crude form up to what they are to-day, so that I make the statement without any qualification that there is nothing which you gentlemen—I do not care how much money you may see fit to pay for your suit of clothes, whether like my friend, Mr. Flower, who goes to a swell tailor on Fifth Avenue, or not—there is nothing we can not produce better, in regard to excellence of manufacture, etc., than the foreign market, and they can not claim a better line of goods, that is, in regard to texture, in regard to fabric, and in every other way. The only thing that we have to contend against at all is the popular prejudice among the better classes, where the goods are used, against American goods.

Mr. BRECKINRIDGE. Do you refer to the cost to the consumer?

Mr. PLUMMER. I do refer to the cost to the consumer. There is no people on earth to-day where mankind is born naked but who could get his suit of clothes—

Mr. BRECKINRIDGE. Do you agree with Mr. Whitman?

Mr. PLUMMER. I do not agree with Mr. Whitman.

Mr. BRECKINRIDGE. Do you mean to say you know Mr. Whitman is wrong?

Mr. PLUMMER. I do not say he is wrong. You asked some of these gentlemen some questions in regard to some things. I wish you would ask me some questions on some of these subjects.

Mr. BRECKINRIDGE. I expect to ask you a question or two.

Mr. PLUMMER. You ask the gentleman a question as a practical manufacturer, which I do not claim to be, but when you ask about what he thinks about the prospects of the wool-growing interest being interrupted one way or another, and when you ask him what he thinks about trade being extended in foreign markets, that does not require a practical manufacturer to express an opinion upon.

Mr. BRECKINRIDGE. But I want practical views.

Mr. PLUMMER. I will give you practical views.

Mr. BRECKINRIDGE. What is your business?

Mr. PLUMMER. It has been the actual management, so far as the production of woollen sales are concerned, not in the manufacture or production of the article itself, but how and what to make for the market, and the selling of it on the market.

Mr. BRECKINRIDGE. That involves a close study of the prices?

Mr. PLUMMER. Yes, a very close study of the prices.

Mr. BRECKINRIDGE. I will be glad if you will give it, so we may know as to our ability for extending our trade in foreign markets, provided we put on the same level the cost of raw material.

Mr. PLUMMER. I do not think we could sell one yard of goods in the foreign markets. They were the original producers of these manufactures in that country, and they can maintain it to-day against the higher-priced skilled labor of this country. They have the experience of years, and they have had it for that time, and now we are seeking to make our country a manufacturing country instead of a granary.

Mr. BRECKINRIDGE. Why should we not be able with equal cheapness of material to compete with them in the foreign markets?

Mr. PLUMMER. Simply because their labor is so much cheaper than ours, and they could steadily and inevitably force all their competitors to the wall. They send all their ware to the whole world.

Now, there is another question which you asked, and I am going to get you to ask it of me. The question was, what section of the country was most damaged, or the whole United States. Now, I will say New England, which is the home of skilled manufacture of men's ware. Philadelphia makes a great many goods, and is the largest manufacturing city in this country. These dress goods, these yarns, these low-priced materials, and these worsteds are made in that city. You asked a question as to the prospects of making profits on these goods. In regard to piece-dyed woolsens, the mills have been running night and day, yet the importers come here with all sorts

of waste which they get in under this classification, and sell several thousand pieces in the market.

Mr. BRECKINRIDGE. There are one or two other practical points on which we need information.

Mr. PLUMMER. This depression in the woolen mills has been principally in the Eastern States along the Atlantic coast.

Mr. BRECKINRIDGE. Has there been any increase in the manufacture of woolen goods and machinery east of the Alleghanies?

Mr. PLUMMER. Since when?

Mr. BRECKINRIDGE. Within the last few years.

Mr. PLUMMER. What do you mean by a few years?

Mr. BRECKINRIDGE. Five years or ten years.

Mr. PLUMMER. There has been very little.

Mr. BRECKINRIDGE. Has there been any appreciable growth?

Mr. PLUMMER. No, sir; in no part of the country, except a certain part of Connecticut, which has increased where they have founded a large elegant woolen mill. Why? Because it makes the best goods made in this country to-day. To-day there are four mills which make as fine goods as can be made, and they can run those mills provided they have a reasonable protection—such as any man who has any patriotism for his country would give them. I am talking right square at you, Mr. Breckinridge. I say I think America has got the ingenuity and skill which will compare with any other country on the face of the earth. Now all that we want is the privilege of clothing you gentlemen.

Mr. BRECKINRIDGE. Will you charge anything extra for it?

Mr. PLUMMER. We are not charging you as much as a foreigner does. When a foreigner tells you that a lot of stuff is such and such a thing he knows better, but you don't. You swallow it.

Mr. FLOWER. You alluded to the bad-looking clothes I have on. I want to know if there is anything personal in that.

Mr. PLUMMER. I only know you as one of the wealthy Fifth avenue swells of New York, and I know what prices you pay, and I know that such an element of the country as you represent generally have to pay from \$60 and \$70 to \$100 for a suit of clothes.

Mr. BRECKINRIDGE. Is that an American suit of clothes you have on?

Mr. PLUMMER. Yes, sir, and I wear nothing else.

Mr. BRECKINRIDGE. Was that necktie made in America?

Mr. PLUMMER. I do not know anything about that, as I am a woolen man and not a silk manufacturer. I even wear an American hat. If there is an English shape I like better than an American hat, I adopt it, but I make them put that shape in an American hat and make it out of American goods.

STATEMENT OF F. HARTLEY.

152 FEDERAL STREET,
Boston, January 13, 1890.

DEAR SIR: I would have sent the manuscript of the inclosed, but I thought it would be easier for you to read in print. The reason I wrote it was to remind you of the necessity for prompt action. The business cannot prosper whilst there is a shadow of uncertainty over it, and you can do it more harm by long-continued discussion than by removing the duty. Precedents are little use in determining present action. The present condition of affairs and as far as we can see into the future being the only intelligent basis to figure on. When the industry was in its infancy, and needed infant's medicine. It is now suffering from nervous prostration, and the same infant's physic will not cure it.

Yours, respectfully,

F. HARTLEY.

The CHAIRMAN OF THE WAYS AND MEANS COMMITTEE.

FREE WOOL AND POLITICS.

To the Chairman of the Ways and Means Committee:

DEAR SIR: I would like to ask how the Ways and Means Committee is going to unravel the conflicting testimony it has received on the subject of wool and make any practical application of a remedy which will satisfy any of the demands except those of the free wool mer? Whatever rate of duty is decided upon will disappoint either the ad valorem duty men, the specific duty men, the higher duty men, or the lower duty men. The requests made at Washington prove by their conflicting nature the absolute impossibility of their being granted. Somebody will have to be disappointed, therefore it will be well for the Ways and Means Committee to realize at once that the wool business is a very intricate business, full of technicalities. If the workers in it can not understand it enough to be unanimous on any subject concerning its needs, how is it possible for outsiders to do the subject justice? What has the man

who wants higher duties on wool to say about wool being so high abroad that upon many kinds, in fact, almost all except carpet wools, we should find it unprofitable to import them to-day, even if the duty of 10 cents was reduced to 7 cents. Yet with a prohibitory duty wool is a drug on the market to-day.

When business is good here we go abroad for wool and help up the foreigners, but when they have a good trade they keep it all to themselves. The duty on English and Irish wool and on Australian wool to-day is prohibitory, and still the wool business is under a cloud as dense as it ever has been during the last ten years. The grower, the dealer, the broker, and the manufacturer are all under a cloud, as the late numerous failures will prove. A large number of the operators in wool are like a seasick person, who does not care whether the ship sinks or swims. They are thoroughly disgusted with tariff tinkering, and if some definite action is not taken very soon by Congress there will be more failures, wool will be more of a drug than it is now, and the grower will get for next season's clip about what it would bring on a free wool basis. There is hardly any business so susceptible to an uncertain condition of affairs as the wool business. A man can buy cotton unseen, and can always sell at quotations. Every lot of wool must be bought on its merits, and every fleece examined by an expert; therefore, while a man is waiting for an expert to examine and buy his wool, the market can go from under him and leave him with a loss where he saw a profit. Statistics have hardly anything to do with the business. Wool is worth what a man can get for it, and, if his particular customers don't need any, he carries it until they do. The high cost of wool in America, the 6 per cent. interest, and other high expenses, make the carrying of a 40 cents per pound lot of wool for sixty days cost, in interest, storage, insurance, and shrinkage, 1 cent per pound, and this must be charged to profit. It is seldom possible to buy wool with a margin of 2 cents in sight. The Ways and Means Committee will, therefore, see that the most disastrous results can be brought about and a blight cast over the business by inaction, which will produce uncertainty, and really neither growers, dealers, nor manufacturers get the benefit of it.

Large numbers of wool men who voted the Republican ticket would throw their politics to the wind and vote the Democratic ticket and for the Mills bill, if they had a chance now. They say: "Anything to get wool out of politics." If action is not taken promptly, the business will suffer far more than it could by free wool. It is probable that sooner or later we shall have free wool. There has not been a time for ten years when free wool would hurt the grower as little as it would right now, or to take effect July 1. Medium grades of wool, which America grows as well or better than any other country, would sell in Europe and be raised at a good profit to the grower. If I thought it possible for you to place an equitable tariff on wool, I would not have troubled you with this letter. For my own interests, I would just as soon have the duty 10 cents, or even 20 cents, or have none at all. I have been in the business all my life, and I could not take the first step toward suggesting a tariff that would not eventually place me in the position of the old man and his ass—he tried to please every one, pleased no one, and lost his donkey. The easiest way out of the difficulty seems to me to be to remove the duty, satisfy a large portion of your constituents, and nearly the entire body of Democrats and their rapidly increasing members.

The Democrats are still good citizens, although they did not elect their President. I shouted for Harrison, but I will shout next time for either party which will not fetter my business with politics or make it dangerous to try to use any judgment in my business on account of the natural laws of supply and demand being suspended. A man is a fool who sticks to his party these times when about the only vital issue before the country is the tariff; especially if his party does not view the matter in a light favorable to his interests. There is not a subject to-day that more people are interested in than in the one of free or protected wool. The whole political campaign was fought on that basis, and if it were to be fought over to-day with the additional information highly protected wool men have received, the result would be different, and Grover Cleveland would be President. Wool men have found it possible for the wool and woollen industry to be prosperous abroad, and wool so high that our present tariff is prohibitory, and still our domestic wool be a drug on the market. Very respectfully yours.

PETITION OF PHILADELPHIA BUSINESS MEN.

PHILADELPHIA TARIFF REFORM CLUB,

Philadelphia, January 1, 1890.

DEAR SIR: Inclosed please find petition, the signatures to which were obtained to-day at the opening of our new rooms.

They represent men engaged in every industry.

The Club requests you to present it.

Very respectfully,

Hon. J. G. CARLISLE.

J. F. BUCK,

Secretary.

PHILADELPHIA, *January 1, 1890.**To the Senate and House of Representatives of the United States at Washington, D. C. :*

Your petitioners representing manufacturers and other business interests of Philadelphia, request that the materials used in manufacturing be made free of duty, and your petitioners will ever pray, etc.

Wm. M. Ayers, bucket manufacturer, 711 Market street.

William M. Singerly, 917 Chestnut street.

Wm. F. Read, 213 Chestnut street.

John Huggard, 36 Strawberry street.

Thomas C. Elise, 53 North Third street.

Edw. C. Napheys, lard refiner, 310 Spruce street.

R. D. Wolfe, shoe manufacturer, Mt. Holly.

Jos. H. Greenwald, 246 North Thirtieth street.

L. A. Wertz, 122 Walnut street.

Geo. W. Ward, 2023 Van Pelt street.

Geo. W. S. Nicholson, 1714 Fountain street.

Milton Abbott, 2123 North Seventeenth street.

Conrad B. Day, 134 South Ninth street.

Bernard Ramke, 1623 South Sixteenth street.

Jno. Mohany, 1704 Park avenue.

E. H. Rauch, Mauch Chunk, Pa.

John J. Duffy, 1727 Gratz street.

John D. Ruoff, 1711 Park avenue.

Thos. J. Oram, 874 North Sixth street.

George De Groot, 1917 Oxford street.

Harry Wilson, 1732 Callowhill.

Oscar E. Hass, 3510 Mather street.

Rich'd H. Graham, 1229 North Nineteenth street.

Wm. Thompson, 1829 Park avenue.

J. E. Brunet, M. D., 2038 North Broad.

A. G. Lee, 819 North Twentieth street.

D. W. Chandler, 2012 North Broad.

H. W. Weeks, 220 Church street, blue manufacturer.

John Burkhardt, 1113 Myrtle street.

Charles C. Gentner, 940 Alder street.

C. Fred'k Klink, 1104 Myrtle street.

Samuel H. Martin, 2105 Park avenue.

Edward E. Nicholas, 549 North Fifth street.

L. P. Yonka, 1951 Gratz avenue.

J. E. Erickson, 328 North Front street.

Wm. A. Geissinger, 201 South Seventh street.

G. J. Brass, Southwest corner Camac and Diamond.

Edw. L. Bodin, jr., 1418 Mt. Vernon street.

Francis McGowan, 902 Seltzer street.

Wm. Blackburn, 2133 Van Pelt street.

William T. Barclay, 356 North Sixth street.

Harry Kleinfelder, 1538 Tiernan street.

Ernest Ely, 1320 North Seventeenth street.

N. Fretz, 1718 Broad street.

L. Gardner, 1431 Norris street.

Alfred Yerkes, 1932 North Broad.

G. Morgan Eldridge, 1337 North Broad street.

H. G. Atkinson, 1310 Myrtle street.

Thomas Purdy, 1701 Arlington.

Alex. McCrea, 1700 Arlington.

L. W. C. Dieffenferfer, 1822 South Mervine street.

L. Shew, 1021 Dauphin street.

E. S. Lanigan, 1116 Columbia avenue.

Frank J. Deary, 223 South Sixth street.

A. Onature, 1915 Oxford.

Francis Budd, 633 North Sixth.

Alexander I. Gaylord, 1721 Page street.

Dr. Mark L. Nardlyz, 718 Pine street.

L. B. Rife, 2009 North Seventeenth street.

Wm. M. Edenborn, 2140 Park avenue.

F. L. Ott, 1338 Mervine street.

Dominique Caminade, 1698 Sydenham street.

R. D. Best, 2042 Camac street.

Adolph Eichhol, 120 South Sixth street.

Gideon Sibley, Thirteenth and Filbert street.

Samuel E. Black, 1607 Park avenue.

James B. Connor, 1737 Berks street.

J. T. Buck, 1823 Park avenue.

John A. Hazel, 2016 Warnock street.

John McCabe, 877 Orchard street.

James F. McNally, 1719 Oxford street.

M. J. Dougherty, 1504 West York street.

Samuel Downs, Bristol, Pa.

Charles K. Draper, 1299 Kemble street, Philadelphia, Pa.

F. Howard King, 2019 Carlisle square.

William Manderson, jr., 1549 North Twelfth street.

Francis S. Manderson, 1549 North Twelfth street.

S. A. Bickham, 1627 Vine.

J. C. Mustard, 1817 North Seventeenth street.

G. A. Persch, 5177 Chew street, Germantown.

James R. Murphy, 3548 Mather street, Tioga.

M. Morales, cigar manufacturer, Camac and Dixon streets.

B. L. Yarnall, 2766 Garnet street, Philadelphia, Pa.

Wm. J. Kelly, 250 Perry street.

Wm. Horan, 2223 North Eighth street.

Edward Abraham, 1221 Columbia avenue.

Augustus Williams, 1630 Amboy street.

James McNally, 2050 Camac street.

Robert A. Overend, 1929 North Broad street.

Augustus C. Leidy, 1903 Camac street.

John W. Frey, 1850 Eighteenth street.

A. J. Roggenburger, 2129 North Twelfth street.

Wm. Johnston, 1732 North Eighteenth street.

Charles Stokes, 1726 Sydenham street.

John H. Emery, 1930 Warnock street.

Joseph Wagner, 1854 North Eleventh street.

M. Braden, 2635 Jessup street.

M. H. Gahen, 1242 Leutz street.

Wm. F. Ansley, 1205 South Thirteenth street.

J. Henry McIntyre, 1411 North Twentieth street, Philadelphia.

F. A. Herwig, Chestnut Hill, Philadelphia.

Herbert Minor, 910 Filbert street.

John P. Kinley, 2144 Park avenue.

M. P. Bodden, 408 Marshall street.

Joseph Kinley, 2144 Park avenue.

Thos. A. Fahy, 1609 North Tenth street.

Jos. Hagerty, 2025 Hancock street.

John C. Reiser, 1430 North Tenth street.

John J. Devine, 1802 Hamilton street.

M. A. Kline, 2222 Diamond street.

C. M. Hall, Sixth and Oxford streets.

Geo. W. Dowler, 3522 Smedley street.

L. P. T. Bigley, 2024 Park avenue.

Charles Reith, 1300 Columbia avenue.

Sigmond Roggenburger, 2134 North Twelfth street.

Wm. Linck, jr., 2034 Camac street.

F. Wm. Lawton, 2010 Camac street.

I. Roggenburger, 2129 North Twelfth street.

Otto F. Kunkely, 1811 Ridgeway Terrace.

Frank Waldsaurer, 1612 Thompson street.

Chas. C. Cawman, 1546 North Twelfth street.

Arthur J. Nugent, 1408 North Fourth street.

Max M. Letz, 1519 Fountain street.

Chas. E. Wise, 4862 Germantown avenue.

Frederick L. Davies, 1518 Herbin avenue.

Wm. J. Server, 1429 Euclid avenue.

Rufus Brewer, 991 Marshall street.

Benj. Jones, 2043 Camac street.

C. F. Taylor, 1520 Chestnut street.

Ben Herzoy, 2413 Hancock street.

W. R. Kline, 487 York avenue.

Owen McAlew, 943 Noel street.

Frank Kennedy, 1421 Hone.

Chas. J. Maisenhelder, 1445 Camac street.

G. D. Kleinfelder, 1624 Sydenham.

W. G. Wilson, 2048 Camac street.

Amos Robbins, 2150 North Twenty-first street.

Louden E. Best, 2042 Camac street.

Wm. Brice, 1542 North Fifteenth street.

J. S. Wolfe, 2230 Diamond street.

George Wahl, jr., 1123 Oxford street.

Jas. F. Boyd, 1837 No. Twenty-second street.

E. S. Donough, 925 Filbert street.

M. Roggenburger, 2129 North Twelfth street.

J. K. Blyler, 2224 Diamond street.

E. G. Clurman, 3105 North Broad street.

Wm. B. Gray, 2046 Gratz avenue.

Daniel Scull, 1737 Berks street.

Ralph B. Hersh, 55 North Third street.

Jno. J. Ruddy, 1738 North Twenty-fifth street.

HYDE PARK, MASS., *January 1, 1890.*

DEAR SIR: Having had very pressing invitations to be present at the hearing before the Ways and Means Committee to be holden on the 3d instant, I should attend gladly in the interest of free raw material for the woolen mills of the country if I could possibly spare from my business the necessary time. Being unable to do so, it has occurred to me that I may do the cause some good by transmitting my thoughts to you by letter, even though it may answer no better purpose than giving you my individual opinion. I am encouraged to do this because of the unmanly and statesmanlike position which you and your associates took last year in framing and supporting what is known as "the Mills bill," a bill which I have many times declared to be the best bill ever framed in the interest of the whole woolen industry of the country, both manufacturers and farmers, providing, as it did, for wool free of duty and 40 per cent. protection on the manufactured product. This is substantially the same position as the cotton, silk, and leather industries now occupy, and in which they have flourished so wonderfully.

When we see that the exports of leather manufacturers for the first ten months of 1889 amount to \$10,000,000, we surely can feel no doubt of the ability of American labor to compete with the labor of other countries when a fair chance is given it to do so. That chance was given the leather industry in 1872 by the Republican party when the duty was taken off hides. Hides are a product of the farm as much as wool is, and have as much right to protection and no more. The result of placing them on the free list has demonstrated the wisdom of the act, and is one of the many facts, the evidence of which is doubtless familiar to you, which show that the profits of the producer of the raw material are enhanced by the prosperity of the industry which converts that material into articles for consumption. Therefore I hope that the mantle of the wisdom of 1872 will rest upon the members of the Ways and Means Committee, and that they will put the wool growers and manufacturers upon a plane with the hide producers and manufacturers.

I hope and ask for this because the pledges made by the wool-growers of Ohio through their agents, Delano and his associates, have failed in every particular. The domestic production of wool has not been brought up to the requirements of the country; it has not kept pace with the increase of population, much less with the increased demand for wool. These men have been as much of a disturbing and mischievous element in our midst as are the professional labor agitators, who make a living by teaching his woes, real or imaginary, to the workman, and very often succeed in destroying his means of livelihood and in converting his once happy home into an abode of gloom.

During the last Presidential campaign we were frequently told that free wool carried with it free cloths. The present chairman of your committee distinctly made this declaration before the Home Market Club of Boston. I trust that this was only from political necessity, and that the then politician will now become the liberal statesman, who will lend his influence to bring about a condition in the woolen industry similar to that of the leather business, so that the factory bells, not of New England alone, but of the whole country, may ring forth this welcome summons to the working people to come and in our own mills make up the \$50,000,000 worth of goods now annually imported, thus giving employment to tens of thousands more workmen, and distributing among them from \$12,000,000 to \$15,000,000 for this labor, which, under the present condition of the tariff, goes into foreign hands.

I send with this three statistical tables, marked, respectively, A, B, and C; the first showing the sheep culture of Ohio, with its increase and decrease, and the tariff rates on wool during the same periods, reduced for convenience to *ad valorem* by assuming the probable prices on wool imported; the second, dealing in a similar way with the wool clip of California; and the third, comparing the value of the wool crops of those States with the value of the woolen manufactures of New England.

I select these two States for illustration because they are the most clamorous for a high tariff on wool, and I omit, for the sake of brevity, Texas, Georgia, and many other States which voted for free wool.

By the first table we see that from 1860 to 1867 the increase in the flocks of Ohio was over 100 per cent., while the tariff protection was from 5 to 30 per cent. *ad valorem*; but looking further, for the next ten years, during which time the tariff was very high, and for a part of the time the highest ever known, we find that the 7,555,507 sheep of 1867 had dwindled down to 3,724,040, a decrease of more than 50 per cent.; and since then the number has increased less than 1,000,000 to the present time. Ohio shows clearly that high-tariff protection has not had the effect of increasing the wool-producing capacity of that State. It is also true that it has had no lasting effect upon the price of wool; there have been high prices under low tariffs, and low prices under high tariffs. With a single exception, the best average price obtained under almost free trade during the four years from 1857 to 1860.

The fact is that the culture of sheep in Ohio and in many other of the more populous States is chiefly controlled by the demand for mutton.

The increase in the number of sheep in all the United States from 1860 to 1880 was only about 57 per cent., or less than 3 per cent. yearly. This is absolutely insignificant when compared with the capacity of the animal to multiply, which is estimated at 60 per cent. yearly by ranchmen and others engaged in sheep raising after making all allowance for losses.

This I learned from personal interviews when traveling in Colorado and other parts of the West last summer, and I have numerous letters to the same purport, from which I quote the following:

"Here are the figures of sheep increase on our ranch. Commenced August, 1887, with a mixed band of wethers, ewes, and lambs. Lambs in 1888, 1,400; in 1889, 1,500; sold for mutton in the two years, 1,200 head; actually on hand August, 1889, 5,200 head; shrinkage (very large—much more than average), 600 head; net increase for the two years, 2,300 head, or, say, 28 per cent. per year on original number of band. The lambing season of 1889 was very bad, on account of snow-storms; should have had nearly 2,000 lambs."

And from another: "Our flock originally numbered 2,000 sheep. At the end of three years we had 6,000."

And from one more: "Here is the memorandum of the result of 1,000 head of two-year-old ewes and 600 lambs in three years. These figures are actual. Stock on hand by actual count at end of three years, 5,000 ewes of all ages, 800 wethers, 1,375 lambs, 5,175 head all told. No mutton had been sold, so this shows net increase."

The annual increase as shown on the above three ranches was respectively 28.66 and 74 per cent.

A moment's thought given to comparison of the normal increase as shown above, with the net actual increase of about 3 per cent. per year in the whole country, tells us that the greater part of the possible increase is to be accounted for by the slaughter of sheep for food, and that the catering to the demand for mutton, and not to the demand for wool, is the first object in the minds of the sheep farmers. In Ohio, for instance, it is evident that upwards of 2,000,000 are yearly killed for the market. Such would not be the case if sheep were raised for their wool. Table B leads to the same conclusions. It shows what can be expected from sheep raising when carried on for wool, as was clearly the case for many years in California. Starting with the 175,000 pounds of 1854, we find them almost doubling in number for several years, and continuing to increase at a large percentage till in 1876 they numbered 56,550,970.

Then a change takes place, although there is no change in the tariff; the demand for mutton becomes more potent than the demand for wool, and not only the annual increase but much of the original stock is sacrificed, and the whole product diminishes to about 31,500,000 in 1887. The situation shown by these two States is enough to convince us that increase of population, and consequent increase in the demand for mutton for food, and for land for other purposes than for sheep-walks, will inevitably keep the flocks below the requirements of the wool market, and that no tariff can be effectual to check this tendency for any considerable period. The experiences of others of the older States corroborate this. Michigan, Pennsylvania, New York, Indiana, Illinois, Wisconsin, and Iowa, had in the aggregate, 22,720,045 sheep in 1867, but this number had fallen to 9,809,639 in 1882.

Why, then, should Congress yield to the unreasoning demand of the sheep farmers for the retention of the duty on wool? It has not benefited him in prices; it has not operated to prevent him from sending the greater part of his flock to the shambles; it has not led him to increase his product of wool in a ratio with the increased demand for wool. To-day, after twenty years of excessive high protection on wool, our domestic supply is less than 70 per cent. of the wool actually used by our people for clothing and less than one-half of what they would use if this so-called woollen clothing was made of all wool instead of cotton, shoddy, and rags in part. The tariff caused the importation of this equivalent of over 140,000,000 pounds of wool in 1888; it added largely to the cost to the consumer of every pound of that wool; it has limited enormously the possibilities of our woollen manufactures; it has driven to foreign shores the manufacturing of a considerable percentage of the woollen clothing worn by us, and has given to foreign people the profits of such manufacture.

Under such circumstances it is a matter for wonder that some fifty woollen mills have failed in this country since the present administration came into power, or even that the large manufactory known as the Mission Mill, located where the entire wool clip of California is centered, has had to succumb to the withering influence of the tariff? Increase of duties on manufactured goods will not avert these disasters. That would simply lead to an increase of prices all around, and end in a decrease in the consumption of wool.

There is much clamor raised about the votes of the Ohio wool-grower, and dire vengeance is threatened if any interference is made with their pet theory of protection on wool, as if no other section had interests which were entitled to consideration. I have prepared the table C to exhibit an easy comparison of the value of the wool business in New England with that of Ohio and California, and it shows us, among other interesting things, that the value of the products of woollen manufacture in New

England in 1880 were equal to \$35.38 $\frac{1}{2}$ per head of its population, while the value of the wool clip of Ohio was only \$2.01 $\frac{1}{4}$ per head of its population and that of California \$8.83 per head of its population. And it should not be forgotten that much of the capital invested in woolen manufacturing plants in New England was so invested when wool was substantially free.

From the statistics presented does it not appear that the interests of Ohio in the tariff legislation on wool and woollens are very trivial compared with those of Massachusetts and New England? That the sheep raising of Mr. Columbus Delano and the other political farmers of Ohio must be largely carried on in some part of the world other than their native State? And that the wool from the handling of which they derive their greatest profit is the wool which they so constantly and industriously pull over the eyes of their deluded followers and believers? Again I say that the legislation affecting the wool and woolen industry should, for the best interests of the whole country as well as New England, be modeled on that pertaining to the cotton, silk, and leather industries.

Very truly yours,

ROGER Q. MILLS, M. C.

ROBERT BLENKIE.

A.—*Sheep in Ohio.*

[Figures taken from George William Bond.]

Year.	Number of sheep.	Increase.	Decrease.	Per cent. of increase or decrease.	Tariff changed to ad valorem.
1860	3,546,767			100+	5 to 30.
1867	7,555,507				
1868	7,683,845	133,338		.01 $\frac{8}{10}$	50 to 60.
1869	6,272,240		1,416,605	.18 $\frac{5}{10}$	
1870	5,052,028		1,220,212	.19 $\frac{10}{10}$	
1871	4,302,094		749,124	.14 $\frac{10}{10}$	
1872	4,464,838	161,994		.03 $\frac{10}{10}$	45 to 55.
1873	4,596,864	131,966		.03	
1874	4,333,868		262,996	.05 $\frac{7}{10}$	
1875	4,100,288		233,580	.05 $\frac{10}{10}$	
1876	3,854,528		245,760	.05 $\frac{10}{10}$	
1877	3,724,040		130,488	.03 $\frac{10}{10}$	
1878	3,909,604	175,564		.04 $\frac{10}{10}$	
1879	4,267,261	357,657		.09 $\frac{10}{10}$	
1880	4,243,616		23,645	.00 $\frac{5}{10}$	
1881	4,923,174	679,558		.16	
1882	4,594,607		328,567	.06 $\frac{7}{10}$	40 to 50.
1883	5,190,920	596,313		.13	
1884	4,968,794		222,126	.04 $\frac{3}{10}$	
1885	4,928,532		40,462	.00 $\frac{10}{10}$	
1886	4,295,839		632,493	.15	

Total decrease from 1867 to 1887, 3,259,668 = 43 $\frac{10}{10}$.

B.—*California wool crop.*

[Figures taken from George Abbott.]

Year.	Clip.	Increase.	Decrease.	Per cent. of increase or decrease.	Tariff changed to ad valorem.
1854	175,000				30 per cent.
1855	300,000	125,000		.80	
1856	600,000	300,000		1.00	Canada free.
1857	1,100,000	500,000		.83 $\frac{1}{10}$	Substantially free.
1858	1,428,000	328,000		.29 $\frac{8}{10}$	
1859	2,378,000	950,000		.66 $\frac{5}{10}$	
1860	3,055,325	677,325		.28 $\frac{5}{10}$	
1861	3,721,998	666,673		.21 $\frac{5}{10}$	5 per cent.
1862	5,990,300	2,268,302		.60 $\frac{10}{10}$	15 per cent.
1863	6,268,480	278,180		.04 $\frac{1}{10}$	Canada free.
1864	7,923,670	1,655,190		.26 $\frac{10}{10}$	25 to 30 per cent.
1865	8,949,931	1,026,261		.13	
1866	8,532,047		417,884	.04 $\frac{0}{10}$	
1867	10,288,600	1,756,553		.20 $\frac{0}{10}$	50 to 60 per cent.
1868	14,232,657	3,944,057		.38 $\frac{2}{10}$	
1869	15,413,970	1,181,313		.08 $\frac{8}{10}$	
1870	20,072,660	4,658,690		.30 $\frac{2}{10}$	
1871	22,187,188	2,114,528		.10 $\frac{16}{10}$	

B.—*California wool crop*—Continued.

Year.	Clip.	Increase.	Decrease.	Per cent. of in- crease or decrease.	Tariff changed to ad valorem.
1872.....	24,255,468	2,068,28009 $\frac{1}{2}$	} 45 to 55 percent.
1873.....	32,155,169	7,899,701	.....	.32 $\frac{1}{2}$
1874.....	39,356,781	7,201,612	.....	.22 $\frac{1}{2}$
1875.....	13,532,233	4,175,412	.....	.10 $\frac{1}{2}$
1876.....	56,550,970	13,018,747	.....	.30
1877.....	53,110,742	.....	3,440,228	.06 $\frac{1}{2}$
1878.....	40,862,091	.....	12,248,651	.23
1879.....	46,903,360	6,041,269	.....	.14 $\frac{1}{2}$
1880.....	46,074,154	829,206	.01 $\frac{1}{6}$	} 40 to 50 per cent.
1881.....	45,076,664	.....	997,490	.02 $\frac{1}{2}$
1882.....	40,327,639	.....	4,649,025	.10 $\frac{1}{2}$
1883.....	40,148,690	521,051	.....	.01 $\frac{1}{2}$
1884.....	37,415,330	.....	3,423,360	.08 $\frac{1}{2}$
1885.....	36,561,390	.....	853,940	.02 $\frac{1}{2}$
1886.....	38,509,160	1,947,770	.....	.05 $\frac{1}{2}$
1887.....	31,564,231	.....	6,944,929	.18

C.—*Comparative statistics of value of wool clip and woolen manufactures in New England, Ohio, and California.*

In New England, in 1880:

Capital invested in woolen manufacture.....	\$80,678,972
Hands employed in woolen manufacture.....	75,400
Value of products of woolen manufacture.....	\$141,927,668
Population of.....	4,010,529
Value of woolen products per head of population.....	\$35.38 $\frac{1}{2}$

In Massachusetts, in 1880:

Value of woolen products per head of population.....	\$37.82 $\frac{1}{2}$
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In Ohio, in 1880:

Hands employed in woolen manufacture.....	1,329
Value of products of woolen manufacture.....	\$1,678,189
Population of.....	3,198,062
Product of wool clip..... pounds..	19,331,275
Value of wool clip.....	\$6,443,758
Value of wool clip per head of population.....	\$2.01 $\frac{1}{2}$
Value of woolen products per head of population.....	\$0.52 $\frac{1}{2}$

In California, in 1880:

Product of wool clip..... pounds..	46,074,154
Value of wool clip.....	\$7,679,026
Population of.....	864,694
Value of wool clip per head of population.....	\$8.88

STATEMENT OF MR. ANDERSON.

Mr. LEWIS ANDERSON, of Skowhegan, Me., appeared before the committee and read the following papers:

SKOWHEGAN, ME., December 30, 1889.

Gentlemen of the Ways and Means Committee of the House of Representatives: I embrace the opportunity you so kindly offer those whose business interests render it desirable to appear before you and present their views on matters pertaining to duties on imports. I am a manufacturer of woolen goods, such as fancy cassimeres, overcoatings, broadcloths, cloakings, etc., and am also a member of the Maine Woolen Manufacturers' Club, an association, as its name implies, of men who, like myself, are engaged in that business in the State of Maine. Our secretary informs me that we have twenty-six members, running about two hundred sets of cards, using from 15,000,000 to 20,000,000 pounds of wool annually, and employing about 4,000 persons.

The semi-annual meeting of the club, held December 19, at Young's Hotel, Boston, and, on account of the general desire for a change in the schedule of duties on wools, it was the largest meeting the club ever held, all the members having been notified that that subject would be discussed.

They voted unanimously, indorsing resolutions passed at a meeting of the National Association of Woolen Manufacturers held in New York October 2, 1883, and appointed William Dobson, of Pittsfield, and myself to wait upon your honorable committee at the proper time to represent the views of the club.

In addition to those present, letters were received from absent members expressing their views on woollens and worsted duties, and every word written and spoken was in substantial accord on that important subject.

We believe in the broad principle of ample protection to every American industry, and that it is the duty of our Government to guard every branch of industry in the United States against competition with the underpaid labor of the Old World.

We are opposed to removing the duties on wool, because it is a violation of that broad principle and would be an injustice to the producers.

We do not propose to trespass on your time and patience by recapitulating all the details of tariff and decisions and changes, and have carefully followed the discussions of those matters both in and out of Congress, and after careful consideration have become convinced that the change made in 1883 was a great mistake, and has seriously retarded the growth of worsted and woolen manufactures in the United States by allowing foreign competitors, with their many advantages, to flood our markets with both regular and surplus stocks, thus compelling a slacking up or stoppage of our machinery instead of an increase. We further believe that the best and most effective way to remedy this evil is to restore the rates of duty on woolen and worsted cloths to where they stood or about where they were previous to the change of 1883. This would allow a fair compensatory duty on the wool used, and also for chemicals used in coloring, machinery, etc. And we earnestly recommend the restoration of such duties at as early a date as possible, believing that such legislation and its enforcement would have the effect of restoring prosperity to this important branch of industry.

We desire, also to refer to the increasing tendency in our business to changes, and sometimes radical changes, in styles and fashions from one season to another, making it very hazardous to run our mills right along from one season to another. We now have to go very carefully to prevent getting caught with a surplus of undesirable goods; in many cases the only remedy is to slack up or stop a part of our machinery, it being more profitable to stop were it not for the fact that if we stop our help at once go into other fields of labor, such as shoe factories, machine shops, stores, and a thousand and one things where openings stand ready to receive them. It is of itself very satisfactory that such openings exist, but it places the American manufacturer at a serious disadvantage compared with his foreign rival, who has no such difficulty, and when he gets ready to start up finds his help more delighted by the fact than he himself, and all on the ground ready to go to work again. In this way, it will be seen, the foreigner has much the advantage of the American manufacturer. We mention this because it is generally overlooked, and its importance not generally understood.

We desire, also, to call attention to the rapid increase in imports of woolen and worsted yarns, as well as cloth and ready-made clothing, since the adoption of the present rate of duty, and suggest that the natural tendency being to have work done where it can be done cheapest, that it is simply a question of time when we shall only be able to obtain a chance to manufacture for ourselves what the foreigner lacks capacity to do for us.

We believe specific duties are generally less objectionable than ad valorem duties, if for no other reason, because there is much less liability for frauds to be perpetrated, and even where there is no disposition to defraud there is a greater liability to err in appraising on the ad valorem system.

Mr. ANDERSON. The other day Mr. Whitman, in reply to a question by the chairman, said he did not think there was much difference in the amount of waste and imperfect work made by factory operatives in Europe as compared with the operatives in the United States. My impression is that if Mr. Whitman had worked as an operative in the mills on both sides of the water, as I have done, he would not have answered as he did. Mr. Whitman thought we had 10 per cent. the advantage of the foreign manufacturer on account of superior help and machinery. While not prepared to state by exact figuring just what advantages the foreign manufacturer has over us, I feel positive that it will at least offset the 10 per cent. extra production conceded by Mr. Whitman. Our operatives make more waste and imperfect work, partially on account of higher speed of machinery, and because here the operatives will not remain and submit to such requirements as are necessary in Europe to retain their positions.

Mr. CARLISLE. Do you think that Congress ought by law to compensate or protect the manufacturer of the United States against his waste or inattention to business?

Mr. ANDERSON. I do not think it is caused by our inattention or our inability to do business. It arises from the fact that if we brought our operatives up to the scratch, they would simply refuse, and if pressed would leave us.

Mr. CARLISLE. There are other employments in which they could do better.

Mr. ANDERSON. Perhaps not so well.

Mr. CARLISLE. If they could not, they would not leave you.

Mr. ANDERSON. They do leave us sometimes, and are glad to get back.

Mr. CARLISLE. Because they think they can do better?

Mr. ANDERSON. Yes, sir.

Mr. CARLISLE. Do you think that where a man leaves one occupation and goes into another, that it is for his benefit to do so?

Mr. ANDERSON. Sometimes, but not always.

Mr. CARLISLE. And it is for the benefit of the country at large?

Mr. ANDERSON. I think so, generally speaking.

Mr. CARLISLE. Is it better, if a man found a better occupation, to induce him to stay in the woolen mill?

Mr. ANDERSON. It may be better for the man and not for the woolen mill.

Mr. CARLISLE. But suppose all men engaged in woolen mills found that they could make better wages by going into some other occupation; would not it be better that they should do so?

Mr. ANDERSON. I should think so. You doubtless have heard something of the change of sentiment in New England in reference to a demand for free wool among manufacturers. Mr. Bennett day before yesterday presented two petitions, one for an ad valorem rate of duty and another for free wool, and he made the statement that a very large percentage of representative men engaged in the woolen industry wanted free wool. I am not here to refute the statement made by Mr. Bennett. I know from personal knowledge that a good many of our manufacturers engaged in the woolen industry signed those petitions, and I know also that those petitions were circulated throughout the woolen mills—I think in every one of them—one in favor of an ad valorem rate of duty and another in favor of free wool, but there was no petition in favor of letting the duties remain as they are. There are manufacturers who might be wavering. There are manufacturers who have been driven to the verge of despair by low duties, and many of them like sick people are anxious to change their doctor, but they do not know which doctor to take, and I believe that many of the names were gotten in that way. I say, further, that if Mr. Bennett had made a proper canvass of New England he would have found that the sentiments as expressed before this committee by Mr. Whitman, Mr. Search, and others on that question were true. Mr. Bennett alone stands as the representative of free wool, while every other gentleman who has come before you has taken the other side.

Mr. FLOWER. How many woolen manufacturers are there in the United States?

Mr. ANDERSON. I do not know. There are about ten thousand sets of cards in the United States.

Mr. CARLISLE. You have stated you are in favor of the restoration of the duties on woolen and worsted goods and on raw wool as it stood before the passage of the act of 1883.

Mr. ANDERSON. About that.

Mr. CARLISLE. The act of 1883, while it reduced duties on some classes of woolen goods, also increased the duties on some other classes?

Mr. ANDERSON. Yes, sir.

Mr. CARLISLE. You would not therefore want the duties which were increased in 1883 reduced?

Mr. ANDERSON. No, sir; I do not think I do. I want to be very distinctly understood. I think the duties ought to remain that were increased, and increased on those not increased then.

Mr. CARLISLE. That would not be a restoration of duties. What you want is to retain the higher rates of duties which were imposed by the act of 1883, and restore those reduced.

Mr. ANDERSON. Yes, sir; restore them to about where they stood before.

The CHAIRMAN. Do you think it essential to the prosperity of the industry and maintenance of wages?

Mr. ANDERSON. I believe that to be very essential to the restoration and prosperity of the woolen interest.

Mr. CARLISLE. How about the consumer?

Mr. ANDERSON. The consumer would derive benefits. It seems to me every man who has been accustomed to buy woolen goods previous to the establishment of the tariff system knows very well that woolen goods have decreased in value since then. Everything which is well protected has decreased in price.

Mr. CARLISLE. Is not the general tendency throughout the whole world towards decreasing prices?

Mr. ANDERSON. I think there are articles which have been well protected in the United States by high duties that have decreased in larger ratio than articles on the other side.

Mr. CARLISLE. They have not reached the point they have on the other side, have they?

Mr. ANDERSON. I think in some cases they have.

Mr. CARLISLE. Take the generality of cases. If they had there could be no importations.

Mr. ANDERSON. There would not be likely to be many. In a good many industries there are no importations but a good many exportations.

Mr. CARLISLE. As to all those articles where there are importations, the prices are higher than they are abroad. There would not be much imported if they were not.

Mr. ANDERSON. I think that is true.

Mr. CARLISLE. Is not the product sent to the best market you can find?

Mr. ANDERSON. Yes, sir.

Mr. CARLISLE. When you see an article is being imported here and sold, duties paid, is it not pretty good evidence that its price is higher than the price abroad?

Mr. ANDERSON. Mr. Plummer spoke of a good many gentlemen who would rather wear a foreign than a domestic suit of clothes.

Mr. BAYNE. Of the two great staples necessary to life, cotton goods and shoes, which is cheaper in this country?

Mr. ANDERSON. Cotton goods are cheaper.

Mr. CARLISLE. But they both have free raw material—hides are free.

Mr. ANDERSON. Yes, sir; we export shoes, but not many.

Mr. BAYNE. The consequence is that they have come to as low a price as in England?

Mr. ANDERSON. I am not posted on cotton and shoes.

Mr. BRECKINRIDGE. Speaking of Mr. Bennett's petition, was there anything unfair in his mode of learning the opinions of the manufacturers?

Mr. ANDERSON. It seems to me that if Mr. Bennett had undertaken to be candid and fair and given all sides a chance to be heard, as he claimed he intended to do, that it would be simple justice to have given the third party a chance to be heard.

Mr. BRECKINRIDGE. Did he not send the petition to every manufacturer as far as you know?

Mr. ANDERSON. I think he did, if his purpose was to ascertain the sentiments of the woolen manufacturers on that subject. Inasmuch as there were three sides and he confined himself to only two, and those two representing a small minority, I do not think it was exactly fair.

Mr. BRECKINRIDGE. If a manufacturer said he wanted free wool, on the contrary there was no necessity for saying the other thing.

Mr. ANDERSON. That does not prove that Mr. Bennett was impartial in putting these questions if he wanted to ascertain the true sentiments of the manufacturers in regard to that question.

Mr. BRECKINRIDGE. Then, if all the signers were at perfect liberty to qualify their sentiments, I am unable to see where there is any limitation placed upon them.

Mr. ANDERSON. I do not say there is; I merely wanted to call attention to it. Let me say further that there is another thing in Mr. Bennett's petition that perhaps you do not know. It was accompanied by a circular in which he requested those receiving it not only to sign the firm-name but the individual names of partners, superintendents, assistant superintendents, and even operatives, because numbers were important in such matters.

Mr. BRECKINRIDGE. After all it is entirely feasible to reduce the petition down and then these additional names are quite important to get information as to the drift of all opinions on that point.

Mr. ANDERSON. It was sly, and that is why I give these facts.

Mr. BRECKINRIDGE. These names give added value to the petition. Are you familiar with the production of woolen goods in this country prior to the passage of the act of 1861?

Mr. ANDERSON. I am not well enough versed in statistics to give you any statement on that point.

Mr. BRECKINRIDGE. Your personal experience does not run back to that period?

Mr. ANDERSON. I came to this country in 1851.

Mr. BRECKINRIDGE. Certain branches of the woolen trade were prosperous, I believe, during 1855, 1856, and 1857, and down to 1861.

Mr. ANDERSON. Certain branches were prosperous. As a rule, the trade was not in anything like as prosperous a condition as it has been since that time.

The CHAIRMAN. How were wages then?

Mr. ANDERSON. Wages were clear down.

Mr. BRECKINRIDGE. Were you a wage-earner when you came here?

Mr. ANDERSON. I was.

Mr. BRECKINRIDGE. Do you remember the prices you received?

Mr. ANDERSON. I will endeavor to state them. I was a spinner at that time. I had learned weaving, we had to commence work at 5 o'clock and work till 7. Our hours amounted to seventy-eight per week.

Mr. BRECKINRIDGE. About thirteen hours a day.

Mr. ANDERSON. By working hard, which we were obliged to do to live, we got from perhaps \$24 to \$28 a month as spinners. I was figuring on it a short time ago and making some comparisons between that and the rates of wages which I am now paying spinners working in my mill. In making the comparison between the cost of living then and now, I find I had to work one hundred and eighty-two hours for a barrel of flour. I will not say I am entirely correct in this. I think I had to work three weeks for a barrel of flour, and now any of our spinners can earn four barrels of flour in that time.

Mr. BRECKINRIDGE. When you were earning \$28 a month at that time what would you have earned in the same work in Scotland?

Mr. ANDERSON. I had not worked at spinning in Scotland to any great extent. I was a weaver in Scotland.

Mr. BRECKINRIDGE. Do you know what could have been earned?

Mr. ANDERSON. In Scotland spinners could make about a pound a week.

Mr. BRECKINRIDGE. Twenty-five dollars a month.

Mr. GEAR. No; twenty-two dollars and fifty cents.

Mr. ANDERSON. We generally speak of a pound as \$5, but I suppose the latter figure is correct. It shows that there has been an advance in wages during that interval. Spinners' wages have not advanced to the same degree abroad that they have in this country.

Mr. BRECKINRIDGE. I wanted to know as to whether or not there is a greater or less discrepancy in wage-earners' wages then and now.

Mr. ANDERSON. We pay comparatively more.

Mr. BRECKINRIDGE. Is that an opinion of yours?

Mr. ANDERSON. I am not afraid to make the statement that there has been an advance in wages here during that time over the wages abroad.

Mr. BRECKINRIDGE. What principal articles do you manufacture?

Mr. ANDERSON. Fancy cashmeres, broadcloths, and overcoatings.

Mr. BRECKINRIDGE. Do you pay by the day or by the week?

Mr. ANDERSON. That depends on what the work is. On some classes we pay by the piece, because that is the only way we can pay. On others that is impossible. We pay both ways.

Mr. BRECKINRIDGE. You pay by the piece whenever it can be done.

Mr. ANDERSON. Yes, sir.

Mr. BRECKINRIDGE. Do you divide it by the yard or the pick?

Mr. ANDERSON. By the yard and also by the pick.

Mr. BRECKINRIDGE. I would like to know what you pay a weaver by the yard and also by the pick, and what is paid in competing mills in England on the same goods by the yard and by the pick?

Mr. ANDERSON. I am hardly prepared to do that. When I left Scotland I was a hand-loom weaver. Now we do not have any hand-looms. I worked upon hand-looms at that time in little shops where there were few looms. They pay the same price to-day that they did at that time—that is, in a small way. The rate per yard was very much higher there. But that was for an industry which now is a thing of the past.

Mr. BRECKINRIDGE. It was more of a manual than a machine industry?

Mr. ANDERSON. There is no comparison.

Mr. BRECKINRIDGE. Most of the production in that country is by machinery, as it is in ours, I suppose?

Mr. ANDERSON. Yes, sir.

Mr. BRECKINRIDGE. Where they employ the same power, do they pay per pick or per yard?

Mr. ANDERSON. I could not tell you. I was in Scotland in 1883, and I made it my business to find out what operatives were paid. I visited the mills and talked with them. Many of them are my old friends, and I found in Galashiels they were paid the highest rates of wages of anywhere in Scotland. In Galashiels good weavers could earn £1 a week. At that time weavers in our mill were earning twice that amount.

Mr. BRECKINRIDGE. Did you analyze their wages and ascertain what they got per pick?

Mr. ANDERSON. I could not say whether I did or not. I merely did that in a casual sort of way and have forgotten.

Mr. BRECKINRIDGE. You do not remember anything upon the score of the productiveness of the looms, or of the hands, or of the number of looms per hand? You are not able to give us any data upon these points?

Mr. ANDERSON. No, sir. I confined my attention to woolen goods. I found the looms there very clumsy and slow.

Mr. BRECKINRIDGE. That was in 1883, I believe you said.

Mr. ANDERSON. Yes, sir; they were ponderous and were not so effective as our speedy looms. I will tell you my impression. The first mill I went into, one of the best in town, was managed by an old shop-mate of mine. He very kindly showed

me through the works and I admired his room. Everything about it was well lighted and airy. It was nice machinery, and the work was elegant, and after having shown me through the place he said, "What do you think of the room, Lew?" I said, "You have got a beautiful room, but I would not take your looms if you gave them to me. You are a hundred years behind the times." He was perfectly astonished. I changed my opinion on this to some extent afterwards. Before leaving Europe I went to an industrial exposition which was then going on in Huddersfield, England, and I saw American looms and quite a number of English looms running side by side, and I made up my mind that the slow-running loom enabled them to procure a class of labor that we could not use on our high-speed looms. They could not run our looms on the class of goods they were making. Their looms run slowly. They were ponderous, and the shuttles and bobbins were large, so their filling did not run out so often, thus saving waste and time of changing shuttles, and the slow speed also lessening the liability of imperfect work.

Mr. BRECKINRIDGE. Do you employ the best class of labor you can get?

Mr. ANDERSON. I do.

Mr. BRECKINRIDGE. Could you employ this inferior labor to which you refer?

Mr. ANDERSON. I would not consider it profitable. It is not the most economical.

Mr. BRECKINRIDGE. Did you find labor thoroughly organized on the other side of the water?

Mr. ANDERSON. If you mean in regard to unions. I do not think it was; at least I did not learn that it was.

Mr. BRECKINRIDGE. How many of your looms will a man run?

Mr. ANDERSON. Only one.

Mr. BRECKINRIDGE. In your business do the laboring people limit the hours of work?

Mr. ANDERSON. The legislature does it for us.

Mr. BRECKINRIDGE. We have heard a good deal of the consumption of foreign cloth as compared to the consumption of domestic cloth. I suppose the two are equal in appearance to most consumers, who do not know whether they are wearing the foreign or the domestic article. You can not rely on what the tailor says, and that is no guide.

Mr. ANDERSON. You can not rely upon the tailor. I will give a little instance if the committee will bear with me. There was a lady in my office a short time ago from California. She is a cousin to my partner, and after going through the mill she priced the goods that we were making. She said that a few years before she and her husband went to a leading dry-goods store in San Francisco to buy a nice dress. One of the salesmen threw down a piece of cloth and said to her, "Here is a nice piece of imported goods," and recommended her to buy it. She said it was nice goods. In handling the bundle finally the mill-tag dropped on the floor and she picked it up, and found it was from Skowhegan, Me. The goods had been imported from Skowhegan, Me.

Mr. BRECKINRIDGE. There is no way for the consumer to tell the difference between the foreign and the domestic goods?

Mr. ANDERSON. No, sir; he can not generally.

CAMEL-HAIR BELTING.

This fabric is commercially known as camel-hair belting; it is woven solid on the loom and is composed of cotton, animal hair, and paint, and it is used for driving machinery. The "camel-hair belting" surpasses all belts for mule-driving in cotton mills. It is also especially adapted for working in heat, steam, or water, such as paper-mills, iron-works, flour-mills, saw-mills, woolen-mills, engineering works, sugar-mills, and for use on electric machines it has no superior.

From its peculiar construction, which enables it to grip the pulley, more regular turning power is obtained than with ordinary belting.

It is also stronger than a double leather belt of equal width, and as it stretches less than any other belt in the market, we do not hesitate to say that it can be used for any kind of work.

This camel-hair belting is manufactured in Manchester, England, according to a process patented in 1884 by F. Reddaway, letters patent having been obtained in the United States. The patent has eight years to run. No belting like it is made in the United States, nor may the fabric be produced without the permission of the patentee. The rate of duty imposed is that of 3 cents per pound and 50 per cent. ad valorem, the collector of customs assessing it under Schedule K, paragraph 36^s, Heyl's United States Tariff, which reads as follows:

"Webbings, gorings, suspenders, braces, beltings, bindings, braids, galloons, fringes, gimps, cords, cords and tassels, dress-trimmings, lace nets, buttons, or barrel-

buttons or buttons of other forms for tassels or ornaments wrought by hand or braided by machinery, made of wool, worsted, the hair of the alpaca, goat, or other animals, is a component material, 30 cents per pound, and in addition thereto, 50 per centum ad valorem."

The effect of that assessment was practically to prohibit the importation of a "fabric which does not come into competition with any like manufacture in this country, it alone being adapted for certain purposes of peculiar importance to the American manufacturer. The invoice value of the tentative importation was \$95.78; the weight 211 pounds; the rate 30 cents and 50 per cent.; the result is easily perceived.

Value, \$95.78:

211 pounds at 30 cents.....	\$63.30
\$95.78 at 50 per cent.....	47.89

Duty..... \$111.19

Which was equivalent to an ad valorem duty of about 125 per cent.

Of course there was a protest to the collector (which was disallowed through the conjoint action of the collector and the naval officer), followed by the customary appeal in case of disallowance of protest to the Secretary of the Treasury, who handed down his decision October 21, 1889:

"SIR: The Department is in receipt of the 16th instant, reporting further upon the appeal (6221 N) of Messrs. G. W. Sheldon & Co. from your assessment of duty at the rate of 30 cents per pound and 50 per cent. ad valorem on a certain so-called manufacture of worsted imported by the appellants per *Adriatic* July 29, 1889, and claimed by them to be dutiable at 10 cents per pound and 35 per cent. ad valorem under T. I. New 363.

"The appraiser reports that the merchandise in question consists of a manufacture of cotton, animal hair, and paint, commercially known as belting for machinery and used as such; that it was 76 feet long and 18 inches wide, and that it can be obtained in sizes and lengths to suit the purchaser.

"Said merchandise being, therefore, belting of which animal hair is a component material, was classified as such under T. I. 368, and your assessment of duty accordingly is hereby affirmed.

"Respectfully, yours,

"GEORGE C. TICHENOR,
"Assistant Secretary."

Throwing upon the appellants the onus of carrying on a lawsuit in the United States circuit court for the southern district of New York, to be followed in due course of time, in case he won his suit, by an appeal by the Attorney-General on a writ of error to the United States Supreme Court at Washington, years elapsing during this process of costly litigation, with an antagonist controlling unlimited financial and legal resources. There is no remedy except in the court-room, as there is an aggravation of whatever injustice may have occurred in the fact that in all cases of doubt the highest rate of duty is imposed by the officials whose duty it is in the first instance to construe the tariff act, and that while the Secretary of the Treasury may reverse a predecessor's decision so as to impose a higher rate of duty, he may not do so to determine a lower one, although the greatest injustice may have been inadvertently committed.

In the first place, the term "belting" enumerated in the section of the law under which by a strained interpretation of customs officials this fabric was taxed 125 per cent. means, as may be perceived from the context of that paragraph, the belting used for millinery purposes; it certainly does not mean belting for machinery.

In this question, as the revision of the tariff is in the hands of a party advocating protection we may look at what measure of protection, according to their doctrines, should be meted out. The fabric is made by a loom-hand, where wages in Manchester average \$8 a week; in Philadelphia \$12 per week. That is just 50 per cent more. The labor represented in the completed fabric is 10 per cent., consequently a duty of 10 per cent. would appear to be a sufficient protection, as that would be a protection of 200 per cent. to the mechanic. It should be remembered that the Manchester operative is thousands of miles away from this market. Were this fabric manufactured in the United States there might be some shadow of a reason for an exorbitant tax, but it is not made here, and the manufacturer absolutely requires it so that he may produce other goods more efficiently. Now, the petitioners respectfully submit and suggest that the following section be enacted:

"That all belting for machinery, composed of cotton, animal hair, and paint, known as camel hair belting, shall pay 35 per cent."

JNO. F. REDDAWAY & CO.,
Per JOHN MACWATTY,
52 New street, New York City.

VIEWS OF EDWARD T. STEELE & CO.

PHILADELPHIA, January 18, 1890.

Gentlemen of the Committee on Ways and Means :

We protest against the increase of duties on woolen goods as recommended and agreed upon by the joint committee of wool growers and woolen manufacturers recently assembled in Washington. Said duties being substantially as follows, viz: Four times the new duty on wool, as proposed by said committee, which is 11 cents per pound, and would therefore amount to 44 cents per pound of goods and, in addition thereto, 50 per cent. ad valorem.

The adoption of this scale of duties would impose a burden and be an oppression on the people of the United States, being exacted on an article of absolute necessity to every man, woman, and child of the sixty millions of our population.

Under present duties the protection on these goods varies from 135 per cent. on the common grades used by the mass of the people, and gradually diminishes as the quality becomes finer, although still high on these.

By the rates of duty against which we protest, the coarser grades of goods, say, such as cost abroad 49 cents per yard of 20 ounces weight, would be taxed 172½ per cent., diminishing as the goods become finer.

To plainly illustrate the excessive duty which would result from the adoption of the rates against which we protest, we append a table showing the amount and percentage of duty under present Treasury rulings (35 cents per pound and 35 per cent. ad valorem), and also under scale proposed of 44 cents per pound and 50 per cent. ad valorem.

All of which is respectfully submitted.

EDWARD T. STEELE & CO.

Percentage of duty on foreign cost of woollens and worsteds as assessed by present ruling of Treasury Department on this class of goods, and also percentage of duty as arranged by Wool Growers and Manufacturers' Committee, recently convened in Washington.

[NOTE.—To the amount of the total duty is added 5 cents per yard to cover cost of importing. These calculations are based on goods weighing 20 ounces (1¼ pounds) per linear yard.]

Foreign cost per yard, United States money.	Percentage under present rulings, 35 per cent. and 35 cents per pound.		Percentage under wool growers and manufacturers' proposed tariff, 50 per cent. and 44 cents per pound.		Foreign cost per yard, United States money.	Percentage under present rulings, 35 per cent. and 35 cents per pound.		Percentage under wool growers and manufacturers' proposed tariff, 50 per cent. and 44 cents per pound.	
	Amount of duty.	Per cent.	Amount of duty.	Per cent.		Amount of duty.	Per cent.	Amount of duty.	Per cent.
\$0.49	\$0.66	135	\$0.84½	172½	\$0.66	\$0.72	109	\$0.93	141
.50	.66½	133	.85	170	.67	.72½	108	.83½	140
.51	.67	131	.85½	168	.68	.72½	107	.84	138
.52	.67	129	.86	165½	.69	.73	106	.84½	137
.53	.67½	127	.86½	163	.70	.73½	105	.85	136
.54	.68	126	.87	161	.71	.74	104	.85½	134
.55	.68	124	.87½	159	.72	.74½	103	.86	133
.56	.68½	122	.88	157	.73	.74½	102	.86½	132
.57	.69	121	.88½	155	.74	.75	101	.87	131
.58	.69	120	.89	153	.75	.75	100	.87½	130
.59	.69½	118	.89½	152	.76	.75½	99	.88	129
.60	.70	117	.90	150	.77	.75½	98	.88½	128
.61	.70	115	.90½	148½	.78	.76	97	.89	127
.62	.70½	114	.91	147	.79	.76½	96	.89½	126
.63	.71	113	.91½	145	.80	.77	96	1.00	125
.64	.71½	112	.92	144	1.20*	.97	81	1.20	100
.65	.72	111	.92½	142½					

* Duty 40 per cent. and 35 cents per pound.

VIEWS OF G. A. HAMBERGER.

LANCASTER, OHIO, January 15, 1890.

To the Committee on Ways and Means :

I came to Lancaster, Ohio, in 1866, to put in some new machinery for Olds & Rabbetts, proprietors of the Lancaster Woolen Mills, which was flourishing and doing a prosperous business, running their mill with two sets of hands day and night. I remained with them two years after starting the machinery. But oh, what a cloud came over the woolen industry of Ohio when the tariff of 1867 was established. I predicted to Olds & Rabbetts that if that tariff would be continued it would be the ruin of the woolen industry in this country, but they simply laughed.

The fall of 1868 Mr. Olds, seeing the terrible conditions before them, concluded to sell out to his partner, George Rabbetts, who struggled along for three years thereafter and lost all the money he had made years before. On June 12, 1869, there was a company organized at Circleville, Ohio, to enter into the manufacturing of woolen goods. I was employed to put in a lot of new machinery. The company was principally men from the East—Albert Day & Co., of Boston, Mass. And it was but a short time after getting started in good condition that they found it would be impossible to get the kind of wool necessary to manufacture blankets and such domestic goods as were principally wanted in this market. They heard of a large amount of wool held in Toronto, Canada. I was sent there to examine the quality, and found it to be exactly what we wanted. But after ascertaining the price, we found it would be impossible to buy it and pay the high duty on same and manufacture our goods, so as to compete with prices of the manufacturer that had the advantage of the same.

After returning and making my report to the company, the idea of getting foreign wool was abandoned, and we again remodeled some of our machinery for the purpose of manufacturing fine hosiery yarn in order that we might get wool at its first cost. The company established a wool-pullery industry, and I was sent to Lancaster to contract with James Anderson & Sons for their sheep pelts (who was killing sheep by the thousand) for the purpose of pulling the wool ourselves and turning same into hosiery yarns. There was no stone left unturned to make the woolen industry a success by this company. They soon had their capital piled up in their store-room, being unable to sell their goods and get the prices which would justify them to continue the business.

They abandoned the said industry for all time to come, and the set of machinery, which cost over \$20,000, I purchased on the 14th of April, 1880, for less than \$1,000, as my contract in my possession shows. I bought the entire plant for old iron, as the building was wanted for other purposes.

If the high tariff is shown to be a protection to the sheep husbandry of this country, why should it happen that in less than two years after the high tariff was passed, the farmers in this section of the country should sell their sheep to James Anderson & Son, of Lancaster, for the small sum, on the average, of \$1 per head? And the said Anderson to sell to me the sheep pelt in price from 60 to 75 cents per pelt in lots of five hundred? According to my memorandum, I purchased 9,374 during the fall of 1869 and winter of 1870.

In the winter of 1870 and 1871 Mr. Gladhill's Sons & Co., of Mansfield, Ohio, started a new mill of the latest improved machinery. Mr. Gladhill had been a woolen manufacturer near Mansfield for a number of years, where previous to 1867 he had been prosperous and made considerable money. He wrote me several letters and insisted on me to come and start his mill. I concluded to go and accept his proposition, but told him when I arrived there that it would be impossible to make the woolen industry a success under the present tariff system. But as Mr. Gladhill & Sons had, as they thought \$30,000 to \$40,000, it would be ample means to make it a success.

In less than three years they were compelled to close, and their new woolen machinery that was once bright with industry was turned out into the junk shop to rust and sold for little or nothing, and the fine brick building, as I learned, was purchased by the planing mill and turned into a wood shop. It would certainly be very gratifying to me if the honorable Senator, John Sherman, of Mansfield, would explain why Mr. Gladhill & Sons under the low tariff became wealthy in manufacturing woolen goods, and under the high tariff became bankrupt in a few years after its passage.

I could refer you to several similar instances, but will speak of but one in particular. Previous to the high tariff there were two mills doing a prosperous and splendid business at Athens, Ohio, the Hon. Charles Grosvenor's home. Mr. Stewart, as president of a railroad and with plenty of money, purchased the finest machinery that could be had in America. He spent a great deal of money to make it a success. In 1874 he sent for me and offered to sell the mill for two-thirds less than the original cost. And when he found that I did not wish to buy, as I was already located

with a one-half interest at the Lancaster Woolen Mills, he insisted on me renting it at a very low rent. But I refused the offer. After a while both mills were closed.

Now, if Mr. Grosvenor will explain to me why previous to 1867 the little town of Athens was capable of keeping two mills in operation and making money, but since the high tariff both have gone out of existence, I will certainly feel under many obligations for the explanation. I bought the half interest in the Lancaster Woolen Mills, putting all the money I had into the business of running the mill by my partner and I overseeing it ourselves, which we considered a great advantage over others. We being raised and educated in the business from boyhood up, as I served my apprenticeship and learned the trade at the Utica Globe Woolen Mills, Utica, N. Y., one of the finest Cassimere Mills in this country. But still with all that advantage we were losing money year after year.

Expecting there would be a change in the tariff, we continued to struggle along for eleven long years, when I gave up all hope in despair, sold out, paid every dollar we owed, never to enter the business again, until there would be chance for one who could take the wool off of a sheep's back and turn it into almost any class of goods wanted, and whose capital is limited below the millions. When I was East three years ago to visit my old home I was surprised to see and learn that the high tariff had affected the woolen industry in that part of the country as well as here in Ohio.

What caused the Utica Steam Woolen Mills to close its doors; the two or three large mills at Little Falls, N. Y.; Oriskany Mills, Oneida County, N. Y.; the two large mills at Washingtonville, N. Y.; the new Hartford mill, nearly all of which is run by the same stream of water; why are all those mills deserted, and the spindles which once were bright are now rusting? Now I will take a glance of nine Ohio counties, including Fairfield. Previous to 1867 there were twenty-seven No. 1 woolen mills, in operation; but we now find that the grand woolen industry, which was considered among the best industries in the district, is now dead, dead as only high tariff can kill it.

I will give you the names of the mills of these counties previous to 1867; also those that are left. What is the trouble with the Dare Mill, at Zanesville, which had prospered for forty years, and now the machinery in the junk shop? Also Kemmerer, one of the finest cassimere mills in Ohio without any exception, built new in 1870 and 1871, with all improved machinery and a cash capital of \$50,000? I met Mr. Kemmerer at J. L. Taylor & Sons, wool dealers, Cincinnati, Ohio, in the winter of 1875 or 1876, and he stated to me that he never thought it could be possible for a man to lose the amount of money that he had in the woolen industry in such a short time. The last time he had met me he was a high-protective man, but was compelled through experience of the last few years to change his views, and he hoped that Congress would repeal the laws of 1867, which he had once advocated. But the day did not come, and he went out of the business without a cent. These are failures which can not be contradicted.

Also the Putnam mill at the same place, only running four or five months in the year. The Newark mills out of existence. The Somerset Woolen Mills; the two at New Lexington, two at Athens, one at Nelsonville, one at Logan, one at Millville, one at Lancaster, the latter only running three or four months in the year; two at Rock Mill, one at Chillicothe, one at Hamburg, one at Hemlock, one at Winchester, one at Columbus, two at Circleville, and a dozen other places not running. All these mills were running previous to 1867. Why are they idle; why is all the machinery rusting and thrown out into the junk shop? Why is there no intermingling of warp and filling, and why is there no stream of laborers issuing forth at noon day? It is on account of the abominable high tariff placed on the raw material which is not raised in this country.

The market is controlled by the monopoly of a few speculators, which is detrimental to the masses of the people in this whole country. They are now enabled virtually to purchase wool grown in this country at their own price. This is the way it is done. They send their agent to the Ohio region to purchase a certain grade of fine wool raised only here. They give him a limit, but instruct him to buy as low as possible below that limit. He comes here with a bug-a-boo, scares the farmer into the belief that wool is to go to nothing a pound, and he buys it at a figure way below the limit.

Now, suppose that all these idle mills were in operation as they were before the high tariff, and as they would be with cheaper foreign wool, they would necessarily be compelled to lay in their stock of such fine wool needed in the business for certain goods in the spring or early summer, for at that season the wool market opens. This mill-owner and that mill-owner would have his eye upon the clip of the farmer in his neighborhood. He knows that if the farmer sells his wool to the Eastern speculator, he will be compelled to purchase his wool at the East with increased cost and shipping charges. So he and the Eastern agent engage in spirited bidding before either becomes purchaser. The consequence is that when the farmer sells his wool to the

Eastern man, or to the manufacturer in his own neighborhood, he receives the top price which either can possibly pay. As it is now the poor farmer must sell his wool to pay his taxes. There are no competing bids for it, and the Eastern agent for monopoly buys at his own price.

Give the inland manufacturer a little encouragement in the way of cheaper foreign wool, and thereby enable him to engage in the business as of yore, and you will establish a factor in competition that will not only prevent monopoly from buying at its own price, but will also insure to the farmer a full money value in recompense for his clip. They are in favor of the high tariff because it favors them instead of you. I am in favor of free wool because it will enable me to start my mill and to do a share of the business which they now hold in their own hands with a grip of iron.

The farmer should be in favor of free wool because it will result in there being more competition for his clip, and the laborer should be in favor of free wool because it opens avenues of employment which have hitherto been closed, and he will be enabled to clothe his little ones at least in a comfortable condition without spending the last cent he so dearly earns.

I have been corresponding with Mr. W. Brown, of Boston, a wool dealer. He states in his letter to me that the wholesale introduction into this country of foreign wools in the form of finished wools displaces American wools which would otherwise be consumed in American mills, and that this is due to the unjust tariff.

As all the American wools are consumed every year and the supply falls far short of the quantity needed to furnish clothing for our people, I fail to see how any of it is displaced. The simple truth is, that the United States do not, and can not, grow wool enough to supply the wants of the people. No matter what duty is placed upon wool, it will not be grown here. And the sooner Mr. Brown, his associates, and the people whom they profess to serve realize this fact, the better it will be for all. I believe that I am right when I state that the hardships and suffering among the woolen manufacturers, depicted by Mr. Brown and the like of him, will increase in a greater ratio, and the wool clip of the country diminish in quantity that nothing can relieve them from partial annihilation except untaxed wool.

My mail has just been handed me, and I discover among it a notice of the Pioneer Woolen Mill, of San Francisco, Cal., as being offered for sale, as the building is wanted for other purposes. This mill has been known as the leading mill for manufacturing blankets in America. So you can see that it will be but a matter of time for them all to close their doors. Below you will find table giving the amount of wool shorn in Ohio in 1875, 16,169,266 pounds, which will prove my statement of above, that while the woolen mills were all running the farmer received more for his wool than with the inland mills closed up. Above I have mentioned twenty-odd woolen mills in nine counties in Ohio, and at a distance from Lancaster not to exceed 42 miles, showing the number of pounds in each county shorn.

	Pounds.		Pounds.
Fairfield County.....	132,711	Licking County.....	1,079,685
Perry County.....	310,887	Muskingum County.....	602,682
Pickaway County.....	67,865	Athens County.....	222,220
Hocking County.....	88,331	Franklin County.....	145,505
Ross County.....	36,200		
		Total.....	2,688,086

In the above counties there were twenty seven woolen mills running during the year, which mills consumed 1,620,000 pounds. Take that from the amount raised in said counties, of 2,688,086 pounds, would leave a surplus of 1,068,086 pounds. Average price, 31½ cents per pound for 1875 in above counties.

Amount of wool shorn in Ohio in 1875, 22,081,552 pounds.

Amount in each county in 1886.

	Pounds.		Pounds.
Fairfield County.....	146,192	Muskingum County.....	889,277
Perry County.....	382,045	Athens County.....	580,983
Pickaway County.....	42,986	Franklin County.....	129,908
Hocking County.....	247,065	Ross County.....	55,473
Licking County.....	1,272,025		
		Total.....	3,745,904

Out of the above twenty-seven mills there were only five running, and consumed 113,500 pounds, leaving 3,632,404 pounds. Average per pound during the year of 1886, in the above counties, 25½ cents, and in 1888 the average was but 22 cents per pound, showing that while the mills were running the farmer got more for his wool than when they are nearly all closed up; as the speculator has no competition, and the wool at his own price. The above are prices and figures in Ohio

I will give you a small statement of low tariff during forty years, and high tariff during twenty-one years. From 1828 to and including 1837, ten years, average price 29½ cents; from 1838 to and including 1847, ten years, average price 27½ cents; from 1848 to and including 1857, ten years, average price 32.9 cents; from 1858 to and including 1867, ten years, average price 49.6 cents. Average price for the forty years, in low tariff, 35 cents; in high tariff, from 1868 to and including 1877, ten years, average price 41½ cents; from 1878 to and including 1887, ten years, average price 35.8 cents; in 1888, average price 22 cents. Average price since the high tariff from 1867 for twenty-one years, 33 cents.

The above is Boston price, while in Ohio it was but 25 cents, a difference of 10 cents in favor of the Eastern speculator.

I will again say, give us a chance with the duty off of wool, and you will find mill after mill springing up throughout the country and prospering as of years gone by.

Hoping you will give this a fair consideration, and place it among your columns for the benefit of those whose industry has been crushed out of existence,

I remain your obedient servant,

G. A. HAMBERGER,
Proprietor Lancaster Knitting Mill.

CHEMICALS, PAINTS, OILS, AND VARNISHES.

STATEMENT OF HENRY BOWER.

WASHINGTON, D. C., *December 30, 1889.*

The committee met at 10 a. m.

Mr. HENRY BOWER, of Philadelphia, Pa., secretary of the Manufacturing Chemists' Association of the United States, appeared before the committee and made the following statement:

Mr. Chairman and gentlemen of the committee, I have appeared here, with quite a number of manufacturers of chemicals, in response to your published notice, and desire to call attention to the importance of the chemical industry, and recite a few figures from the Tenth Census, which give the number of establishments at 1,349. I can say that within the last decade the industry has increased enormously, so that the Eleventh Census will show a much larger number of establishments. The total capital employed was \$85,391,211; the total amount of wages paid was \$11,840,704; the number of tons of coal used was 273,161, anthracite, and 319,389 tons of bituminous. The total value of the product was \$117,372,324.

During the last session of Congress the members of this association, of which I am the secretary, were called here to Washington, first, when the bill which originated in this committee (the Mills bill) was under discussion, and afterwards when the Senate bill was in committee. After a great deal of deliberation and time spent, the schedule, as it appears in the Senate bill was made, and it is considered by us to be satisfactory in most of its provisions.

The CHAIRMAN. Does it materially differ from the schedule in the House bill?

Mr. BOWER. Yes, sir; very materially. We were also called upon and took an active part in assisting the Hon. Samuel J. Randall in making his tariff bill, and at his request prepared a descriptive schedule, of which I have a copy in my hand. I have given the clerk of your committee some copies, which you will find quite valuable in arriving at conclusions in regard to the several points touched upon in this paper.

In regard to the inconsistencies which appear in this Senate bill, there is one to which I personally wish to call the attention of the committee, and that is carbonate of potash, which has been taken from the dutiable list and placed upon the free list. The duty on it is only 20 per cent., a moderate rate of duty, and one which should remain. The object in taking it from the dutiable list was simply to reduce the revenue. There can be no other reason, and notwithstanding my personal efforts at that time, it was put upon the free list in the Senate bill. Some consumers are desirous of having that duty removed; but our establishment (probably one of the largest in this country) disavows any action at all looking to such an unfortunate provision in a tariff bill by which a manufactured article would be placed upon the free list.

For your information, I would say that in the State of Michigan there are now, according to the latest returns of the Eleventh Census, 73 manufactories of this article: In Ohio there are 24; in New York, 17; in Maine, 12; in Wisconsin, 8; in Indiana, 4; in Illinois, 1; making a total of 139. These American potashes are made from wood-ashes, which is produced largely in the lumber regions, especially in the State of Michigan, in connection with the salt industry. That is to say, the same concerns which produce salt and lumber, also make these potashes from the slabs and heads of lumber, which they burn. It is emphatically an American industry, and one which deserves a duty.

The CHAIRMAN. Has this competition from the other side?

Mr. BOWER. The competition is a very serious one, even under the present rate of duty. Large quantities of carbonate of potash are imported into this country. Murate of potash is now imported free of duty, and it should be free of duty, because there is no such material existing in this country. It is found as a native product in Germany, at Stassfurt.

Mr. CARLISLE. How long has it been admitted free?

Mr. BOWER. Since the bill of July 14, 1870, was passed.

Mr. CARLISLE. Do you know what it was worth in 1870, when it was put upon the free list?

Mr. BOWER. I could not say.

Mr. CARLISLE. Do you know whether it has risen or fallen in price since it was put on the free list?

Mr. BOWER. It is an article that is somewhat fluctuating, and it is controlled by a syndicate on the other side.

Mr. CARLISLE. What is it worth now on the other side?

Mr. BOWER. It is worth \$1.34 a pound.

Mr. CARLISLE. That is crude potash?

Mr. BOWER. It is muriate of potash?

Mr. CARLISLE. What is nitrate of saltpeter, crude—how does that differ from what you have been speaking about?

Mr. BOWER. That is a different salt altogether. That is a native product in India.

Mr. CARLISLE. It is produced here, is it not?

Mr. BOWER. It is manufactured in this country, very largely.

Mr. CARLISLE. Is it not natural to this country; is it not found here?

Mr. BOWER. It is made from this muriate of potash and nitrate of soda. They are put together, and they form nitrate of potash.

Mr. FLOWER. Do you know whether saltpeter has been found in this country?

Mr. BOWER. Yes, sir; saltpeter is found in all caves, in a degree.

Mr. FLOWER. Were not large quantities of it found in the Mammoth Cave in Kentucky at one time?

Mr. BOWER. I do not know whether large quantities were found there. It exists in these caves as nitrite of lime, and from that we can manufacture nitrate of potash.

Mr. CARLISLE. The only change you suggest in the Senate schedule on chemicals would be the restoration of this article to the dutiable list at 20 per cent.?

Mr. BOWER. Yes, sir; this article of potash interests every lumber region in this country.

Mr. CARLISLE. It is a bi-product of the lumber region?

Mr. BOWER. I suppose it may be said to be entirely a bi-product of the lumber regions.

Mr. CARLISLE. Their principal business is the manufacture of lumber?

Mr. BOWER. Yes, sir.

Mr. FLOWER. Is this the product that is known to commerce as black salts?

Mr. BOWER. No, sir. Black salts are a very low grade of potash. They were made free of duty some years ago; just what year I can not tell, but it was done so as to bring them in from Canada to be refined in this country. The importers have been bringing in a material which is of a dark gray color, and invoicing it as black salts; and they have even had that word incorporated into these tariff bills. It is now somewhat of a scientific undertaking to originate a tariff bill so as to use only generic terms and titles. I hope that in making your bill, no such expressions as "black salts" will be allowed, for they are unscientific, and unworthy to appear in a great public document like a tariff bill.

Mr. FLOWER. I think that formerly in Ohio, when a farmer cleared land, he would leave on the ground large piles of this black salt, and this is the black salt to which I refer. I never heard of any other kind.

Mr. BOWER. The other term is a misnomer. These black salts which are now imported contain 80 per cent. of carbonate of potash. They are very rich in potash.

Mr. CARLISLE. They have to be refined after they come here?

Mr. BOWER. We use them in the exact condition in which they are imported. We import them and pay 20 per cent. At Philadelphia we pay 20 per cent., and at the Port of New York they have been entered free—surreptitiously, it is true. The importers were apprehended, and that is now stopped.

Mr. CARLISLE. The Treasury holds them to be dutiable?

Mr. BOWER. The Treasury holds that any salt above 30 per cent. of potash is dutiable. It is a just decision.

STATEMENT OF MR. LEWIS ABRAHAM.

Mr. LEWIS ABRAHAM, of Washington, addressed the committee as follows:

Gentlemen of the committee, I understand that the hearings at your meetings are simply for the purpose of preliminary information on the important subject-matter under your charge. My object in appearing before you is not to discuss anything from a political or financial standpoint. Inadvertently in the original bill presented at the last session certain chemicals were placed on the free list, the employment of which is mainly for adulteration of food, the manufacture of imitation fruit sirups, and the production of spurious beverages, notably counterfeit whisky, wine, rum, and brandy.

It is respectfully requested that if you decide not to advance the import duty on such articles they should at least remain at the rate of the present schedule.

I had the honor to present this matter to the gentlemen on the Ways and Means Committee having special charge of chemicals. The result was that the committee withdrew the articles from the free list. When the bill was under consideration in the Senate I appeared before the Finance Committee and presented a paper on the subject, which was printed in the public document, Senate Report No. 2332.

I beg to submit herewith copies of certain memoranda handed by me to several members of both houses of Congress.

Attention is invited to certain clauses in the bill (H. R. 9051) now under consideration, wherein it is proposed to reduce the import duty on articles used for the adulteration of food, and more particularly for the manufacture of imitation liquors and beverages.

By the present tariff acts the duties are imposed on articles of this description as follows (see R. F. Downing & Co.'s new pocket tariff of express rates and United States custom duties):

- A, pages 45-104, cognac oil per ounce, \$4.
- B, pages 59-103, ether, cœnanthic, per ounce, \$4.
- C, page 46, coloring for brandy, 50 per cent. ad valorem.
- D, page 58, essence of rum, 50 cents per ounce.
- E, page 54, essence of fruit, \$2.50 per pound.
- F, pages 59-65, fruit ethers, \$2.50 per pound.
- G, page 59, ethers not specified, \$1 per pound.

The import duty proposed to be levied upon these articles by the bill under consideration will be found on page 90, sections 31, 32, and 33.

A, cognac oil is used simply and only for manufacturing spurious brandy.

B, cœnanthic ether is only employed for the manufacture of spurious spirits and the adulteration of beverages.

C, it is manifest that coloring for brandy serves no other purpose than its name indicates.

D, the same is true of essence of rum; it is only employed in the production of a spurious article.

The items C, D should be advanced in rate for obvious reasons.

The items A, B should be specifically tabulated and rated, at least, as in the present tariff, and not included, as proposed, in pending bill, sections 32, 33, page 90.

E, F. Fruit essences are now rated at \$2.50 per pound. These are used to manufacture articles simulating genuine fruit essences, and to take the place of the genuine, healthful material. If the present bill becomes the law without specifically denominating these products, they would come in at rates specified in sections 32 or 33.

Section 32 reads, "Butyric ether and other fruit ether." Butyric ether forms the base of most of the condensed ethers, essences, and other compounds used for adulterating purposes. (See Note 1.) It is obvious that it is erroneous to class such a deleterious article as a fruit ether, or to reduce the duty thereon.

Most of the articles herein referred to were placed on the free-list in the original bill introduced by Mr. Mills.

By instruction I had the honor to call attention thereto, and by amendment these articles were restored to the present tariff rates by the House of Representatives.

I respectfully request the same action on the part of the Senate.

Appended hereto are copies, marked Exhibits 2 and 3, of memoranda furnished the Hon. Benjamin Butterworth and Hon. J. M. Farquhar, June 1, 1888.

EXHIBIT 1.

Butyric ether, or pine-apple oil, is an exceedingly fragrant oil, obtained by distilling butyric acid (or the butyrate of lime), alcohol, and sulphuric acid. The material which passes over is the butyric ether, and it is generally mixed with alcohol, and sold in commerce as artificial pine-apple oil. It possesses the same very pleasant flavor which belongs to pine-apples, and there is little doubt that pine-apples owe their flavor to natural butyric ether.

The artificial variety is now extensively used for flavoring confections, as pine-apple drops, for sophisticating bad rum, and for flavoring custards, ices, and cream, as also an acidulated drink or lemonade named pine-apple ale.

Butyric ether alone can not be used in perfumery for handkerchief use, as when inhaled even in a small quantity it tends to cause irritation of the air tubes of the lungs and intense headache, but is employed as one material in the manufacture of compound perfumery.

It is composed of ordinary ether (C_4H_6O) and butyric acid ($C_3H_7O_2-HO$) and its strict chemical name and symbol is the butyrate of the oxide of ethyl (C_4H_6O , $C_8H_7O_3$).

It is remarkable that a substance possessing such a disagreeable odor as butyric acid (that of rancid butter) should be capable of forming in part at least a substance of such pleasant flavor as artificial pine-apple oil.

EXHIBIT 2.

Attention is invited to the proposition in the tariff bill, now under consideration, whereby essential oils and essences, solely used for the manufacture of imitation liquors and adulterating pure liquors, are placed on the free list.

Such articles, instead of being admitted duty free, should be absolutely prohibited.

The uses and purposes to which these oils and essences are put is fully illustrated in accompanying documents, showing recipes for adulterating and manufacturing liquors.

In a circular issued by a dealer in essential oils used for manufacturing imitation liquors occurs the following language: "The base of a manufactured liquor must be a pure inodorous spirit; should any but the best be used, the quality will deteriorate proportionately. All natural old liquors (straight goods) contain certain odorous compound ethers, arising from fermentation processes and slow oxidation."

Besides for use in imitating spurious liquors these essences are used to make imitation fruit flavoring, used for culinary purposes and in manufacturing sirups for soda water, imitation ginger beer, and so-called "medical" bitters.

Even if some of these essences have some merit, nevertheless they have many dangerous properties, and in the hands of unskilled persons are dangerous to handle.

A single illustration of one of the articles proposed to be put on the free list is sufficient for this purpose.

Ænanthic acid and ether.—This is one of the products of the oxidation of oleic acid by nitric acid, and is likewise yielded by the action of nitric acid on castor oil, wax, and various fats. Its most characteristic salt is the *Ænanthylate* of copper, which crystallizes in beautiful green needles. The oleates of the alkalies occur in the animal body; they have also been found in pus, in pulmonary tubercles, and in the excrements after the administration of purgatives.

BRANDIES.

Cognac.—From our finest cognac oil, distilled out of grapes. Take to 40 gallons of the best cologne spirit, proof, one-sixth of 1 ounce of the cognac oil, well cut, in 1 pint of alcohol, 1½ pints sugar sirup, and 4 ounces of our sugar coloring.

Brandy from ænanthic ether.—Four ounces of ænanthic ether, 1 ounce Jamaica rum essence, 1½ pints sugar sirup, and 4 ounces of our sugar coloring.

Rochelle brandy.—Four ounces of essence to 40 gallons spirits.

Old brandy.—Four ounces of essence to 40 gallons spirits.

Cognac brandy.—Four ounces of essence to 40 gallons spirits.

Seignette brandy.—Four ounces of essence to 40 gallons spirits.

Catawba brandy.—Eight to 10 ounces of essence to 40 gallons spirits.

Apple brandy.—Six ounces of essence to 40 gallons spirits.

Cider brandy.—Eight ounces of essence to 40 gallons spirits.

Peach brandy.—Five ounces of essence to 40 gallons spirits.

Cherry brandy.—Eight ounces of essence to 40 gallons spirits.

Rice brandy.—One pound of essence to 50 gallons spirits.

And one pint of sugar sirup.

GINS.

Holland gin, Old Tom, Schiedam schnaps, London-dock gin, etc.—Take to 40 gallons cologne spirit, proof, 4 ounces of the essence and 1½ pints of sugar sirup.

RUMS.

Jamaica rum.—Take to 40 gallons spirit, proof, one-half pound of the essence, one-half pint of our sugar coloring, and 1 quart of sugar sirup.

St. Croix rum, Batavia arrac, New England rum.—The same as above without the coloring.

PUNCH ESSENCES.

Jamaica rum punch.—Take 1 pound of the essence, cut it in 1 gallon of alcohol, 30 gallons proof cologne spirit, 10 gallons sugar sirup, 1 pint of our coloring, and 1 pound tartaric acid.

Wine punch, arrac punch, St. Croix rum punch, whisky punch.—Made the same as above, without coloring.

BITTERS.

Aromatic, Spanish, and Hostetter's bitters.—Take to 40 gallons of spirits, 15 per cent. below proof, 6 to 8 ounces of essence, well cut.

Plantation, Spanish, Herba, Stoughton, Cocktail, Hop, and Angostura bitters.—In alcohol, 1 to 2 gallons of sirup and 1 pint sugar coloring.

Bonnecamp, Hamburger, and Berliner bitters.—Take to 40 gallons spirits, 30 per cent. below proof, $1\frac{1}{2}$ pints of the extract, add 2 gallons sirup and 1 pint coloring.

WHISKIES.

Bourbon, Rye, and Monongahela.—Take to 40 gallons spirit about 1 ounce of the flavor and 2 ounces of our brandy coloring.

Irish and Scotch whiskies.—Forty gallons spirit, proof, 8 ounces essence, about 1 gallon malt whisky.

Wheat and malt whisky.—Take to 40 gallons rectified whisky about 3 ounces of the essence.

Corn ether is a well-known article for all kinds of whiskies, principally for rye; take $1\frac{1}{2}$ ounces essence per barrel.

CORDIALS.

Kummel.—Take about one-quarter pound of the essence, 36 gallons spirit, and 4 gallons sugar sirup.

Anie.—Take about one-half pound essence, well cut in 1 gallon of alcohol, 36 gallons spirit, proof, 4 gallons sugar sirup.

Peppermint.—Dissolve one-half pound of the essence in 1 gallon of alcohol and add to 36 gallons spirit, proof, 4 gallons sugar sirup one-half pound of our peppermint coloring.

Ginger brandy.—Take 2 pounds of the extract, 27 gallons of spirit, proof, 13 gallons of water, 5 ounces of our sugar coloring, one-fourth gallon sugar sirup.

Ginger cordial and ginger wine.—Take $1\frac{1}{2}$ pounds of the extract, 14 gallons spirit, proof, 5 gallons sugar sirup, 21 gallons water, 2 ounces carlat red, 2 ounces tartaric acid.

Blackberry brandy.—Seventeen gallons proof cologne spirit, 6 ounces blackberry essence, 3 to 4 gallons cherry juice, 4 gallons sirup, 4 gallons sweet cider, 15 gallons hot water, 1 pint coloring, 4 ounces tartaric acid.

Absinthe.—Twenty gallons cologne spirit, proof, 1 pound essence cut in alcohol, 1 pint sugar sirup. Color is made of six parts solution of coreuma, two parts indigo carmen, mixed.

Cider and wine, vinegar flavor.—One ounce of this essence added to common vinegar gives the flavor of wine and cider vinegar.

WINE RECEIPTS.

Port wine.—(For 1 barrel) 30 gallons of cider, after the same has fermented, 5 gallons spirit, 4 gallons sirup, one-half pound powdered Gum Kino, one-fourth pound tartaric acid, 6 to 8 ounces port wine flavor. To produce a better quality, add either a few gallons German cherry juice, or any kind of pure wine, Spanish or Catalonic the best.

Malaga, Madeira, sherry, and Catawba wine.—(For 1 barrel) 20 to 30 gallons of cider, 2 to 3 gallons sugar sirup, one-half pound Tartaric acid, 5 gallons spirit, 1 gallon vinegar, 5 to 1 ounce Carlat red sugar coloring, etc., of the respective flavors, one-half pound each per barrel.

Claret.—The same as port wine, in addition to 1 to 2 gallons blackberry juice, and one-half pound claret wine essence.

Color for port wine.—One ounce azuline, 4 ounces of our sugar coloring to the barrel

FOR CONFECTIONERY AND SODA WATER.

Our flavors for wine drops, peppermint drops, etc., as well as our sarsaparilla pear oil, pineapple, banana, etc., is very highly concentrated.

Carlat red coloring.—For all kinds of wines, liquors, cider, sirup, candies, ice cream, etc. This color does not settle, is very extensively and newly prepared. Must be mixed with sugar coloring, according to our recipes.

Sirup, raspberry, strawberry, etc.—One-half pound of the essence cut in 1 pint of alcohol, $1\frac{1}{2}$ pound Tartaric acid, 7 ounces Carlat red, for one barrel. Banana, pineapple, etc., as above, without the Carlat red.

Ginger, birch, root, and raspberry beer, etc.—Take 1 pound extract to 5 gallons sirup, $2\frac{1}{2}$ ounces Tartaric acid. Put this in bottles and charge with carbonic acid water.

BRANDIES.

Cognac, from our finest Cognac oil, distilled out of grapes.—Take to 40 gallons of the best Cologne spirit, proof, one-sixth of 1 ounce of the Cognac oil, well cut in 1 pint of alcohol, $1\frac{1}{2}$ pints of sugar sirup, and 4 ounces of our sugar coloring.

Brandy, from Oenanthe ether.—Four ounces of oenanthe ether, 1 ounce Jamaica rum-essence, $1\frac{1}{2}$ pints of sugar sirup, and 4 ounces of our sugar coloring.

Rochelle brandy.—Four ounces of essence to 40 gallons spirits, proof.

Old brandy.—Four ounces of essence to 40 gallons spirits, proof.

Cognac brandy.—Four ounces of essence to 40 gallons spirits, proof.

Seignette brandy.—Four ounces of essence to 40 gallons spirits, proof.

Catawba brandy.—Eight to 10 ounces of essence to 40 gallons spirits, proof.

Apple brandy.—Six ounces of essence to 40 gallons spirits, proof.

Cider brandy.—Eight ounces of essence to 40 gallons spirits, proof.

Peach brandy.—Five ounces of essence to 40 gallons spirits, proof.

Cherry brandy.—Eight ounces of essence to 40 gallons spirits, proof.

Rice brandy.—One pound of essence to 50 gallons spirits, proof.

GINS.

Holland gin, Old Tom, Schiedam schnapps, London Dock gin, etc.—Take to 40 gallons Cologne spirits, proof, 4 ounces of the essence, and $1\frac{1}{2}$ pints of sugar sirup.

RUMS.

Jamaica rum.—Take to 40 gallons spirit-proof, half pound of the essence, half pint of our sugar coloring, and 1 quart sugar sirup.

St. Croix rum, Batavia arrac, and New England rum.—The same as above without the coloring.

PUNCH ESSENCES.

Jamaica rum punch.—Take 1 pound of the essence, cut it in 1 gallon of alcohol, 30 gallons proof Cologne spirits, 10 gallons sugar sirup, 1 pint of our coloring, and 1 pound tartaric acid.

Wine punch, arrac punch, St. Croix rum punch, and whisky punch.—Made the same as above without coloring.

BITTERS.

Aromatic, Spanish, Hostetter, Plantation, Herba, Stoughton, Cocktail Hop, and Angostura bitters.—Take to 40 gallons spirits, 15 per cent. below proof, 6 to 8 ounces of essence, well cut in alcohol, 1 to 2 gallons sirup, and 1 pint sugar coloring.

Boonecamp, Hamburger, and Berliner Bitters.—Take to 40 gallons spirits, 30 per cent below proof, $1\frac{1}{2}$ pint of the extract, add about 2 gallons sirup, and 1 pint coloring.

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Wheat and malt whisky.—Take to 40 gallons rectified whisky about 3 ounces of the essence.

Corn ether is a well known article for all kinds of whiskies, principally for rye; take $1\frac{1}{2}$ ounces essence per barrel.

CORDIALS.

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Anis.—Take about one-half pound of the essence, well cut in 1 gallon of alcohol, 36 gallons spirits, proof, 4 gallons sugar sirup.

Peppermint.—Dissolve one-half pound of the essence in 1 gallon of alcohol, and add to 36 gallons spirits, proof, 3 gallons sugar sirup, one-half pound of our peppermint coloring.

Ginger brandy.—Take 2 pounds of the extract, 27 gallons spirits, proof, 13 gallons water, 5 ounces of our sugar coloring, one-quarter gallon sugar sirup.

Ginger cordial or ginger wine.—Take $1\frac{1}{2}$ pounds of the extract, 14 gallons spirits, proof, 5 gallons sugar sirup, 21 gallons water, 2 ounces carlat red, 2 ounces tartaric acid.

Blackberry brandy.—Seventeen gallons proof cologne spirits, 6 ounces blackberry essence, 3 to 4 gallons cherry juice, 4 gallons sirup, 4 gallons sweet cider, 15 gallons hot water, 1 pint coloring, 4 ounces tartaric acid.

Absinthe.—Twenty gallons cologne spirits, proof, 1 pound essence cut in alcohol, 1 pint sugar sirup. Color is made of 6 parts solution curcuma, 2 parts indigo carmen, mixed.

Cider and wine vinegar flavor.—One ounce of this essence added to common vinegar gives the flavor of wine and cider vinegar.

WINE RECIPES.

Port-wine.—(For one barrel), 30 gallons cider after the same has fermented, 5 gallons spirit, 4 gallons sirup, one-half pound powdered gummi kino, one-quarter pound tartaric acid, 6 to 8 ounces port-wine flavor. To produce a better quality, add either a few gallons German cherry juice or any kind of pure wine, Spanish or Catalonic the best.

Malaga, Maderia, sherry, and Catawba wines.—(For one barrel), 20 to 30 gallons cider, 2 to 3 gallons sugar sirup, one-half pound tartaric acid, 5 gallons spirit, proof, 1 gallon vinegar, one-half to 1 ounce carlat red. Sugar coloring, etc., of the respective flavors, one-half pound each per barrel.

Claret.—The same as port wine, in addition to 1 to 2 gallons blackberry juice and one-half pound claret wine essence.

Color for port-wine.—One ounce azuline, 4 ounces of our sugar coloring to the barrel.

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Sirup, raspberry, strawberry, etc.—One-half pound of the essence cut in 1 pint of alcohol, 1½ pounds tartaric acid, 7 ounces carlat red, for one barrel. Banana, pine-apple, etc., as above, without the carlat red.

Ginger, birch, root, and raspberry beer, etc.—Take 1 pound extract to 5 gallons sirup, 2½ ounces of tartaric acid. Put this in bottles and charge with carbonic-acid water.

THE CHAIRMAN. What you want is simply that the duties be left where they are?

MR. ABRAHAM. In the original bills they were put on the free list by a sweeping clause.

THE CHAIRMAN. But subsequently they were put back on the dutiable list.

MR. ABRAHAM. Subsequently they were put back.

MR. CARLISLE. Are those articles which you have mentioned all adulterants?

MR. ABRAHAM. They are used for that only. Butyric acid is found in rancid butter, and how can it be a fruit essence?

MR. CARLISLE. Is it unwholesome?

MR. ABRAHAM. Yes, sir. It is found in the pus of consumptives, and in the excrement of consumptive patients.

STATEMENT OF MR. ARMSTRONG.

MR. ARMSTRONG, of the Pennsylvania Salt Company, appeared before the committee and said:

Mr. Chairman and gentlemen: I would ask to make a brief statement on the subject of heavy chemicals, such as alum-sulphate of copper, or blue vitriol copperas, bicarbonate soda, caustic soda, sal-soda, soda of ash, and sulphate of soda. I believe manufacturers generally are satisfied with the provisions of the Senate bill, except in regard to sulphate of soda. The existing duty on this article is 20 per cent. ad valorem. The rate in the Senate bill is the same. The article is uniform in quality, and is in the same class as the other articles named, all of which pay specific duties, and we would respectfully ask for a specific duty of one-quarter cent per pound on this article. The importations are increasing and the duty suggested is only asking for legislative protection equivalent to the difference in cost of labor.

Regarding the labor question, I will give an illustration, which it seems to me affords convincing proof that the present duty goes into the pocket of the workman. As the company with which I am associated is probably second to none of its kind in magnitude and possesses all the facilities for manufacturing cheaply, I have taken it as a basis for my calculations.

During the current calendar year we have paid to 1,300 hands the sum of \$710,000 in wages, being an average of \$546 each. The value of our alkaline product is \$1,820,000, upon which the percentage of labor is 39.

The percentage of labor in similar works in England is 15.6 and the average annual earnings amount to \$218. In Germany the average is only \$180 per annum.

In other words, we paid \$425,800 more wages than England and \$475,930 more than Germany on same amount of product.

Now, if the product of my company's factory had been imported, the duty at existing rates would amount to \$405,000, or \$20,800 less than the difference in cost of labor compared with England, and \$70,930 less than cost of labor compared with Germany. The sea freight does not offset the difference. I have known ships, chartered to load cotton and petroleum, to bring heavy chemicals for ballast, and at all times the cost of sea freight is comparatively a mere trifle.

Therefore, unless the present duty is retained, it is obvious that the manufacture of heavy chemicals can not be continued here on the basis of wages now paid.

Mr. CARLISLE. What is the price of sulphate of soda abroad now?

Mr. ARMSTRONG. I think it is in the neighborhood of four-tenths cents a pound.

Mr. CARLISLE. What is the price in America?

Mr. ARMSTRONG. I think it is half a cent a pound wholesale.

Mr. CARLISLE. Then you are asking for a duty of 60 per cent.?

Mr. ARMSTRONG. Hardly as much as that. Under the operation of the package clause of an ad valorem duty it would not be so much.

Mr. CARLISLE. We propose to correct that.

The CHAIRMAN. If we correct that I suppose you would not want so high a rate?

Mr. ARMSTRONG. If the invoice of packages is corrected I think two-tenths of a cent a pound would be ample.

STATEMENT OF CHURCHMAN & CO.

Mr. Armstrong, of the Pennsylvania Salt Manufacturing Company, has made an argument before your committee in favor of making the duty on sulphate soda or salt cake one-fourth cent per pound instead of 20 per cent. ad valorem, as at present. He is very careful, however, not to say that this is an enormous increase, amounting to between 400 and 500 per cent.

The average price of salt cake for 1889 in England was 23s., or \$5.60 per ton, and the duty of one-fourth cent per pound, or \$5.60 a ton, would be, therefore, 100 per cent. ad valorem instead of 20 per cent. The article is used principally by the glass manufacturers, the consumption being about 35,000 to 40,000 tons per year. Of this quantity only about 5,000 to 7,000 tons are imported, and yet Mr. Armstrong would tax the glass manufacturers to the extent of \$150,000 annually to stop this small importation.

We know of one glass manufacturer near Pittsburgh that this would cause an additional cost of his raw material of \$32,000 a year.

The duty on soda ash is equal to about 20 per cent. Why make sulphate of soda, which is used for the same purpose, 100 per cent. ad valorem?

We do think that it would be much better, both for the importer and the Government, that a specific duty should be adopted instead of an ad valorem one, and suggest that it be \$1 a ton=18 per cent. ad valorem on a valuation of 23s. a ton.

Salt cake is about as crude a material as comes to this market, and certainly the above duty should be more than enough to protect it, and has proved so, as the consumption of the domestic is five to one as compared with the foreign.

STATEMENT OF MR. H. B. ROSENGARTEN.

Mr. H. B. ROSENGARTEN, of Philadelphia, Pa., manufacturing chemist, appeared before the committee and made the following statement:

Mr. Chairman and gentlemen of the committee, I am here with some other gentlemen as representatives of the chemical section of the Manufacturers' Club of Philadelphia. We have taken up these articles in the order in which we find them in the Senate bill, which we think requires some changes.

The first one is on page 70—alcohol in the industrial arts. The regulations of the Senate bill would prevent free alcohol for the above use being available. A large quantity of alcohol is used, in the aggregate, by a number of small houses who could not provide a store-room, as provided for in the act, at their own expense and furnish the required bond, and few, if any, of the large consumers would be willing to have a Government officer in charge of such store-room "who shall have access to every part of such manufactory in which such distilled spirits are used, who shall report the pur-

pose for which such spirits have been used, and furnish such other information as may be required."

The regulations for the use of free methylated spirits are even more obnoxious.

If distilled spirits can not be made free of tax, the rate of tax should be greatly reduced.

Page 97, tannic acid or tannin; page 99, collodion; page 100, ethers. On all the above the rate of duty should be regulated according to the rate of tax on alcohol.

Page 101, iodine, resublimed, should remain as in the present tariff, 40 cents per pound.

Page 102, morphia, and salts of, and aqueous extract opium, rate should be according to the rate on opium.

Page 106, salt cake, one-fourth cent per pound.

Page 175, strike out "articles specially imported for the use of the United States."

Page 185, opium, strike out the words "and not adulterated."

Page 191, strike out "quinia, sulphate of, and all alkaloids or salts of Cinchona barks." The duty was removed from sulphate of quinine by act of July 1, 1879. The importations of sulphate of quinine for the year ending June 30, 1879, were 224,348 ounces, valued at \$626,567, equal to \$2.75 per ounce; for the year ending June 30, 1889, they were 2,893,582 ounces, valued at \$940,325, equal to 32½ cents per ounce. The importations of Cinchona bark for the year ending June 30, 1879, were 6,388,641 pounds, value \$2,094,514; for the year ending June 30, 1889, 2,865,968 pounds, value \$367,966.

Page 105, line 209, paragraph 81, all medicinal preparations, including medical proprietary preparations, etc., the rate should be 50 per centum instead of 25 per cent.

Page 105, line 219, paragraph 82, preparations, etc., should be 40 per cent. instead of 25 per cent. Line 222 insert "and chemically pure acid."

Page 104, line 192, paragraph 74, phosphorus should be 25 cents per pound.

Page 104, line 203, paragraph 80, preparations of which alcohol is a component part, should have a rate of duty compensating for the tax on alcohol.

Mr. CARLISLE. Are there not several industries which use alcohol in production, which could not use methylated alcohol?

Mr. ROSENGARTEN. Yes, sir.

Mr. CARLISLE. Is it not rarely methylated?

Mr. ROSENGARTEN. The Senate bill gives the privilege of both clean and methylated alcohol, but many concerns could not comply with the regulations of the proposed law.

Mr. CARLISLE. Those who could would have a great advantage over those who could not?

Mr. ROSENGARTEN. It would give them a monopoly of the business.

Mr. CARLISLE. Has not that always been the law?

Mr. ROSENGARTEN. No, sir.

Mr. CARLISLE. If opium contains only 9 per cent. of adulteration, it is still not absolutely pure?

Mr. ROSENGARTEN. It sometimes runs up to 16 per cent. It is pure enough. It is difficult to determine just what is adulteration. The best qualities are sometimes adulterated with shot to make them weigh heavy.

Mr. CARLISLE. How many quinine factories were in operation at the time of the repeal of the law in 1879?

Mr. ROSENGARTEN. There were five then, and there are three now. Of these remaining in operation, two are working in a spasmodic way.

Mr. CARLISLE. How does the price compare now with what it was then?

Mr. ROSENGARTEN. American quinine to-day is worth 35 cents an ounce. Then it was worth \$3.40 an ounce. The price of a 1 per cent. bark at that time was 2 shillings a pound, and to-day it is 1½ pence per pound. That reduction in the price of the bark was brought about by Great Britain and Holland in raising cinchona bark. They ship 15,000,000 pounds a year.

Mr. CARLISLE. The price of the bark has not fallen quite so low?

Mr. ROSENGARTEN. It has fallen 90 per cent.

Mr. CARLISLE. The price of quinine has fallen from \$3.40 to 35 cents an ounce?

Mr. ROSENGARTEN. Yes, sir.

Mr. FLOWER. Then it has cheapened the price by putting it on the free list.

Mr. ROSENGARTEN. Putting it on the free list had nothing to do with the cheapening of the bark. The price of quinine has gone down in Europe in the same proportion as it has gone down here.

Mr. CARLISLE. About how many pounds of bark ordinarily is required to make one ounce of quinine?

Mr. ROSENGARTEN. It requires 6½ pounds of a 1 per cent. bark to make an ounce of quinine.

Mr. FLOWER. It is claimed that it is adulterated in this country; is that true?

Mr. ROSENGARTEN. I do not think that is true. There is a variation in the price of different makes.

The CHAIRMAN. What would be the effect of restoring the duty on quinine?

Mr. ROSENGARTEN. It would increase the manufacture in this country and enable factories to go on.

The CHAIRMAN. How would the price be affected?

Mr. ROSENGARTEN. The price would be regulated by the price abroad.

Mr. CARLISLE. Would it not increase the price here?

Mr. ROSENGARTEN. Not very largely; not more than the duty.

The CHAIRMAN. It is claimed that quinine has fallen because it was put on the free list. Has not the price of quinine fallen on account of the large reduction in the price of cinchona bark?

Mr. ROSENGARTEN. Yes, sir.

Mr. BURROWS. The price abroad has fallen just in proportion as it has fallen here.

Mr. ROSENGARTEN. Yes, sir; from 11 shillings and 6 pence per ounce to about 14 pence per ounce.

Mr. CARLISLE. You think that the restoration of the duty on sulphate of quinine would increase the price here, do you not?

Mr. ROSENGARTEN. We hope it would. It would not increase it sufficiently to be felt at all by the consumer.

Mr. CARLISLE. Is not every increase of price felt by the consumer?

Mr. ROSENGARTEN. Hardly. In a thing that is divided into such small doses the consumer would not feel it.

Mr. FLOWER. The tax on the articles entering into its manufacture is what makes it cost—alcohol, for instance.

Mr. CARLISLE. Why not put a tax on cinchona bark?

Mr. ROSENGARTEN. Cinchona bark could not be produced here. Crude materials which can not be produced here are brought in free. Of the drug and chemical schedule about 60 per cent. is on the free list.

Mr. CARLISLE. I think the mistake was made when the duty was taken off sulphate of quinine not to take it off the material of which it is made.

Mr. ROSENGARTEN. At that time the South American bark was free and the duty on the East India bark was a discriminating one.

Mr. CARLISLE. Have you any statistics in regard to the cost of the labor?

Mr. ROSENGARTEN. I have a gentleman's statement, which was that the cost of labor abroad was 50 cents a day for men and 12½ cents a day for women in winter. The gentleman's name was Hasslacher. He made that statement in conversation.

VIEWS OF THE PHILADELPHIA DRUG EXCHANGE.

PHILADELPHIA, January 28, 1890.

SIR: I have the honor to submit herewith a copy of that portion of the Twenty-ninth Annual Report of the Philadelphia Drug Exchange referring to the internal revenue and tariff legislation, which report was presented to and adopted by the association this day, and this copy thereof ordered to be forwarded to your committee, together with the following resolution:

Resolved, That the Philadelphia Drug Exchange respectfully requests the Committee of Ways and Means of the House of Representatives, in the revenue bill which is now being prepared, to make a material reduction in the rate of tax on distilled spirits, if they do not abolish the tax entirely; and also to strike out of the free list of the tariff "quinine, sulphate of, and all alkaloids of salts of cinchona bark."

Very respectfully,

WILLIAM GULAGER,
Secretary.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee of Ways and Means.

EXTRACT FROM THE TWENTY-NINTH ANNUAL REPORT OF THE PHILADELPHIA DRUG EXCHANGE, ADOPTED BY THE ASSOCIATION ON JANUARY 28, 1890.

The Ways and Means Committee of the National House of Representatives having now under consideration the formation of a revenue bill, which will probably embrace both customs duties and internal revenue taxes, it would seem proper at this meeting to state the views of the Philadelphia Drug Exchange as to certain matters of special interest to the trade, and to have the attention of the said committee drawn to the same.

(1) The tax on distilled spirits.

The present rate, 90 cents per gallon, is excessive, and the income derived therefrom is not required by the Government.

The rate is four and a half times that of the first war tax imposed, which was but twenty cents per gallon.

The tax on alcohol, by reason of this tax on distilled spirits, is about \$1.70 per gallon, equal to about six times the cost of production.

In our opinion the tax should be materially reduced, if not totally abolished.

(2) There should be a duty on quinine, and all salts of quinine, and on all the other alkaloids of cinchona bark and the salts thereof.

If the policy of this Government is to protect home industries these articles are as fairly entitled to protection as are any others.

American manufacturers of quinine have to compete with Europeans, who, by reason of cheap labor, can produce at much less cost and are enabled to flood this country with their surplus product.

During the fiscal year ending June 30, 1889, the amount of foreign sulphate of quinine sent to this country aggregated between 2,000,000 and 3,000,000 ounces. American manufacturers can not export any.

The harmony of the entire protective system is disturbed by the exceptional legislation applied to quinine, and no argument can be brought forward advocating free quinine that will not apply with equal force to wool; woollens, iron-ore, iron and steel, pottery, salt, coal, sugar, rice, wheat, or any other commodity largely produced in this country.

Whatever system may be adopted must be equitably applied to be consistent and constitutional or it will not be allowed to exist.

(3) A government committed to the doctrine of protecting home industries should set an example to its citizens, as the German Government does.

According to the statute books, goods imported for the use of the United States Government are exempt from duty. While this makes no difference to the Treasury, it encourages the various departments connected with the Government to give preference to the products of foreign work-shops and factories, because they can obtain more goods for their appropriations by being able to purchase abroad at less cost.

This is unjust to American manufacturers, who pay vastly higher wages than are paid in Europe.

A doctor should not object to taking the same sort of medicine he prescribes for his patients.

If protection is best for the people, why should free trade be best for the Government?

If cheap goods are to the advantage of the Government, why are they not equally so when the welfare of the citizen is to be considered?

The clause stultifies the protective system and should be eliminated from the forthcoming House bill.

Manufacturers of blankets, bricks, quinine, and other articles have good cause to complain when they find that their Government disregards its own pronounced general policy as applied to American citizens, who sustain the Government in peace and defend it in war, and favors in this way foreigners, who do nothing to promote the welfare of the United States, and who are inimical, in every way, to republican institutions.

If the people of this country were permitted to bring in foreign products free of duty, as the Government is allowed to do, and as the Government does, what would become of our industries?

Our working people would receive as low wages as they do abroad, their condition would be reduced to the social status of their European competitors, the cost of production would have to come down to the European level, or our establishments would be closed and our people be without the ability to consume or produce, being deprived of the means of support.

What then would become of our Government, which is a non-producer, and which is in every way dependent upon the people for its existence?

From the minutes.

WILLIAM GULAGER,
Secretary Philadelphia Drug Exchange.

MEDICAL SOCIETY, ERIE COUNTY, N. Y.

Whereas a feeling of humanity suggests that all medical and surgical supplies, instruments, and appliances, including those used in the diagnosis as well as treatment of diseases, should be furnished to those needing them at the lowest possible price;

Resolved, That the Medical Society of Erie County, N. Y., would urge upon Congress that, in the cause of humanity, the import duty should be removed from all

medicines, medical and surgical appliances, and from everything used in the treatment or diagnosis of disease.

Resolved, That the corresponding secretary transmit a copy of the foregoing preamble and resolutions to the Congressional Committee on Ways and Means and to our Senators and Representatives.

WM. H. THORNTON,
Secretary.

SODA ASH.

STATEMENT OF MR. W. B. COGSWELL.

Mr. W. B. COGSWELL, of Syracuse, N. Y., appeared before the committee and made the following statement:

Mr. Chairman and gentlemen of the committee: I represent the soda industry of Syracuse, N. Y. I can say that the Senate bill is perfectly satisfactory, and we ask no change. We are making soda-ash, caustic and bicarbonate.

The CHAIRMAN. How long have you been engaged in that business?

Mr. COGSWELL. We have been engaged in making soda-ash for six years the coming January; in making caustic soda since March, 1888; we have been making bicarbonate for three years. Since we started in the manufacture of soda-ash the price has declined four times nearly the present duty. The price of caustic soda has declined from about 2½ cents per pound for 60 per cent. alkali to as low as two and one-tenth of a cent per pound. The price has advanced slightly here within a month or two, however.

Mr. CARLISLE. What was the price when you began to manufacture soda-ash, six years ago?

Mr. COGSWELL. About \$40 per gross ton for 58 per cent. alkali.

Mr. CARLISLE. What is the price per ton now?

Mr. COGSWELL. It nets us at the works \$26.

Mr. CARLISLE. The proportion of the fall is from \$40 to \$26?

Mr. COGSWELL. When we started building it was selling at \$45.

Mr. CARLISLE. And now it is selling at \$26?

Mr. COGSWELL. Yes, sir.

Mr. CARLISLE. What is it worth abroad now? It is less than a cent a pound, is it not?

Mr. COGSWELL. I think it is.

Mr. CARLISLE. It is about 9 mills. I see here in a statement made by the Secretary of the Treasury showing the price of various articles from 1878 down to 1889, and I find soda-ash in 1878 was 1½ cents, and in 1889 it is worth 9 mills per pound.

Mr. COGSWELL. It went down on the other side. Two kinds are imported, 48 and 58 alkali, both paying the same duty.

Mr. PAYNE. How many men do you employ?

Mr. COGSWELL. One thousand.

Mr. FLOWER. Yours is the only industry of this kind in the country, is it not?

Mr. COGSWELL. There was a soda works at Bay City, Mich., which I think stopped six years ago. It was using the same process that we use.

Mr. BURROWS. You say you are the only firm making soda-ash?

Mr. COGSWELL. Yes, sir; so far as I know.

Mr. BURROWS. Up to the time these works were established in Syracuse we had to depend on the foreign product?

Mr. COGSWELL. Except as to those works at Bay City, Mich., which were running intermittingly.

Mr. BURROWS. What amount is required for the home consumption?

Mr. COGSWELL. Two hundred thousand tons.

Mr. BURROWS. How much will your works supply?

Mr. COGSWELL. Fifty thousand tons.

Mr. BURROWS. The price has gone down from \$45 until now it is only \$26. What makes the decline?

Mr. COGSWELL. Large increase in the production in Europe and of course our make of 50,000 tons. The first year we made less.

Mr. BURROWS. You make one-fourth of the home demand?

Mr. COGSWELL. Yes, sir.

Mr. BURROWS. Does that affect the price somewhat?

Mr. COGSWELL. I presume it does.

Mr. BURROWS. What would be the effect of taking off the duty of \$5 a ton?

Mr. COGSWELL. It would probably lower the price.

Mr. BURROWS. You think the works would go on?

Mr. COGSWELL. We would try to keep going.

Mr. BURROWS. Then you do not care about our keeping the duty on?

Mr. COGSWELL. Yes, sir. We have a large sum of money invested and would prefer the duty as it is now.

Mr. BURROWS. Can you manage to do without the duty if we take it off?

Mr. COGSWELL. Part of our works would stop if the duty were less than \$5 a ton.

Mr. BURROWS. Can you manufacture now without the duty?

Mr. COGSWELL. We should not stop.

Mr. BURROWS. You think the industry would flourish just the same?

Mr. COGSWELL. It would not flourish just the same.

The CHAIRMAN. Would you pay the same wages?

Mr. COGSWELL. Probably not.

Mr. BURROWS. If you would pay the same wages after we took the duty off perhaps we ought to take it off.

Mr. COGSWELL. I am sure we would not. We would reduce wages.

Mr. FLOWER. If yours is the only factory making this article, I suppose you can tell us how much you make a ton on it.

Mr. COGSWELL. I do not think that is a fair question.

Mr. CARLISLE. If you ask us to pass a law upon the assumption that you ought to be able to make a fair profit, why should we not know what is a fair profit?

Mr. COGSWELL. I do not think it is customary to give such information.

Mr. FLOWER. Do you recognize it as a hard question to answer.

Mr. COGSWELL. I could tell you this: the first year we made soda-ash it cost us \$44 a ton, and we sold it for \$40 a ton.

Mr. FLOWER. Is this a patented process?

Mr. COGSWELL. The apparatus is patented. A great many establishments make it by the same process, with different apparatus.

Mr. McKENNA. What does it cost to make it now?

Mr. COGSWELL. That would be telling what we make.

Mr. McKENNA. Why do you refuse to tell what you make?

Mr. COGSWELL. It is a natural reason—because a person does not want to tell all about his business.

Mr. McKENNA. You told us when you lost, and why not tell us when you make?

Mr. COGSWELL. We are paying small dividends on \$2,000,000 capital invested.

Mr. McKENNA. And is it paying you the usual profit?

Mr. COGSWELL. Yes, sir.

Mr. GEAR. Is your company a corporation?

Mr. COGSWELL. Yes, sir; the capital stock is \$1,500,000, or will be very soon, January 1, 1890.

Mr. GEAR. What dividends do you declare?

Mr. COGSWELL. Well, I do not know that that is hardly a fair question.

Mr. BURROWS. Do they publish them?

Mr. COGSWELL. We have never published them.

Mr. GEAR. How much would you reduce wages, if this tariff were taken off?

Mr. COGSWELL. We should be obliged to reduce about 15 per cent.

Mr. GEAR. What is the average pay now?

Mr. COGSWELL. We pay now, with the exception perhaps of a few men who are what we call "pensioners" (as they are pretty old, and we keep them at work because they have been with us a long time), 14 cents an hour. We pay by the hour most of our men. We run twenty-four hours, and some of the men work twelve hours and some work ten.

The CHAIRMAN. Have you been declaring dividends since the first year?

Mr. COGSWELL. We did not declare any the first three years.

The CHAIRMAN. Have you been declaring dividends for the last three years?

Mr. COGSWELL. Yes, the first year we lost money; the second year we made a little money; the third year we paid a small dividend and have continued since.

Mr. CARLISLE. Were you then extending your plant?

Mr. COGSWELL. The first extension was at the end of the second year. We have altered and taken out a good deal of apparatus, so that we have increased our production. We made an arrangement with Solvay & Co., of Belgium, to use their patents.

Mr. CARLISLE. I understand you to say that you could not continue to carry on the business and make profits without a reduction of wages?

Mr. COGSWELL. Yes, sir; we could.

The CHAIRMAN. Profits have not been exorbitant, but you do not desire to state them to the committee?

Mr. COGSWELL. If they had been very small, I would not desire to state them.

Mr. CARLISLE. You did not hesitate to answer that you lost the first three years.

Mr. COGSWELL. We have made some money since.

Mr. BAYNE. I understand that your gains have not been greater than others in ordinary business?

Mr. COGSWELL. Not greater than other kinds of business, taking similar risks.

Mr. LA FOLLETTE. What is the character of the risks in your business?

Mr. COGSWELL. There are a great many kinds.

The CHAIRMAN. Will you explain what the risks are?

Mr. COGSWELL. We have put in about \$100,000 in caustic plant, which, taking the ash at the market price, has not paid any profit. If the tariff should be lowered materially on caustic soda, we should have to stop our works. We could not afford to run at less than the present tariff on caustic soda.

Mr. McKENNA. Is yours skilled labor?

Mr. COGSWELL. Largely.

Mr. McKENNA. Labor which could not find employment elsewhere?

Mr. COGSWELL. It might get work in other industries.

Mr. McKENNA. How could you reduce wages then?

Mr. COGSWELL. We should try to get men who would work for less.

Mr. McKENNA. Why not rather reduce the profits than try to reduce on wages?

Mr. COGSWELL. In caustic there are no profits yet. Our books will show a loss.

Mr. McKENNA. Is that skilled labor which you employ in soda-ash?

Mr. COGSWELL. Largely. Some are chemists. We have one chemist a superintendent, a man educated in the business. We pay him \$3,500 a year; and we have a foreman who gets high pay. We pay from 14 cents an hour to 25 cents an hour. The larger proportion of the men get 14 cents an hour, and a smaller number get as high as 25 cents an hour.

Mr. FLOWER. What is soda-ash made from?

Mr. COGSWELL. Salt.

Mr. BURROWS. Do I understand you to say that if we take off the duty of \$5 a ton you will still continue your works, and pay the same price for labor, and make a profit—I do not say a large profit; could you do that?

Mr. COGSWELL. I think we could.

Mr. BURROWS. Would not the business then have to be carried on at a loss?

Mr. COGSWELL. No; we have such a large amount of money invested that we would endeavor in some way to keep running by trying to reduce cost by improving the apparatus.

Mr. BURROWS. You could not keep up if you were losing money every year.

Mr. COGSWELL. No; not if we lost money every year; certainly not.

Mr. BECKINRIDGE. Are you prepared to give us a demonstration of the proposition that you could not continue to run because of the production abroad, or do you expect us to go upon your personal assurance on that matter?

Mr. COGSWELL. I do not know what the cost is abroad.

Mr. BECKINRIDGE. Therefore you have nothing to base your opinion upon?

Mr. COGSWELL. As to the cost abroad?

Mr. BECKINRIDGE. Your idea is necessarily a personal idea. If you do not know the cost of production abroad you can not institute a comparison. Is that not a right construction?

Mr. COGSWELL. I think the selling price indicates the cost of production. That is the one that would regulate our business independent of what it cost.

Mr. BECKINRIDGE. You are not prepared to give a demonstration of the cost of the production abroad?

Mr. COGSWELL. No, sir; I do not know what is the cost abroad.

Mr. BECKINRIDGE. That is simply an assertion that you could not run your business if the duty were taken off?

Mr. COGSWELL. No, sir; I think we could run without a loss.

Mr. BECKINRIDGE. You can give us no data?

Mr. COGSWELL. We are in correspondence with a large works in England which is somewhat interested in our works, and we have very excellent opportunities of judging and knowing the difference in the cost of wages abroad and in this country. We find that whatever costs them \$1 costs us \$1.75.

Mr. BECKINRIDGE. Are you speaking of the daily wages or cost of production, or are you speaking of a unit of quantity?

Mr. COGSWELL. I am speaking of what is paid labor of all classes in two works of the same character. It does not make any difference whether they are paid by the day or by the month.

Mr. BECKINRIDGE. A good deal would depend upon the efficiency of the labor, perhaps.

Mr. COGSWELL. I have not lived in England enough to know what is the efficiency of their labor. I know that our labor averages \$1.75 against \$1 paid on the other side, or in England.

Mr. BECKINRIDGE. This labor is measured by the time it is employed, is it?

Mr. COGSWELL. Yes, sir.

Mr. BECKINRIDGE. Have you reckoned the resulting production on each side?

Mr. COGSWELL. I think there is a little in favor of our production.

Mr. BRECKINRIDGE. But you are not prepared to give any demonstration of the cost of production per ton?

Mr. COGSWELL. Not at the present moment.

Mr. BRECKINRIDGE. That is, of course, at the root of the question.

Mr. CARLISLE. How many Englishmen are interested in your works?

Mr. COGSWELL. The Solvay Company, which owns the patents, were largely interested in these works in England, and so became interested in our works. We could not have started the works or should not have started the works without the aid of the Solvay patents.

Mr. CARLISLE. Are not some business men in Belgium interested in your works?

Mr. COGSWELL. The Solvays live in Belgium. They have nine works in Europe, or are interested in them.

Mr. CARLISLE. So that in manufacturing this material here they are competing with themselves in Europe?

Mr. COGSWELL. I do not see that they are.

Mr. CARLISLE. Are you compelled to sell in competition with them?

Mr. COGSWELL. I do not understand you exactly.

Mr. CARLISLE. Is the selling price the same there as it is here?

Mr. COGSWELL. No, sir; there is a combination over there.

Mr. CARLISLE. Your company is not in that combination.

Mr. COGSWELL. No, sir.

Mr. CARLISLE. Are not these gentlemen interested in that combination in your company?

Mr. COGSWELL. Oh, yes; I think they are all in it. There is a combination in Germany, Austria, and France.

Mr. BAYNE. Do the French put a duty on it?

Mr. COGSWELL. They do; and in Germany also.

Mr. McKENNA. The combination in France is a combination of French capitalists?

Mr. COGSWELL. I only suppose so from the fact that the price has been raised.

Mr. FLOWER. You can make soda-ash under this process which you have been making under the old process?

Mr. COGSWELL. We have made no soda-ash under any other process.

Mr. FLOWER. Are there not some American capitalists who are stockholders in those foreign companies that own the patents?

Mr. COGSWELL. No, sir; over two-thirds of the stockholders are Americans.

Mr. BAYNE. In the manufacture of 50,000 tons of this article, how much limestone, coal, etc., would you use?

Mr. COGSWELL. For 1 ton of soda, we would use 2 tons of coal, 2 tons of salt, and 2 tons of limestone.

Mr. BAYNE. Then for 50,000 tons you would use 300,000 tons of material?

Mr. COGSWELL. Yes, sir.

Mr. BAYNE. And all that material is produced in this country?

Mr. COGSWELL. Yes, sir.

Mr. BAYNE. And gives employment to large numbers of people?

Mr. COGSWELL. We have about one thousand men in our works. We use 350 tons each of lime, coal, and coke per day, and salt.

Mr. BAYNE. Where do you get your lime?

Mr. COGSWELL. Three miles from Syracuse.

Mr. BAYNE. And your salt?

Mr. COGSWELL. We are using salt which has recently been discovered about 18 miles from Syracuse. We are using the brine from that deposit of salt, which is about 100 feet thick. We are using a saturated solution in the works.

Mr. BAYNE. You stated that before it was manufactured in this country it sold for \$15.

Mr. COGSWELL. Forty-five dollars was considered a low price at that time. It had been higher.

NITRATE OF SODA.

STATEMENT OF MR. CHARLES TRACEY.

Hon. CHARLES TRACEY, of New York, appeared before the committee and made the following statement. He said:

Mr. Chairman and gentlemen of the committee, during the first session of the last Congress several gentlemen from Albany and Rensselaer and Erie Counties, N. Y., came before the Ways and Means Committee and informed the committee of their desire in regard to the bill which was then being prepared. All these gentlemen, without exception, were satisfied with the provisions of the bill known as the Mills bill. I hope this committee will, later on, when it considers these questions,

read what has been said by these gentlemen representing this industry. They appeared before the Senate committee, and probably for the reason that their views were so thoroughly given to that committee they have not thought it necessary to appear here, but I thought I ought to call the attention of your committee to their testimony. They desire to have the articles called nitrite of soda placed on the free list. They further desire to secure for the free list coal tar, crude, and all preparations of coal tar used in the manufacture of the different shades of aniline dyes. Those are all materials used in the aniline industry. Aniline dyes pay a duty of 35 per cent. Coal tar, crude, pays a duty of 10 per cent., and coal tar products pay a duty of 20 per cent. There does not appear to be any reason why these duties should be imposed on coal tar and its products. Before the act of 1883 there was a duty of 50 cents a pound and 35 per cent. ad valorem. At that time several of these factories were started and prospered, but after taking off the 50 cents a pound they began to languish, of course, and several gentlemen in Albany have lost very large amounts of money by reason of this, and their property is now lying idle.

Mr. CARLISLE. The duties still remain on the raw materials?

Mr. TRACEY. Yes, sir. If this 20 per cent. were taken off their raw material this industry would flourish. H. V. M. Hudson's statement before the Senate Committee on Finance, page 268 to page 278, Senate report No. 2332, part 2, contains the matter which I requested the committee to consult.

CASTOR-OIL.

STATEMENT OF WILLIAM D. FARIS.

Mr. WILLIAM D. FARIS, secretary of the Baker Castor Oil Company, of New York, appeared before the committee and read the following paper:

GENTLEMEN: In view of the proposed revision of the tariff, we beg to present to your committee some facts in relation to the duty on castor-oil and castor-beans, in which we are very largely interested, having a considerable amount invested in the machinery and plant for the manufacture of castor-oil, which adverse legislation in Congress might render entirely useless, as such plant is only adapted for the purpose for which it is intended, viz, the manufacture of castor-oil.

The duty on this article has at times been made the butt of adverse criticism on the floor of Congress, by reason of the apparently high duty (ad valorem) which the actual duty (which is specific) would seem to indicate, based on revenue statistics. This is entirely misleading, as we propose to demonstrate to you that the present duty is not excessive, and does not confer upon the domestic manufacturers of castor-oil any more protection than should be justly accorded to enable them to compete with the sometimes abnormally low prices for the article of foreign manufacture.

As a matter of fact, the domestic market for this article is supplied solely from domestic manufacture, and this has been the case for very many years, there having been practically no castor-oil imported, Treasury statistics to the contrary notwithstanding; consequently, the published figures as to the value of the castor-oil imported, with the duties levied thereon, and the consequent calculation of what such duties would be ad valorem, we firmly believe are entirely erroneous.

There have been importations of an article in which castor oil enters as a constituent, and which, under the similitude clause of the present and former tariffs, has paid the duty of castor-oil by reason of that being its component material of chief value, and in some cases this manufactured article may have been entered at the custom-house as castor-oil, the duty being the same, and has probably been classified as such in Treasury statistics.

It is a combination of castor-oil and sulphuric acid, used in dyeing, etc., and known as alizarine assistant, and will be referred to later.

It may be pertinent to mention here that the cost of the foreign castor-oil plus the duty is no measure for the price of the article of domestic manufacture, as domestic competition insures to the buyer of domestic castor-oil a price as low as can reasonably be made, taking in view the cost of material, expense of manufacture, etc., but having no relation to the cost of the foreign article, and the cost of the castor-oil of domestic manufacture is at times considerably below what the cost of the foreign article in our markets would be (at present being some 25 per cent. below the cost of the foreign castor-oil, including duty), and it is eminently proper to have the duty on castor-oil just where it is in order to provide against the fluctuations in price in foreign markets, which might at times seriously cripple the domestic industry were it not for the present duty, which, instead of being excessive, is only equitable and reasonable, as we shall prove, we trust, to your entire satisfaction.

From the above statement you will have seen that the duty on castor-oil produces no revenue to the Government, whereas if the duty were lowered there would be

more or less foreign castor-oil brought in, depending upon the extent to which it was lowered, which would thus increase the revenues. The article of castor-beans, however, from which the oil is made here, does produce at times considerable revenue for the Government.

We beg to state that foreign castor-oil, which is made principally in India, would drive our domestic manufacture out of the market, by reason of its lower price, were it not for the protection afforded by the tariff, and there are cogent reasons for this, viz, the cost of labor in India is simply nominal, the laborers there being paid about 6 annas, or some 14 cents, per day, depending upon their skill, and labor being so cheap in India, it will be readily seen that it amounts to almost nothing as a factor in the cost of castor-oil shipped from there, so that the cost of such oil here is almost as cheap as it would be if imported in the shape of crude material (or castor-beans) from which the oil is made, and of which we import more or less, sometimes bringing in very large quantities of these castor-beans.

This shows the extreme disadvantage under which we labor in competition with foreign castor-oil, as regards the cost of labor alone, but there is a still further disadvantage, arising from the fact that, as the oil forms but a portion of the bulk of the castor-beans, the foreign castor-oil can be freighted here at less than one-third of what we, as domestic manufacturers, have to pay for freight upon the oil contained in the more bulky material of castor-beans, out of which we make it.

The ton of castor-beans, as freighted from India, is 1,350 pounds. This quantity contains about 59 gallons of oil, depending upon the quality of the beans. With freights at, say, \$10 per ton, the freight would be on the oil contained in the beans 17 cents per gallon. Castor-oil is freighted at per ton of 40 cubic feet (equivalent to about 200 gallons), and the freight would therefore be on the oil at \$10 per ton, 5 cents per gallon. Therefore, the difference of freight on 1 gallon of oil as such and a gallon of oil as contained in the crude material, or castor-beans, would be in favor of the foreign manufacturer of oil 12 cents per gallon; or, as we have mentioned, the freight on the castor-beans which we import is more than three times as much as on the castor-oil made abroad, figuring on the gallon of oil which the beans contain as against a gallon of manufactured oil.

We also labor under a still further disadvantage in that we have to pay the duty of 50 cents per bushel on all the beans which we import, so that while the present duty on castor-oil (viz, 80 cents per gallon) seems at first glance a large one in view of the facts we have mentioned, it is not unduly large.

We also have to pay a duty on the tin of which we make our cans, which expense the foreign manufacturer is exempt from, as his tins as such when containing oil pay no duty.

The protection therefore accorded to domestic manufacturers of castor-oil by the present tariff is as follows:

	Per gallon.	Per gallon.
Present duty.....		\$0.80
Present duty on 24 pounds of castor-beans required to produce 1 gallon of oil (50 cents per bushel of 50 pounds) is.....	\$0.24	
Excess in freight from India on castor-beans imported by domestic manufacturers over castor-oil made abroad, as per figures previously given .....	.12	
The duty on the tin for cans required by domestic manufacturers of castor-oil, about .....	.01	
Cost of labor and manufacture, say .....	.20	
Cost of repairs to machinery and works per annum, about .....	.02	
Interest on investment per annum, at 6 per cent., say .....	.10	
Discrimination in favor of American manufacturers under present tariff, therefore only .....	.11	
		<hr/> .80

Against the cost of labor in the above figures is the cost of labor in India; but this is so extremely insignificant (as will be seen by our previous statement) as to form a very small factor in the calculation.

We would state that castor-beans have been grown more or less in this country; but this source of supply is an exceedingly variable one, sometimes amounting to very little, depending upon whether the farmer prefers to plant them or to raise some of the other numerous products of the soil which pay him better; but the amount of castor-beans raised in this country at any time is most insignificant, compared to the magnitude of almost any other product of the soil.

If it were proposed to admit the raw material, or castor-beans, free, or at a reduced rate of duty, in that event the domestic manufacturers of castor-oil could very well stand a corresponding reduction in the duty on castor-oil.

In this connection it is important to bear in mind that a bushel of castor-beans produces about 2 gallons of oil (depending upon the quality of the beans), and it is there-

fore apparent that a reduction in duty, for instance, of 10 cents per bushel on the beans, or raw material, would be equivalent to a reduction in duty of 5 cents per gallon on the oil which the bushel of beans represents, and any reduction of duty, should there be any, should be made with the fact in view that a reduction of 5 cents per gallon on the oil is equivalent to a reduction of 10 cents per bushel on the beans, and we would suggest that the duty on the manufactured article (oil) should not be reduced more proportionately than that on the crude material, or castor-beans.

The foregoing statements will, we think, clearly show that the present rate of duty on castor-oil is not at all excessive, but very reasonable, when the duty on the castor-beans, etc., is taken into consideration.

We now beg to call your attention to an article of which castor-oil forms the chief component material, which we have alluded to in the former part of this statement.

This article consists usually of castor-oil treated with sulphuric acid, etc., and is used as a mordant, and has been variously known under the names of alizarine assistant, soluble oil, turkey red oil, oleate of soda, padding liquor, etc., and is made of varying strength, the strength as used by the consumer being what is called from 30 to 50 per cent., that being the percentage of castor-oil introduced in the mixture. It is possible, however, to have almost the entire mass of the material consist of what was originally pure castor-oil, in which shape it can be and has been imported in this country, and afterwards, by the addition of water, can readily be reduced to the required strength.

By virtue of the similitude clause of the present and former tariffs (providing that articles composed of various materials shall be chargeable with the same rate of duty as the component material of chief value pays) alizarine assistant now justly pays the same rate of duty as castor-oil, viz, 80 cents per gallon.

Representatives of foreign manufacturing houses here have frequently endeavored to pass alizarine assistant through the custom-house at the small rate of duty levied upon chemical compounds, claiming that it was a chemical compound or a combination of oil and alkali, and therefore admissible at such lower rate of duty, under paragraph 92 of the present tariff, covering chemical compounds, notwithstanding the very emphatic provisions of the "component material of chief value" clause before referred to. This claim on their part has led to extended hearings before the Treasury Department, and the various Secretaries of the Treasury have decided against the claim of the importers as regards the lower rate of duty, but no sooner would a new head of the Treasury be appointed than the parties would again use every exertion to have alizarine assistant admitted at the low rate of duty. After repeated efforts before the Treasury Department, the matter was finally left to the decision of the courts, and, after a trial occupying many months, the position of the Government was sustained and the decision rendered that alizarine assistant, by virtue of the "component material of chief value" clause, should pay the same duty as castor-oil pays, and this is the present status of the article.

Had the importers of the foreign article been successful in their claims, the result would have been the complete destruction in this country of the industry of the manufacture of alizarine assistant; thus throwing the entire business in the hands of foreign manufacturers, who have been vainly endeavoring for years to secure, through the lower rate of duty, the entire business of this country in the article, the tariff alone standing between such foreign manufacturers of alizarine assistant and the total extinction of the domestic industry of its manufacture, which would follow the admission of the article at a low rate of duty; and we take it that it requires no long argument to show the evil effects which would follow the admission of the manufactured article at a very nominal rate of duty while its main constituent pays a very much higher duty, particularly when it is possible to have that main constituent comprise almost the entire mass of the article as imported.

It is not alone the cheap castor-oil of foreign markets, however, that the domestic manufacturers of alizarine assistant have to contend against, but the acid which is used in the manufacture costs much less abroad, and labor is also considerably lower there.

Alizarine assistant is sometimes, although very seldom, made of other oils besides castor, that made from castor-oil having been found to give the best results.

In the past, some of the importers of alizarine assistant have endeavored to avoid the proper duty by calling it some other name, and then endeavoring to pass it as a chemical compound.

So many attempts have been made in the past to introduce this article at a lower rate of duty that there is every probability that under a new tariff bill similar efforts will be made.

It does not seem feasible to make a graded rate of duty, depending upon the quantity of castor-oil used in its manufacture, and we would, therefore, respectfully suggest that all possible so-called ambiguity as regards the duty on this article be avoided by enumerating it, and making it pay the duty which it now pays under the decision of the Treasury Department, and also of the courts, and would suggest the insertion of

the following clause in the tariff: "Alizarine assistant, Turkey-red oil, soluble oil, or oleate of soda, by whatever name called, when made from castor-oil, 80 cents per gallon;" or if the duty on castor-oil should be changed, to make the same rate of duty applicable to alizarine assistant, thus avoiding all ambiguity, which it is so desirable to avoid, and keeping the article where it now stands as to duty.

Mr. CARLISLE. Is alizarine assistant made from something else than castor-oil?

Mr. FARIS. Some other oils have been used, but castor-oil is most always used, as it gives the best results. If this provision which I have indicated is inserted, that would make the article, if composed of two or more materials of any nature, pay the duty imposed on that component material which pays the highest duty.

Mr. CARLISLE. That clause would cover it if it is made from castor-oil. If it is made from something else than castor-oil, that would not cover it.

Mr. FARIS. I think that clause would cover it.

Mr. CARLISLE. It would, provided that is the article of chief value?

Mr. FARIS. Yes, sir.

Mr. CARLISLE. Do you make castor-oil by machinery?

Mr. FARIS. Yes, sir.

Mr. CARLISLE. Do you know how it is made in India?

Mr. FARIS. I presume they use some machinery. I have never heard it described.

Mr. CARLISLE. Do you know whether they make it by hand in India?

Mr. FARIS. I presume it is made principally by hand in India, or rather without steam power. Some is made in Marseilles, France.

Mr. BAYNE. What proportion of the castor-beans that you use is produced in this country?

Mr. FARIS. It is a varying quantity, dependent entirely on how the farmer feels about it. If he feels that he can make more money out of other things than he can out of castor-beans, he will not raise them.

Mr. BAYNE. Are you satisfied with the provisions of the Senate bill?

Mr. FARIS. I have stated in this paper that the present duty is not at all excessive. The Senate bill reduces it. The present duty is 80 cents per gallon.

Mr. BAYNE. What is it in the Mills bill?

Mr. FARIS. It is 40 cents a gallon.

Mr. BAYNE. What is the duty on alizarine assistant?

Mr. FARIS. Eighty cents a gallon.

Mr. BAYNE. Is that satisfactory?

Mr. FARIS. It is; but under the wording of the present tariff there is an ambiguity about it. It has led to endless litigation.

Mr. BAYNE. Is it specified as alizarine assistant?

Mr. FARIS. It comes in under the similitude clause.

Mr. BAYNE. You think it should be described?

Mr. FARIS. Yes, sir; and the same duty put on it as on castor-oil.

Mr. BAYNE. Fifty cents on alizarine assistant and 50 cents on castor-oil. Do you think that the industry would prosper under those duties?

Mr. FARIS. I think we could get along, but I think the present duty is not excessive.

Mr. BAYNE. What is 50 cents a gallon equivalent to, ad valorem?

Mr. FARIS. The present price abroad is about 75 cents a gallon. Fifty cents duty would be equal to 66½ per cent.

Mr. GEAR. At what is it wholesaling now?

Mr. FARIS. Some grades are wholesaling at \$1 a gallon, and others at about \$1.12½.

Mr. GEAR. Is there much imported?

Mr. FARIS. Practically none, except for shipment in bond to Canada, etc.

Mr. GEAR. In what shape is it?

Mr. FARIS. All that is imported comes in in tins. It is never imported in barrels.

Mr. GEAR. Is this alizarine assistant imported in barrels?

Mr. FARIS. Yes, sir.

Mr. CARLISLE. Do you export any castor-oil?

Mr. FARIS. Many years ago we exported a little.

Mr. CARLISLE. Where did you sell it?

Mr. FARIS. We sold some in England. It was simply a trial export. We got out with a loss.

Mr. CARLISLE. The use of castor-oil is becoming more and more diversified, is it not?

Mr. FARIS. Yes, sir; it is used for lubricating purposes and for hair preparations, and quite a quantity of this dark castor-oil is used in dyeing.

Mr. BAYNE. How much do you produce?

Mr. FARIS. The quantity varies. I suppose it might be stated at 150,000 to 250,000 gallons a year.

Mr. LA FOLLETTE. How much labor do you employ?

Mr. FARIS. About fifty to seventy-five hands.

Mr. CARLISLE. No women, girls, or boys?

Mr. FARIS. No, sir.

Mr. LA FOLLETTE. What other works in this country besides yours produce castor-oil?

Mr. FARIS. There are one or two more in New York, and about eight or nine out West in Kansas and Missouri, etc.

Mr. LA FOLLETTE. There are about a dozen in this country?

Mr. FARIS. Somewhere in that neighborhood.

Mr. LA FOLLETTE. Do you know what the total production is in this country?

Mr. FARIS. It is a varying quantity, from 600,000 to 1,000,000 gallons. We produce from 150,000 to 250,000 gallons.

Mr. LA FOLLETTE. To produce that amount requires the labor of about fifty men, you say?

Mr. FARIS. From fifty to seventy-five men.

Mr. McMILLIN. You say the price in the United States is high?

Mr. FARIS. The price at present is less than the cost would be to lay it down imported.

Mr. McMILLIN. How would a reduction injure it?

Mr. FARIS. A reduction of duty, if sufficient, would enable the foreign oil to be imported into this country; the duty does not regulate the price in this market.

Mr. CARLISLE. The difference in price here and abroad is now 25 cents a gallon?

Mr. FARIS. The difference in price is at present about 25 cents, but it varies.

Mr. CARLISLE. What does it sell for in England?

Mr. FARIS. Probably 75 cents a gallon.

Mr. CARLISLE. Then part of the duty is charged in the price?

Mr. FARIS. The duty is no criterion of the price; a portion of it, however, is added to the price.

Mr. GEAR. Suppose the duty was made free?

Mr. FARIS. Then every factory in this country would simply have to shut its doors.

Mr. GEAR. What would they then do with their beans?

Mr. FARIS. We have no beans, except such as we purchase from time to time.

Mr. CARLISLE. What proportion of beans do you import?

Mr. FARIS. It varies very much; I could not say.

Mr. BRECKINRIDGE. You have to pay a duty on your beans?

Mr. FARIS. Yes, sir.

Mr. BRECKINRIDGE. And therefore the duty is added to the cost of the beans?

Mr. FARIS. Yes, sir.

Mr. BRECKINRIDGE. They are selling now at 25 cents a gallon more than in England?

Mr. FARIS. About that.

Mr. BRECKINRIDGE. We may say that the cost of getting the oil from abroad would be about 25 cents a gallon?

Mr. FARIS. It would not be anything like that figure. I believe freights are about 10 shillings a ton. Ten shillings is about \$2.50. About 200 gallons represent a ton of measurement-

Mr. BRECKINRIDGE. Is it packed with more than usual expensiveness?

Mr. FARIS. No, it packs solidly.

Mr. BRECKINRIDGE. I had reference to the making of the cases.

Mr. FARIS. The cases are wooden cases with tin cans in them.

Mr. BRECKINRIDGE. You are operating with reasonable success now?

Mr. FARIS. I think we are not running at a loss.

Mr. GEAR. Do you put up your oil in barrels?

Mr. FARIS. To a certain extent. The majority of it is put up in cans. We put it up principally that way.

Mr. GEAR. Where do you ship to?

Mr. FARIS. All over the United States except to the West, which is supplied by Western manufacturers, freights being against us.

Mr. GEAR. Where is the castor-oil bean mainly produced in this country?

Mr. FARIS. Largely in southern Illinois, southeastern Kansas, and southeastern Missouri.

Mr. GEAR. How far north will the plant grow?

Mr. FARIS. It will grow anywhere, but it will not mature farther north than about the latitude of St. Louis.

Mr. GEAR. It grows luxuriantly in a wild state, I understand?

Mr. FARIS. It will grow almost anywhere in any moderate climate. In the Sandwich Islands, I understand, trees grow to the circumference of 2 feet.

QUININE.

STATEMENT OF MR. M. G. ROSENGARTEN.

MR. M. G. ROSENGARTEN, of Rosengarten & Sons, Philadelphia, next appeared before the committee. He said:

MR. Chairman and gentlemen of the committee, I would like to call your attention to the necessity of taking quinia, sulphate of, and all alkaloids or salts of cinchona bark, from the free list. The industry has been suffering tremendously for a number of years.

MR. BAYNE. What duty do you propose?

MR. ROSENGARTEN. I propose striking them out of the free list, and letting them come in under the head of chemicals not otherwise provided for, and raise rate on chemicals not especially enumerated to 40 per cent.

MR. BAYNE. What duty do you think should be put upon it?

MR. ROSENGARTEN. Ten cents an ounce on sulphate of quinine, or an ad valorem duty of 40 per cent.

MR. GEAR. What is quinine worth now?

MR. ROSENGARTEN. Thirty-five cents an ounce.

MR. McKENNA. Wholesale or retail?

MR. ROSENGARTEN. That is for 100-ounce lots.

VIEWS OF POWERS AND WEIGHTMAN.

PHILADELPHIA, December 28, 1889.

DEAR SIR: We desire to present to your honorable committee the following statement and suggestions:

We are manufacturing chemists and have been engaged in the business for many years in the city of Philadelphia. We have a large and expensive plant incident to the manufacture of quinine and other preparations of cinchona bark.

We ask that "quinia, sulphate of, salts of, and cinchonidia" be removed from the free list and restored to the dutiable list.

The wording of the law is incorrect. It should read "quinine, and all salts of, including the sulphate, and all other alkaloids of cinchona bark, and the salts thereof."

The same arguments that apply to the protection of other articles apply to quinine. Either there should be a specified duty or it should be covered by the drag-net clause the same as unenumerated chemicals are.

The reduction in the price of quinine was due to other causes than the removal of the duty by the Congress of the United States. The reduction was universal; it was to be noted the world over; so that, as an example, English quinine that was worth, some thirteen years ago, 16 shillings and 6 pence per ounce in London (say \$3.96 per ounce) is worth to-day about 15 shillings and 3 pence (or, say, 30 cents per ounce).

This fall of about \$3.66 per ounce in all Europe was never brought about by the removal of a 20 per cent. duty by the American Congress, and no well-informed and fair man will venture the assertion. The removal of the duty in the statutes of the United States never brought about a general reduction of prices in England, France, Germany, and Italy.

The low prices of quinine are due to the low prices of bark, from which quinine is made. The low prices of bark are due to the large supplies. The large supplies of bark are due to the cultivation of the cinchona plant, as an agricultural enterprise, in the East Indies, in Ceylon, Java, etc. The cultivation of bark was an undertaking of the English and the Dutch, and neither the General Government nor the people of the United States had anything whatever to do with it.

It is impossible to manufacture quinine in this country as cheaply as in Europe. Wages are higher—very much so—expenses of doing business are higher, everything is higher. Consequently this country is flooded with foreign quinine, while against this condition of affairs we can not export any, and we can not hold our own home market.

We are prepared to supply the people of the United States with sulphate of quinine, of unsurpassed excellence, as we have been prepared to do for many years (having been makers of it, almost from its discovery, some sixty-eight years since), but it is impossible for us to do so on account of the difference in cost of production.

The importation of foreign sulphate of quinine, mostly from Germany, aggregates from 1,000,000 to 2,000,000 ounces per annum; say, for the fiscal year ending June 30—

	Ounces.
1886	1,251,556
1887	2,140,157
1888	1,628,414
1889	2,893,582

We export none. Formerly American manufacturers supplied this country almost entirely.

The business is carried on without profit. There are quinine factories in Germany where women can be had to work, in the winter season, for 12½ cents per day, such as in the country district of Auerbach, and where men can be had for about 2 marks per day, or about 48 to 50 cents. Against this we pay to women say \$1 per day and to men from \$10 to \$12 per week. We speak now of unskilled labor.

We feel, and have always felt, that we have been very unjustly discriminated against, and that the placing of quinine on the free list in 1879, under suspension of the rules, was in direct violation of the pronounced policy of the Government and at variance with the course pursued towards other industries.

The duty was removed to appease clamor and the clamor resulted from misapprehension. Therefore we ask that quinine be removed from the free list.

There is no argument that applies to iron or steel, to rice, to sugar, to coal, to pottery, to textiles, etc., but applies as well to quinine. If these articles should be dutiable for protection so should quinine.

* * * * *

FREE ALCOHOL FOR THE ARTS AND MANUFACTURES.

In our business we are obliged to use alcohol largely. The tax is about six times the cost of production. It is \$1.69+ per gallon on 94 per cent. anhydrous alcohol. The tax on distilled spirits of 50 per cent. anhydrous alcohol is 90 cents per gallon. *e. g.*

50% : 94% : : 90 cents : \$1.69+

This is an excessive tax. Alcohol is worth, say, \$1.97 per gallon. Free of tax it would be worth about 27 cents per gallon. The first tax was 20 cents. Say, 1862, 20 cents per gallon; 1864, 60 cents per gallon; 1864, \$1.50 per gallon; 1864, \$2 per gallon; 1868, 50 cents per gallon; 1872, 70 cents per gallon; 1875, 90 cents per gallon, still in force.

But while the tax is excessive, we would prefer it to the restrictions, fines, penalties, espionage, etc., indicated by the Senate bill, as likely to accompany free alcohol for manufacturing purposes.

We send you a pamphlet herewith that covers this question fully.

Free alcohol, as before the civil war, would be very acceptable, and if the finances of the Government would justify it we would urge it. But free alcohol coupled with such regulations as are noted in the Senate bill could be made available by a few only, say, by large manufacturers of chemical and pharmaceutical products, varnishes, etc., and by manufacturers of patent or proprietary articles. Druggists, unless manufacturers as well, could not avail themselves of it, and consumers of proprietary articles would probably pay as much then as now.

Therefore we respectfully suggest either free alcohol pure and simple and universal as before the war, or a general reduction in the rate, say to 50 cents per gallon.

We do not wish to carry on business under the espionage of Government officials, nor to run the risk of heavy penalties for unintentional violation of the law.

With great respect, very truly, yours,

POWERS & WEIGHTMAN.

Hon. WILLIAM MCKINLEY,
Chairman Committee on Ways and Means.

CONDITION OF QUININE INDUSTRY.

PHILADELPHIA, January 29, 1890.

SIR: We desire respectfully and earnestly to call your attention to the following brief statement of facts relating to the present unsatisfactory condition of a leading branch of the industry in which we are interested:

(1) We are manufacturers of chemicals, and have been engaged as such for many years.

An important line of our products, and one involving large outlay of capital, as well as experience, skill, and constant supervision, is that of the products of cinchona bark.

Prominent among these products is sulphate of quinine. In the year 1879 the duty of 20 per cent., which had been previously imposed upon the foreign article, was removed under suspension of the rules, and all opportunity for careful consideration and logical conclusion was denied, as debate was cut off.

(2) The result, as might have been expected, has been disastrous to American man-

nufacturers. Their numbers have diminished from five, as before the duty was removed, to three, at the present writing.

Of the three remaining (it may be asserted with critical exactness) but one concern has constantly persisted, irrespective of profit or loss, in manufacturing quinine on a large scale. The others have produced with more or less irregularity and in very restricted quantity.

(3) The people of the United States are largely supplied (we might properly say mainly supplied) by the surplus product of European factories.

For the fiscal year ending June 30, 1889, the amount of sulphate of quinine brought into this country from Europe (as per Commerce and Navigation, Bureau of Statistics) aggregated 2,893,582 ounces. Against this, American manufacturers can not export an ounce to Europe or any other country.

(4) The present low price of sulphate of quinine, which is as conspicuous in Europe as it is in this country, is not attributable to the removal of a 20 per cent. duty in the United States, but is due to the cheapness of the cinchona bark, from which the article is made. The fall in the price of cinchona bark followed, and very naturally, the enormous supplies afforded by the cultivated trees grown on the English and Dutch plantations of the East Indies.

English sulphate of quinine, which was quoted in London in May, 1877, at 16 shillings 6 pence per ounce (equal to about \$4), is now quoted at 1 shilling 3 pence per ounce, or say about 30 cents.

It can not be claimed, with any regard to truth, that the removal of a 20 per cent. duty in the United States brought about such results in Europe.

We trust that the Fifty-first Congress will realize the importance of continuing this industry in the United States;

That it will appreciate the advantages to our own people that must ensue if the large sums of money now paid to foreigners be kept in this country and distributed among American citizens;

That it will recognize the injustice of selecting one industry or one class of articles, for hasty and exceptional legislation; and

That it will right a wrong, possibly done under misapprehension, incident to gross misrepresentation, but a wrong nevertheless.

Therefore, we respectfully ask that the clause quiniæ, sulphate of, salts of, and cinchonidia be removed from the free list.

Very respectfully,

POWERS & WEIGHTMAN.
ROSENGARTEN & SONS.

HON. WILLIAM MCKINLEY, Jr.,

Chairman Committee on Ways and Means.

SULPHURIC ACID.

VIEWS OF HARRISON BROS. & CO.

PHILADELPHIA, January 8, 1890.

DEAR SIR: The American manufacturers of sulphuric acid, feeling that the cost and difficulties of transportation were sufficient protection against European competition, have up to this time considered a duty unnecessary. Canada, to protect her interests against United States competition, imposes a duty of 50 cents per 100 pounds, and now the American makers are promised some extraordinary competition from Canada, and ask that a like duty be inserted in the Senate tariff bill. The promised Canadian competition is this: As soon as Congress settles the tariff matter and sulphuric acid is left on the free list, a syndicate of English capitalists, we are reliably informed, intends to erect a large plant to work copper pyrites, very rich in sulphur, from which the copper may be utilized, provided the sulphur fumes can be disposed of. The sulphur will be converted into sulphuric acid, and, as it is really getting rid of a troublesome waste, there will be no cost of material entering into the cost of the produced acid; the cost will consist only of the maintenance of the acid plant. To dispose of this acid by-product (which will be large) the United States markets will be depended upon, and by reason of the cheap rail transportation in this country and the employment of tank-cars all of our markets will be reached. With the great labor difference in favor of Canada, and with the acid as a by-product only, and with a production limited only by the disposition of the copper produced, the American industry will be very seriously threatened. As the whole chemical industry, including the manufacture of fertilizers and the allied interests, is based upon the manufacture of sulphuric acid, the whole fabric of the chemical industry is involved.

Iron pyrites is a mineral that is abundant in almost every part of the United States, and is now already mined in large quantities in some States, particularly Virginia

and Georgia, for the express purpose of sulphuric-acid manufacture. These mining interests are threatened and their further development stopped.

Intense home competition now reduces the margin of profit from the manufacture of sulphuric acid, so that every method of cheapening production is necessarily resorted to, and the American people have obtained, and will obtain, their supplies on an always lowering basis.

We ask that the article be stricken from the free list and made dutiable at the rate of 50 cents per 100 pounds, by inserting in Schedule A, chemical products, after line 4, "sulphuric acid, 50 cents per 100 pounds."

You will no doubt remember our Mr. Thomas S. Harrison (now abroad for his health), to whom you gave such a cordial hearing when he was in Washington as the president of the Manufacturing Chemists' Association, and we have ventured to address you because of the deep interest you take in the whole subject of the tariff.

That we may know you have received this we would ask a simple acknowledgment, and inclose stamped envelope for that purpose.

Very respectfully, yours,

HARRISON BROTHERS & Co.

Hon. WILLIAM MCKINLEY, JR.,
Washington, D. C.

STATEMENT OF MR. EUGENE WAUGH.

Mr. EUGENE WAUGH, president of the Highlands Chemical Company, made a statement on the subject of acids. He said:

Mr. Chairman and Gentlemen: I appear as a representative on behalf of the Highlands Chemical Company, and of acid manufacturers in Massachusetts, Connecticut, New Jersey, and New York. Eight years ago we used to export largely acids into Canada, but local manufacturers started there and they applied to the Canadian Parliament for a protective tariff and got a duty imposed of one-half cent a pound. About six years ago a New York manufacturer went there and opened a mine, brought the ore to this country, and made acids. We complained against that. Within the last year or so this manufacturer has used the refuse ore in making acid there, and he is now bringing acid to the Eastern market to our detriment. We ask the committee to give us the same duty that the Canadian Parliament gives to their local manufacturers.

Mr. FLOWER. How much is that?

Mr. WAUGH. One cent a pound.

Mr. BRECKINRIDGE. What percentage is that?

Mr. WAUGH. Fifty per cent. on the prevailing prices at that time.

Mr. BRECKINRIDGE. What percentage is it now?

Mr. WAUGH. Sixty-five per cent.

Mr. BRECKINRIDGE. What is the present duty here?

Mr. WAUGH. It is on the free list, and always has been.

Mr. GEAR. What did you say the profit is?

Mr. WAUGH. Sulphuric acid made from pyrites—copper or iron pyrites. They bring that acid here in tinued cans and distribute it in that shape, and our factories scattered around through different parts of the country can not compete against them. The difference in the price of labor there and here is not very great, but still it is quite considerable, and we have no advantage whatever in freights. They get their freights at Canadian rates and have the advantage of lower freights.

Mr. McMILLIN. Have you any statistics showing what percentage is imported from Canada and what from other countries?

Mr. WAUGH. None is imported from any other country but Canada, and only recently from there. The gentleman who had charge of presenting this matter to the committee has been sick for the last three weeks and I have not been able to get the statistics, but I will forward them to the committee. The industry of making sulphuric acid is a very large industry and represents a large capital, a great part of which is in plant. It gives employment to quite a considerable number of men, and to them we pay very high wages, as the labor is mostly all skilled labor. We wish to have the same duty that the Canadian manufacturers have.

Mr. McMILLIN. For what purpose is sulphuric acid used outside of chemicals?

Mr. WAUGH. For refining oil, for manufactures, for fertilizers, for the finishing of leather, for the galvanizing of wire, and in all the arts and manufactures. It is the base of all other acids and all other chemicals.

Mr. McMILLIN. What is the cost of the refuse that is sold after the manufacture of sulphuric acid?

Mr. WAUGH. The majority of our manufacturers make acid from brimstone, but this acid [indicating specimen] is made from iron or copper pyrites. In that case

they have quite a percentage of copper, which they export to England and get their rebate. Sulphuric acid is free on the Senate bill. It is made on the Canada side, a few miles from the Vermont line, from pyrites, and is protected by a Canadian duty of one-half a cent per pound, or about 50 per cent. on the market price. We ask for that same protection, or one-half cent per pound on sulphuric acid. This Canadian acid competes most fatally with acid made in New England from pyrites, mined in Massachusetts, Franklin County, and in other States, owing to higher cost of labor, both in the mines and acid works of the United States: and labor is 70 per cent. of the cost of acid made from pyrites, including mining. The distance from our market does not protect, as freight is low from Canada.

VIEWS OF G. H. NICHOLS & CO.

NEW YORK, *January 14, 1890.*

DEAR SIR: Some time ago, by invitation and appointment of the Committee of Ways and Means, the chemical trade of the United States had a fair and courteous hearing on the subject of the tariff. Among those present at that time were Mr. Hugh Cochrane, of the Cochrane Chemical Company, of Boston, the largest sulphuric acid manufacturers in the Eastern States, and also Mr. G. H. Nichols, of this firm, which is the largest manufacturing concern of sulphuric acid east of the Alleghenies; in fact, one of the largest in the world. * * *

We are informed that at a subsequent date a Mr. Waugh, of New York, appeared before the committee and advocated that a duty of one-half cent. per pound be placed upon sulphuric acid, or oil vitriol, as he feared it might come in from Canada and interfere with the acid manufacturers of the Eastern States. We have also been informed that the Eastern manufacturers, of whom there are three, the most important of which we have referred to above as being present at the first meeting, have written to the committee, advocating that this duty be placed upon sulphuric acid, which, by the way, has never been placed, certainly not within the last twenty-five years, upon the dutiable list. * * *

Sulphuric acid enters into almost every process of manufacture, but in none so largely as in the manufacture of fertilizers for the farmers; and this fact alone, it seems to us, should be abundant reason why sulphuric acid, in common with all of the other materials entering into the manufacture of fertilizers, should remain on the free list. There are, however, many other arguments bearing on the iron and kindred trades which would show the same condition.

In this same line we desire to inclose a copy of a bill which we would suggest might be presented, if it does not interfere with other plans. This bill is in the interest of American manufacturers, enabling them to use, where necessary, foreign materials, exporting them again and getting back all of the duty originally paid. The present law enables them to recover a rebate of 90 per cent. of the original duty paid; and they therefore lose ten per cent. in addition to the custom-house charges, which is quite a serious handicap in some industries. As this bill would accomplish two things, namely, assistance to American manufacturers and a moderate curtailment of the revenue, we trust it will appear to be wise as a Republican measure to place it.

Again regretting the necessity of calling upon you in these matters, and thanking you beforehand for your courteous consideration, we remain

Very truly,

G. H. NICHOLS & Co.

Hon. WILLIAM C. WALLACE, M. C.,
Washington, D. C.

STATEMENT OF THOMAS M'DOUGAL.

MR. THOMAS M'DOUGAL, of Cincinnati, on behalf of certain manufacturers of sulphuric acid, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I desire to call your attention to the metal schedule as it exists in the tariff bill. Schedule C of metals reads as follows:

"Iron ore, including manganiferous iron ore, also the dross or residuum from burnt pyrites, 75 cents per ton. Sulphur ore, as pyrites, or sulphuret of iron in its natural state, containing not more than $3\frac{1}{2}$ per centum of copper, 75 cents per ton: *Provided*, That ore containing more than 2 per centum of copper shall pay, in addition thereto, $2\frac{1}{2}$ cents per pound for the copper contained therein."

There are from 375,000 to 400,000 tons of sulphuric acid manufactured in the United States per annum. The growth or increase of that manufacture is likely to be rapid. It is the most important ingredient of fertilizers. It is the essential element to en-

able the people of this country to use the phosphated mines and rock of the country in the production of fertilizers. Brimstone, or sulphur, from which sulphuric acid is made, is on the free list. It does not compete with any industry in this country. About three-fourths of the present sulphuric acid is produced from brimstone, and one-fourth from pyrites, from the sulphur or sulphuret of iron, iron pyrites or copper pyrites. Under the present existing law there is a discrimination in favor of the copper pyrites, or what is called copper pyrites. You will observe that under the iron-ore schedule 75 cents per ton duty is imposed on iron pyrites. If these pyrites contain in excess of 2 per cent. of copper they pay a duty of $2\frac{1}{2}$ cents per pound on the copper contents up to $3\frac{1}{2}$ per cent. of copper. That is to say, if the ore contains from $2\frac{1}{2}$ to $3\frac{1}{2}$ per cent. of copper, it is treated under the iron-ore provision; but if the percentage of copper is 4 per cent. it is listed as copper ore and not as iron ore, and under the copper-ore provision it does not pay the 75 cents per ton in addition to the $2\frac{1}{2}$ cents per pound on the copper contents; so that, if the ore contained that same percentage of sulphur or the same percentage of iron, that $3\frac{1}{2}$ per cent. of copper is imported, and it is classified as iron pyrites or sulphuret of iron ore, and pays the 75 cents per ton, as iron ore, and $2\frac{1}{2}$ cents per pound for the $3\frac{1}{2}$ per cent. of copper pyrites contained in it. But if it is classed as copper ore or copper pyrites with the same percentage of sulphur and the same percentage of iron, but if it has a half per cent. more of copper, it is listed as copper ore and not as iron ore, and pays a duty on the copper contained at the rate of $2\frac{1}{2}$ cents per pound.

The result of this is by calculation that a ton of ore with the same percentage of sulphur and the same percentage of iron, but with 4 per cent. of copper, pays a duty of \$2.24 per ton, being $2\frac{1}{2}$ cents per pound on the copper contents of 4 per cent. in the ore; whereas the iron ore or sulphuret of iron, which contains only $3\frac{1}{2}$ per cent. of copper, pays \$2.71 per ton, or 47 cents per ton more than the ore that contains a half per cent. more of copper. The same percentage of sulphur and the same percentage of iron, but with a difference of a half per cent. of copper in favor of the copper pyrites, makes the duty 47 cents per ton less in its favor.

In addition to that, under the rebate or drawback clause that the import of copper pyrites exported as copper, the duty which is paid is refunded to him, less a fourth of 1 per cent. for customs expenses, so that the importer and user of ore that contains 4 per cent. or in excess of $3\frac{1}{2}$ per cent. of copper, practically receives the ore free of duty; whereas the importer of a similar ore with simply a half per cent. less of copper is compelled to pay 75 cents per ton as iron ore or sulphuret of iron.

I have said that the many uses of sulphuric acid are known to you gentlemen more or less. The principal uses at present are the refining of oil and the making of fertilizers.

Mr. BRECKINRIDGE. Refining what kind of oil?

Mr. McDOUGAL. Coal oil.

Mr. BRECKINRIDGE. Only coal oil?

Mr. McDOUGAL. The principal use of sulphuric acid to-day is the refining of coal oil. That is one of the largest single uses; but I am not familiar enough with all the uses to say whether it is used in other oils or not. In fertilizers I believe it is required that a ton of acid should be used for a ton of phosphates; a ton of chamber acid to a ton of phosphate. Since the passage of the present tariff law the large manufacturers of acids have been seeking naturally to cheapen the cost of the acid. Cheaper acid can be made from pyrites than from sulphur. The only source of supply of sulphur is from Sicily. From Sicily all the brimstone or sulphur used in the United States is imported. There has none been found so it can be used in this country. In recent years it has been a business necessity to cheapen the cost of the production of sulphuric acid, and for that reason iron pyrites and copper pyrites are used. Iron pyrites, or sulphuret of iron in a pure state, consisting of only sulphur and iron, is 52 per cent. sulphur and 48 per cent. iron. As found, it is from 35 to 45 per cent. of sulphur and from 30 to 40 per cent. of iron, and the balance is in silica and other ingredients. The sulphur in the iron pyrites does not compete with any industry in this country, for the sulphur has always to be burned. From 35 to 45 per cent. of the ore assessed as sulphuret of iron, with a duty of 75 cents per ton, consists of sulphur and not of iron. The 30 to 40 per cent. of iron is a waste production, and is put on the dump. It is not used for the purpose of manufacturing iron. It contains from 2 to 3 per cent. of sulphur. In other words, it would be too expensive in the burning of it for the purpose for which the acid manufacturers use it, to entirely eliminate the sulphur from the cinder so as to make it valuable to the manufacturer of iron. Therefore, it is put on the dump as a waste production.

Mr. BRECKINRIDGE. It has entirely to be eliminated.

Mr. McDOUGAL. It is necessary to eliminate the sulphur from the iron.

Mr. BRECKINRIDGE. The ore carries a certain per cent. of sulphur, and it is too expensive to sufficiently eliminate it to make the iron valuable for commercial purposes; that is true?

Mr. McDUGAL. Yes, sir; that is true. I presume that four concerns in this country are the principal consumers of pyrites.

Mr. GEAR. Where do these pyrites come from?

Mr. McDUGAL. I was about to state it. There are no copper pyrites in this country. Our concerns have expended large sums of money to find them here, but they have failed to find them. There are two iron pyrites mines, perhaps, in the United States; one near Tolersville, Va., and there is one in Davis, Mass. The copper pyrites come from Canada and the Rio Tinto mines in Spain. They are the largest and only copper mines thus far known and that can be obtained to-day. The copper pyrites are found at Capleton, Canada, about 15 miles from the line of the United States, and at the Rio Tinto mines of Spain, from which the entire sulphuric acid production of Great Britain is obtained. They are principal sources of supply of the manufacturers of this country who desire to use that in the manufacture of sulphuric acid. The present output of the mines in Virginia and Massachusetts, with the present facilities and more or less inferior quality of ore, amounts to about \$35,000 per annum.

Mr. BRECKINRIDGE. These mines produce iron pyrites, not the copper?

Mr. McDUGAL. I stated the only copper pyrites on this continent are at Capleton, Canada.

Mr. BRECKINRIDGE. Is there any supply of iron pyrites abroad as far you know?

Mr. McDUGAL. The copper pyrites of Rio Tinto, Spain, are unquestionably very much more productive.

Mr. BRECKINRIDGE. You mean it is better to buy?

Mr. McDUGAL. It is more suitable than iron pyrites to manufacture, because it shows higher contents of sulphuric acid. Now, I presume from what I have been told that the copper pyrites supply of the Rio Tinto mines of Spain are adequate for several generations of Great Britain. One concern of this country imports it—the Pennsylvania Salt Company, of Philadelphia. The supply of Capleton, Canada, is controlled exclusively by one concern in this country. It is imported as a copper pyrites with an average of 4 per cent. of copper. The iron pyrites of Canada has about the same iron contents as the iron pyrites of this country, and it has the same sulphur contents substantially as the iron pyrites of this country, the only substantial difference being that it has a percentage of copper which the sulphuret of iron does not contain.

Now, I have said, that until six years ago the entire sulphuric-acid production was made from brimstone imported from Sicily. It was discovered, as it had been previously in Great Britain, that cheaper acid could be made from pyrites than from brimstone; and so several concerns in this country have changed from brimstone to pyrites, and now what we ask is that in view of the fact that the sulphur contents or sulphurate of iron is free raw material and that the iron contents are a waste product and cannot compete with any industry in the country, the supply or production of which is necessarily limited to what the sulphuric-acid manufacturers can consume, as it would not pay for us in this country to use iron pyrites for the purpose of making iron ore by reason of the small percentage of iron contained in the ore, so that we ask that this 75 cents per ton shall be taken from sulphurate of iron or iron pyrites.

Mr. GEAR. Are we importing it specifically as sulphuret of iron?

Mr. McDUGAL. We have to make an affidavit when it is imported from Canada that they do not contain more than 2 per cent. of copper. If they contain 2 per cent. of copper they are assessed 75 cents a ton, and then they pay on the copper at the rate of 2½ cents per pound for the copper contained therein. If it should exceed 3¼ per cent. of copper they are listed as copper pyrites and they do not pay the 75 cents per ton. Now the sulphuret of iron or iron pyrites do not compete with any industry in this country. The use of this ore will grow rapidly and necessarily so, as it is safe to say that the entire country east of the Mississippi River from the Lakes to the Gulf will be compelled more and more every year to use fertilizers, and this is the element that cheapens the cost of fertilizers.

Mr. GEAR. By doing that you would be able to reduce the price of sulphuric acid?

Mr. McDUGAL. Yes, sir.

The CHAIRMAN. You want iron pyrites put on the free list?

Mr. McDUGAL. Yes, sir; that is the reason for it, namely, that the sulphuret contents are free now if they come in as sulphur, and the iron production being a waste product, cannot compete with any industry.

Mr. BAYNE. What is the proportion of the iron that accompanies these pyrites?

Mr. McDUGAL. From 30 to 40 per cent. is iron.

Mr. BAYNE. Is that iron easily separated from the pyrites?

Mr. McDUGAL. No, sir; they burn the ore for the sulphur it contains, but practically there is such a percentage of sulphur remains in the cinder that it makes it commercially unprofitable, and so far as eliminating the sulphur from the cinder is concerned, it is too costly for any purpose. The principal concerns in this country simply put it on the dump, and it always has been put on the dump and used for

filling up, like the slag from the furnaces. Now, the amount that could be imported if all the sulphuric acid manufacturers in the United States were using pyrites, their annual output would be from 375,000 to 400,000 tons, of which 40 per cent. would be iron if they would use the iron pyrites, and that would be the limit of importation unless the business increases, which would simply be almost infinitesimal compared with the iron ore that is used in this country, and under no circumstances, therefore, by reason of the conditions of the cinder and the labor involved in using it, could it ever come in competition with the iron ore of this country.

Mr. BRECKINRIDGE. You call this article you want iron pyrites?

Mr. McDUGAL. Sulphuret of iron is iron pyrites; that is what it is called.

Mr. BRECKINRIDGE. There is on the list a commercial distinction between iron ore, that is to say that which would be used as iron ore, and this which has so much sulphur in it as to be known as pyrites. Now the point we want is where the percentage determining the one and the other should properly be made. This is a commercial term?

Mr. McDUGAL. Yes, sir.

Mr. BRECKINRIDGE. And means that the one ore is used for iron, and that this is imported solely for the sulphur which is in it?

Mr. McDUGAL. Yes, sir; and as I have said in the case of the copper pyrites, ore that contains over 33 per cent. of copper is not assessed any duty at all upon the iron ore which is in it, which may be 7 per cent.

Mr. McKENNA. Did you say it was produced in Virginia?

Mr. McDUGAL. It is produced in Tolersville, Va., at two mines which produce, one 20,000 and the other 30,000 tons per annum.

Mr. McKENNA. And also in Massachusetts?

Mr. McDUGAL. Yes, sir; the Davis mines of Massachusetts, which turn out about 10 per cent. of the ore used.

Mr. McKENNA. What would be the effect on the Virginia and Massachusetts mines if this were put on the free list?

Mr. McDUGAL. None at all.

Mr. McKENNA. Why not?

Mr. McDUGAL. Their quantity is very limited. It does not need any protection against the ore outside.

Mr. McKENNA. Why not? If it was in small quantities it might need protection.

Mr. McDUGAL. If the ore from Tolersville and the ore from the Davis mines were of the same quality commercially, with the same percentage of sulphur, and the ore coming from Canada were the same, then it would be simply a question of freight between the places where it was used; the cost of mining it in one place is very little different from the cost of mining it in another place.

Mr. McKENNA. In regard to the Virginia mine and the Massachusetts mine, which of the two is the more expensive to mine?

Mr. McDUGAL. I am not able to answer that.

Mr. BAILEY. I have to explain the mining in Virginia and Massachusetts would be practically the same as in Canada, and they would be somewhat protected by reason of the difference in freights; and in any event it could not affect the price here at all, because the quantity is small, and they can sell all they can put out at the same prices; and if this 75 cents a ton duty were taken off and this import were free, it would not have any effect upon the prices they would get at all.

Mr. McKENNA. How are the conditions in mining compared with Virginia and Massachusetts?

Mr. BAILEY. Practically the same.

Mr. McKENNA. Have they the same advantages, etc.?

Mr. BAILEY. Practically the same. So these men in this country would find a market for all the ore at the present prices.

Mr. McKENNA. How about the degree of richness of the two ores?

Mr. BAILEY. The sulphur contents would probably be the same, and the iron contents would be practically the same. The Canada ore is a somewhat hard ore, and in the furnaces where the ore goes it would not crumble so quick. The harder ore is preferred to the other because that crumbles so easily.

Mr. McKENNA. Are the Canada ores in sufficient quantities to supply the market?

Mr. BAILEY. Not at present, but it would be sufficient for present needs. When the manufacturers in this country really need the ore, they can not get it in this country. That is to say, the existing mines in this country only supply a very small proportion of the whole demand.

Mr. BAILEY. Is not that by reason of a lack of quantity of mines and a lack of pyrites to produce?

Mr. BAILEY. The quantity is necessarily limited. It is found in more or less quantities. It exists in a lens form between the rocks, and it is usually a matter of estimate and speculation in regard to the quantity.

Mr. BAILEY. Do you know the rate of wages paid in Canada and the rate paid in Virginia and Massachusetts?

Mr. BAILEY. I think they are practically the same.

Mr. BAYNE. That, of course, does not give me any information.

Mr. BAILEY. In Virginia I think the laborers' wages are \$1 to \$1.25 a day. Now, the miners that drill would get more than that. I can not give you the exact information; they would be just about the same.

Mr. BAYNE. You only infer that they are about the same?

Mr. BAILEY. My knowledge is they are about the same, although I can not give the exact figures.

Mr. BAYNE. Do you think the difference would be as great in mining this kind of ore as in mining iron ore and coal?

Mr. BAILEY. That question I could not answer, because I do not know.

Mr. BAYNE. You would suppose it to be about the same?

Mr. BAILEY. Those men called miners in those mines would be comparatively few. It would depend upon the number of drills they ran.

Mr. BAYNE. But the labor would be about the same?

Mr. BAILEY. I think so. I do not know any reason for any difference because we take men from here there.

Mr. McDUGAL. In closing, I want to say it is absolutely necessary for the sulphuric acid manufacturers of the United States who are using pyrites to seek a supply elsewhere than in this country. The principal concerns I represent have spent large sums of money to find sources of supply, and existing business has compelled them to get foreign ore. What can be done, and will be done in five, ten, or fifteen years we do not know, except to say that they have spent about \$100,000 to find pyrites, and have not succeeded.

Mr. McKENNA. Which is the most profitable to import, iron or copper pyrites?

Mr. McDUGAL. Copper, if we own it. It depends upon what you have to pay for it.

Mr. McKENNA. Who owns these Spanish mines?

Mr. McDUGAL. An English syndicate, but I do not know the arrangement under which single concerns in this country import their ore; but we assume that they have to pay for the copper contents, and they simply sell the sulphur contents. The other mine in this country, in Canada, is owned by one concern, and does not sell anything.

Mr. FLOWER. How much iron is contained in that ore in Canada?

Mr. McDUGAL. Thirty to forty per cent.

Mr. FLOWER. I suppose you import that ore from Canada with this very low grade of iron in the ore. Could that be shipped far into the interior?

Mr. McDUGAL. Now the Virginia mines will supply the people of the South and the New England mines will supply the people of New England. Then these ores of Canada being so low a grade of iron it will not pay to ship far into the interior.

Mr. GEAR. The reason why you use copper ore is because of the drawback on the by-product of copper.

Mr. McDUGAL. Certainly. The manufacturer who buys copper pyrites gets the sulphur for nothing.

Mr. FLOWER. Where is the Canada ore located?

Mr. McDUGAL. Capleton, Canada, in the Province of Quebec. It is about 50 miles above the American line.

Mr. FLOWER. Above Toronto?

Mr. McDUGAL. No; it is on this side, near the American line.

VIEWS OF LENNIG & CO.

PHILADELPHIA, January 9, 1890.

DEAR SIR: Since the chemical interests were given a hearing before your honorable committee, the attention of several of the large manufacturers of sulphuric acid has been directed to the importation of this article from Canada into the States, and its future effect on this branch of chemical industry in the States.

From what the writer has been able to learn, shipments began to be made of this acid from Canada during the summer and autumn of last year, and interfered quite materially in the markets of the New England States with some of the makers located there. Further, it is reported that a large English company has been organized to erect sulphuric acid works in Canada for the manufacture of this acid from pyrites that abound there, and boast that they are going eventually to supply the United States with it.

Now, as the duty on pyrites imported into the United States is 75 cents per ton, the sulphuric acid made therefrom is free of duty, therefore a duty on the raw material and none on the article manufactured therefrom hardly seems in order.

Further, while here sulphuric acid is admitted free of duty, the Dominion of Canada imposes a duty of half a cent per pound on the article.

In view of the above we would suggest that a similar duty to that imposed by the Dominion of Canada be imposed on sulphuric acid, or oil of vitriol, to prevent the Canadian makers flooding our market with their acid, for the consumption in Canada being comparatively limited, it is in the United States they have to look for their principal market.

While on this subject we would remark that sulphuric acid being such an important factor in the manufacture of fertilizers, the permitting of manufactured fertilizers longer to remain without a protective duty is a constant threat to the industry here of interference from Canadian manufacturers, who seem only too willing to look to us both for a market for their products and also a profit on the same, while they do nothing towards either maintaining the Government or paying their share of the governmental expenses.

Very respectfully, yours,

CHARLES LENNIG & CO. (LIMITED).

Hon. WILLIAM MCKINLEY, Jr.,

Chairman Committee on Ways and Means.

VIEWS OF W. M. JOHNSON.

PASSAIC, N. Y., January 9, 1890.

DEAR SIR: We write to urge upon your committee the propriety of imposing a duty upon sulphuric acid. The freight charges have served heretofore as a sufficient protection against importations from Europe, and have enabled us to manufacture successfully, notwithstanding the greater cost of labor here. We are now, however, confronted with a competition across the border in Canada, which is being severely felt by many of our manufacturers. The Canadian government protects its manufacturers by a duty of one-half cent per pound, while the same article is on the "free list" here. Trusting your committee will afford us the desired relief,

We remain, respectfully,

THE DUNDEE CHEMICAL WORKS.

W. M. JOHNSON,

Treasurer.

Hon. WILLIAM MCKINLEY,

Chairman Committee Ways and Means.

CYANIDE OF POTASSIUM.

VIEWS OF THE ERKENBACH WORKS.

HOBOKEN, N. J., January 12, 1890.

GENTLEMEN: The undersigned respectfully call the attention of your honorable body to the present rate of duty on cyanide of potassium, viz, 25 per cent., which rate is altogether too low to allow of the American manufacturers competing with the foreign article much longer, unless something is done for us in the way of increasing the present duty by Congress.

This article is used quite largely in the manufacture of gold and silver plated ware, brass and bronze goods, etc., and the bulk of that consumed at present in the United States is imported, caused by the inability of the American makers to find any profit in the article at the prices set by the importers during the past year, the importers having forced the prices down to about the present cost of the American cyanide.

The importers are at present soliciting contracts for 1890 at a price of 55 cents per pound for cyanide potassium 98 to 99 per cent. pure, and we will endeavor to prove to you that this is about the cost of producing this article here. In the first place cyanide potassium is manufactured from yellow prussiate of potash, the cost of the latter being for that made in the United States 18½ cents per pound, and for the foreign as follows:

	Per pound.
United States customs duty.....	\$0. 05
Freight to United States.....	. 00½
Commission to agents selling here, at least.....	. 00½
Cost of prussiate of potassium to the consumer abroad.....	. 13

Total cost of foreign prussiate to consumer in the United States 19

Please note the duty on prussiate potash is 38½ per cent. on the cost to consumers abroad.

The cost of producing cyanide potassium 98 to 99 per cent. pure in the United States is as follows :

180 pounds prussiate of potassium, at 18½ cents per pound	\$33.30
Cost of labor, one man for one day	2.00
Cost of crucibles and utensils for melting	2.25
Wear and tear on furnaces, etc. ....	.25
Fuel .....	.75
Yield of cyanide potassium 98 to 99 per cent., 72 pounds	38.55
Cost of cyanide potassium, 98 to 99 per cent., per pound .....	.53½

The cost of producing the same article abroad is as follows :

180 pounds prussiate potash, at price abroad, 13 cents	23.40
Cost of labor, one man for one day .....	.75
Cost of crucibles and utensils	1.50
Wear and tear .....	.12
Fuel .....	.50
Yield of cyanide potassium, 98 to 99 per cent., 72 pounds	26.27
Cost of cyanide potassium, 98 to 99 per cent., per pound .....	.36½
Difference in favor of foreign article, per pound	17

Now we have—

The cost of cyanide potassium, 98 to 99 per cent., ready for the market in the United States at 53½ cents per pound, or for 100 pounds	\$53.50
The cost of cyanide potassium, 99 per cent., abroad is shown to be 36½ cents per pound, or for 100 pounds it would be	\$36.50
Freight, per 100 pounds, to United States .....	.50
Duty of 25 per cent. on selling price abroad, which is M. 390* per 100 kilos, or about 42 cents per pound, or \$42 per 100 pounds	10.50
Total cost of foreign articles in New York	47.50
Difference in cost of foreign and American cyanide in New York, per 100 pounds	6.00

in favor of the foreign article.

The above figures show that the foreign article can be manufactured, freight paid to New York, duty paid, and the cyanide potassium sold here at 53½ cents per pound—the present cost of the American cyanide, as shown above—and the foreign manufacturer would still make a profit of 6 cents per pound, or nearly 13 per cent. clear. Again, if the duty remains as it is and the foreign cyanide is not lowered below its present figure of 55 cents per pound, the American makers are and would be enabled to make but 1½ cents per pound, or not quite 3 per cent. profit, out of which must come the cost of selling, shipping, interest on capital, risk, etc. (which does not pay those expenses), while the foreign manufacturer is and would be enabled to make a profit of 7½ cents per pound, or 16 per cent. on cost price.

It is also obvious that the foreign maker may at any time run the price so low as to sell his goods below the cost of producing the article in this country, thus forcing the American makers to cease making and still leave them a fair profit.

From the above figures we respectfully claim that the present rate of duty on cyanide of potassium is unjust and out of all proportion to the rate of duty on the crude material, prussiate potassium. There are two ways of remedying this evil—by the increase of the duty on cyanide potassium from 25 per cent. to at least 40 per cent., or the reduction of the duty on Prussian potash. The latter method we do not advocate, solicit, or desire, as it would seriously injure, and probably smother, the industry here, but we do earnestly pray that the duty on cyanide potassium be raised from 25 per cent. to 40 per cent., thus putting us on an equal footing with the foreign makers, precluding the possibility of their lowering the price still further, and preventing the smothering of quite a large industry in this country.

Very respectfully,

THE ERKENBACH CHEMICAL WORKS,
Hoboken, N. J.

THE WAYS AND MEANS COMMITTEE.

* This price of M. 390 per 100 kilos is price given us by a maker in Leipzig, Germany, for small lots, and could be obtained by a consumer also. It figures out about 53½ cents per pound, freight and duty paid, to New York, and gives the German maker at least 6 cents per pound profit.

BORAX AND ITS PRODUCTS.

STATEMENT OF MR. J. W. MATHER.

Mr. J. W. MATHER, of New York, made a statement to the committee on the subject of borates. He said:

Mr. Chairman and gentlemen, asking your attention to the various samples of crude and manufactured borax submitted, consisting of borate of lime in various forms, borate of soda, boracic acid, concentrated borax and the refined article, I desire to state that this is comparatively a new industry and covers a period of barely twenty-five years. Prior to 1865 we were almost wholly dependent upon supplies from abroad. About that time, or shortly thereafter, a few hundred tons were taken from a small lake or marsh in Lake County, Cal., and might properly be denominated *tinical*. This represented all the ingredients of borax of commerce and was readily converted into the refined article and at a trifling expense. This supply was soon exhausted and the high price then ruling, some four or five times greater than now, stimulated research and resulted in giving us the extensive fields lying in both the States of California and Nevada. These, however, lie at great distances from any railroad or other facilities for bringing their output to market, and entail heavy expense in accomplishing this, as well as furnishing supplies of every kind for use at the mines, surrounded for many miles by sandy and apparently barren wastes.

In the working of both the mines at Slate Range and at Death Valley, the hauling is over a stretch of from 80 to 160 miles, and on portions of these routes water for man and beast has to be carried, as well as all kinds of provisions and provender required. All the money disbursed, whether in working the mines, purchasing supplies, hauling and freighting to market, including New York City, the central distributing point, inures to the benefit of the United States. It is questionable if any product of the country absorbs as large a percentage of its sales to put it on the market, or one which gives so little return for the capital invested and labor employed.

The first and more direct method was to make borax from borate of soda, but as this article became scarce, means were found to make it from borate of lime, of which there are extensive deposits in the barren and arid regions lying east of the Sierra Nevada Mountains.

The consumption of borax in its various forms of concentrated, powdered, refined, etc., has steadily increased, and during the year of 1889 amounted to over 9,000,000 pounds, not reckoning boracic acid and borate of lime, used for making boracic acid, while the consumption was only about 1,000,000 pounds twenty-five years ago. Taking into consideration all its uses, direct and indirect, it is safe to estimate the consumption at more than 10,000,000 pounds last year, and that this will be materially increased during the year 1890. There need be no apprehension of short supplies of the article, as extensive deposits are known to exist, but too remote at present from railroads or other facilities to market them profitably. In a few years these will be reached by projected or other roads, and be within reach of the general markets of the country.

In the summer of 1888 I had the honor of appearing before the Finance Committee of the United States Senate and presenting this subject quite fully, and to save myself labor and this committee time I invite its careful consideration of what I then set forth, which may be found in Senate Report No. 2332, Part 2, Fiftieth Congress, first session, page 205, and which I desire to have added to and made a portion of this paper.

The rest of my paper refers to another subject in which borax is not alone interested, but I do not propose to read it now, and will simply ask to hand it to the reporter. In connection with it I have a paper here that has been sent from California, addressed to this committee, signed by all the leading producers of borax on that coast, asking a modification of the general law. The existing law makes the duty on refined borax and boracic acid 5 cents a pound, on commercial boracic acid 4 cents a pound, and 3 cents a pound on crude borax, borate of soda, and borate of lime. So far as refined borax and borate of soda and borate of lime are concerned, those rates are probably sufficient, but it is very questionable whether boracic acid should not be taxed higher. But rather than make an argument upon it, I invite the attention of the committee to what General Rosecrans, a man of no mean pretensions in science, submitted to this committee six years ago, and also a letter addressed to a member of the committee in 1888, and I ask the committee to examine these documents.

The CHAIRMAN. Have you got a copy of General Rosecrans' statement?

Mr. MATHER. I have. I will hand it to the reporter, and I will also leave a part of the report of my testimony before the Senate committee.

(These documents are appended to Mr. Mather's statement.)

Mr. MATHER (continuing). In order that gentlemen of the committee may have some idea of the immense undertaking of getting this to market, I present photographs of the teams that are employed for hauling it. There are eighteen mules to each team, and they are expected to haul from 10 tons upward.

Mr. McKENNA. What are these boxes [indicating]?

Mr. MATHER. They are boxes containing the different kinds of material from which borax is made. They contain borates of lime in different forms. Here [showing specimen] is borate of lime from the southern part of Oregon. Here [showing another specimen] is borate of lime from the Mojave Desert. It may not be out of the way to state that the proportions of borax of commerce are about 36½ per cent. of boracic acid 16½ per cent. of borate of soda, and 47 per cent. of water. Borate of soda makes borax directly, but borate of lime requires the addition of soda. The borate of soda of which I submit a specimen here is of a very high test, and probably contains nearly 100 per cent.

Mr. McKENNA. In the paper that you have submitted have you described this borax?

Mr. MATHER. Yes, sir; everything is there.

Mr. GEAR. Have you said anything about the prices?

Mr. MATHER. I have not.

Mr. GEAR. What is the market price?

Mr. MATHER. In the report that I have submitted it is shown that the market price was in the neighborhood of 40 cents a pound.

Mr. McKENNA. Have you given the foreign price in competition?

Mr. MATHER. The foreign price to-day is substantially the same as ours. At one time in England it was £60 per ton. To-day it is from £28 to £30.

To a careful observer it has long been apparent that our revenue laws pertaining to the admission of American products sent abroad and returned to this country are radically defective.

In the interest of both our revenue and industries Congress has wisely devised that certain goods shall, upon entry for consumption, pay a specified duty, and until such duty is paid these goods, while in the domain of our country, are in possession of its officials. When the requirements of the law have been complied with by the payment of the duties called for these goods go into general trade and become part and parcel of American goods, the same as in the case of a foreigner, who, coming here, and through our naturalization laws, becomes an American citizen. If the importer elects, after the arrival of the foreign goods here, to send them abroad the laws require him to give bond to produce satisfactory evidence of these goods having been landed outside the country's limits, and until this is done at no time from their inception have these goods passed beyond the jurisdiction of our Government. If these regulations are wise and beneficent, of which I conclude there can be no shadow of doubt, why should they not be made applicable in analogous cases, or when American goods are sent abroad and become part and parcel of the merchandise of the country whither exported?

As already stated, foreign goods coming hither are held by the Government until the conditions of our laws relating to them are complied with, after which they are free to the trade, and in no case does the Government allow a drawback or return of duties paid by the importer after the goods have passed beyond its control, except when these goods may have been used in connection with manufacturing in this country, and then upon such manufactured goods being exported, a drawback less 10 per cent. is allowed for the duty paid upon the foreign material so used in the manufacture.

Goods of American manufacture sent to a foreign country, whether for sale or holding there, whenever they have passed beyond the confines of the Government of such country, are essentially foreign goods and products and should be so treated by our laws. But unfortunately, whether by an oversight in our laws or by a system of lax regulations on the part of our officials in charge of such matters, goods of a purely foreign origin have undoubtedly found their way through our custom-houses, as of American product, and without the payment of the required duty, to the detriment, as already stated, of both our revenue and our home producers. Heretofore it seems to have been the privilege or duty of the Secretary of the Treasury to make such regulations for the return of American products from abroad as would admit them free of duty. These regulations often changed at the caprice of the existing official, were of wide latitude and by no means as stringent as required in the case of importation of foreign goods. Merchandise that has passed beyond the bounds of the customs officials in England and gone into the channels of trade, and become part and parcel of the consumption there, has been admitted free here upon some flimsy pretext, signed by an obliging American consul, that these were American goods.

It is very questionable if any material benefit is derived either by the producer or the country in admitting products of this country after these have been sent to a

foreign market, and it is equally questionable whether the goods so sent are not for the account of the foreign merchant, and are only returned here when he finds his individual gain in the operation. It will doubtless be found that the great bulk of American products sent abroad are ordered for foreign account and by foreigners, and no good and valid reason can be shown why our legislation should be shaped in the interest of the foreign merchant and to the detriment of our producers. It is demonstrable that a judicious tariff encourages and builds up manufacturing to a point that cheapens the article so manufactured until it enters into the general markets of the world. And yet these manufactured products, after having been sent abroad for the purpose of use there and sold possibly on a falling market, can be returned here free of impost and to the profit of the foreigner sending them, and to the injury of our manufacturers and disturbance more or less of our domestic trade.

American goods abroad, as a rule, are held by foreigners, and it seems well nigh incredible that Congress should enact laws the direct tendency of which is to enable the foreign merchant to derive a profit or advantage at the expense of both our revenue and our producers. As already stated, the lax regulations adopted by officials to whom are delegated powers almost co-equal with those of a legislative body have resulted in giving free admission to goods of undoubted foreign origin. Take, for example, the article—borax—which I have the honor to bring to your notice, the great bulk of this is packed and shipped in bags of convenient size and each one constitutes a package. These packages under existing regulations can be returned from abroad to this country, duty free, and if emptied there and refilled with a foreign article, there is nothing to prevent their coming in free except the honesty of the shipper—a quality too rarely found in men dealing exclusively in business pertaining to customs operations.

Within a few days my attention has been called by a highly respectable correspondent to the fact that borax is being sent in bags across the border from Canada, and, judging from the circumstances of the case, is undoubtedly of foreign origin. There are no satisfactory means of deciding between the domestic and foreign article, and so long as the package seems all right it usually finds ready and free admission. It would seem every way wise and judicious that Congress should no longer delegate its powers over the admission of merchandise, whether foreign or domestic, into the country, but should specifically enact that all goods or products going to a foreign market should *ipso facto* be considered foreign products, and so treated when returned hither. If this can not be done then let the law rather than any official say upon what conditions and regulations these may be admitted into the country. Anything less than this would seem to be a travesty upon legislation.

The testimony of Mr. Mather before the Senate Finance Committee was given on June 14, 1888, and is contained in the report of the hearings of that committee, pages 205 to 218.

The following is the letter from General Rosecrans referred to by Mr. Mather:

VIEWS OF GENERAL W. S. ROSECRANS.

TREASURY DEPARTMENT, REGISTER'S OFFICE,
Washington, D. C., April 14, 1888.

MY DEAR SIR: I see that the committee's tariff bill proposes to put all borax products on the free list. It involves no great sum of money, and I believe that if the committee had been as familiar with the subject as circumstances have compelled me to be they would have refrained from putting these products on the free list.

The production of borax from the desert alkali lands of California, Nevada, and Colorado has become quite an industry and employs a good many people, scattered all over the country. Only in the new States and Territories, however, can the raw material be found. It seems desirable, therefore, to show as much favor as possible to this industry. It is especially incumbent upon the Democratic party.

But that is the least of the reasons why the business should not be meddled with. The history of the importation of borax into the United States, and of the various tariffs thereon, shows that legislation in favor of a single person or a single house has been the constant rule since 1842, or at the latest since 1845. I had occasion to thoroughly examine and verify the accuracy of this statement, and in 1882 I earnestly urged on the members of the House Committee on Ways and Means, whose attention I could get, at least to do something for our own home industries, instead of building up the wealthy monopoly to which I have alluded, and which slyly procured legislation in its favor all these past years. This combination had placed and kept boracic acid on the free list, until in 1882, when the tariff discussion revealed the game, and then only the inadequate tariff of 4 cents was imposed. The last change procured was to have boracic acid put on the free list. Boracic acid is the chief agent in all processes where borax is used.

The common borax of the market is composed of the following ingredients, per hundred pounds:

Boracic acid	} an average. {	38.18
Soda		
Water of crystallization		
		12.08
		49.74

Soda (NaO) from soda ash and commercial caustic can be had in our market for an average price of 4 cents per pound. Borate of lime (Ca BO) can be delivered from Turkey to the British market at 1 cent per pound, owing to the discovery of a large deposit of borate of lime about 40 miles from the sea, and by the use of cheap sulphuric acid the latter can be produced at a very low price. With sulphuric acid at 1 cent per pound, boracic acid can be manufactured from these raw materials at a cost of about 6 cents cents per pound, or \$6 per hundred pounds. Assuming it can thus be produced for \$6 per hundred pounds, and add for manufacturing and commercial profit \$2 more per hundred pounds, with no duty thereon, we can have boracic acid in our market at 8 cents per pound, with an enriching profit to the manufacturer and the importer.

	Cents.
Now 12.08 pounds of soda, at 4 cents, cost	48.32
38.18 pounds of boracic acid, at 8 cents, cost	305.44
Allow for labor and contingencies, per 100 pounds	16.24
Total per 100 pounds	370.00

Or \$3.70, provided raw material be admitted free; but the people who have hitherto controlled this market have so managed matters as to charge our American consumers for these forty years from 9 to 18 cents per pound, and even sometimes as high as 25 cents per pound for borax. We had no relief until our borax producers began to compete with them. If this combination be permitted to do as it has been doing in the past since the tariff of 1882, it will destroy competition, and then go back to its old ways, our own producers will be ruined, and our consumers will then be worse off than under the present tariff.

An inspection of the accompanying statement of imports for the years 1883-87 will demonstrate what I stated to the committee in 1882 as to the probable importation of boracic acid. Ere the tariff of 1883 had gone into operation, the importers rushed in 4,178,737 pounds of boracic acid, and in the same year, after the tariff went into operation, with a duty of only 4 cents per pound, which small duty has enabled them to control the market ever since, there were imported 155,695 pounds; while the total importation for the four succeeding years, 1884, 1885, 1886, and 1888, has only amounted to 820,343 pounds, demonstrating that the object of these large importations was to crush out competition.

It will be seen from the foregoing figures in reference to the cost of producing borax that the tariff of 5 cents per pound on boracic acid is disproportionately small, since it only adds 2 cents per pound to the cost of making borax, and, therefore, under the present tariff foreign manufacturers and importers can sell borax in our market, with profit, at 5.7 cents a pound.

To put our producers beyond the reach of monopolists, the tariff on boracic acid ought to be 10 cents instead of 5 cents. Our home producers are our dependents for deliverance from the practical "trust" which has hitherto monopolized the business, and they ought therefore to have the benefit of the existing tariff, with an increase of 5 cents per pound on boracic acid. You will see by the table of importations that the distinctions between commercial and pure boracic acid are practically worse than useless. The commercial boracic acid and the commercial borax are the bulk of the business, and the real basis of the tariff should be the quantities of pure boracic acid contained in the composition.

The committee can rely upon the foregoing as a substantial statement of the facts; hence, it follows that the consumers have no reasonable prospect of being benefited by putting borax and its products on the free list, but that if the tariff on boracic acid be raised to 10 cents it will give our own producers a chance to force the market down from 15 cents to perhaps as low as 7 or 8 cents per pound, which will still leave ample room for a fair competition by importers.

I hope the committee will reconsider this case, and, for justice's sake, increase the tariff on boracic acid, leaving the rates for all other borax products unchanged, and saving the \$20,000 or \$30,000 of duty by means of reduction in tariff on something else.

Very truly, yours,

W. S. ROSECRANS.

HON. CLIFTON R. BRECKINRIDGE,
House of Representatives.

COMMUNICATION FROM BORAX PRODUCERS AND MANUFACTURERS.

The following communication was received and ordered to be printed in the record :

SAN FRANCISCO, CAL., December 28, 1889.

The Committee on Ways and Means of the Fifty-first Congress :

We are large producers and manufacturers of crude, refined, and concentrated borax on the Pacific coast. It has become necessary, in order to protect the interests of American producers of borax and the interests of thousands of laborers dependent upon this industry for a livelihood, to lay before you facts which seem to call for administrative regulation of a more stringent character than heretofore established by your predecessors.

It is perhaps proper that we should furnish you with some information as to the salient features of the borax industry of the United States. Borax, or biborate of soda, is produced in large quantities in Nevada and in California, and its consumption in the United States is now upwards of 4,000 tons annually. It is found in desert and arid regions which afford no food supplies, and there being no railroad facilities for long distances—hundreds of miles—heavy expenditure is necessitated for transportation in order both to its development and to get it to the principal shipping port, San Francisco. The borate deposits in the United States being of low grade, intelligent, skilled, and high-priced labor is required in its production.

The essential ingredient of borax of commerce is boracic acid. The uses of borax and of boracic acid are manifold. It is used as an antiseptic; as a medicine; as an emollient; as a flux in the arts, for all metals; as a glaze and for enameling in potteries and glass-factories; as a bleach; as a cleaner and purifier; as a preserver; as a mordant and a dye, etc.

In competition with domestic borax and boracic acid, and the American labor connected therewith, comes the product of Italy, of India, of Asiatic Turkey near the Bosphorus, of Panderna on the sea of Marmora, and of the west coast of South America, where large quantities of borate are produced at but comparatively small expense by reason of locality, shipping facilities, and abundant and poorly-paid labor, and from whence it is subject to the small cost of shipment to Liverpool—the principal market and shipping-port abroad—small in contradistinction to the cost of hauling by teams and rail to San Francisco and thence to New York, the principal domestic market.

Since the production of borax in large quantities in the United States the price has fallen from 33 cents per pound in 1873 to 8 cents per pound to-day, with the resultant benefits to the country at large; and the regular importations of both borax and boracic acid of foreign origin have fallen to a nominal amount, the duties paid thereon during the fiscal year of 1889 having been \$1,328.

We need not enlarge upon the importance of this industry to the producer, the manufacturer, the skilled laborer, the artisan, and to the people at large.

The domestic borax interests are, however, now met by this difficulty: The statute of March 3, 1883, paragraph 649 of Treasury Index, admits to free entry "articles the growth, produce, and manufacture of the United States when returned in the same condition as exported."

To the great disturbance of the New York market, under the foregoing provision large quantities of borax have been introduced into the port of New York within the last eighteen months and passed free of duty, said borax purporting to have been exported from San Francisco at various dates.

The entire exportation of borax from San Francisco since January 1, 1887, amounted to 1,425,596 pounds, of which 1,348,026 pounds went to Liverpool, while two houses alone in New York received from Liverpool during 1888 upwards of 1,200,000 pounds, all of which passed free. As these two amounts nearly equal each other, and as, according to our advices, there is a large quantity of borax of American production now offered in the Liverpool market, and as the price there ruling is greater for American borax than it is for the foreign article of a superior grade, the conclusion seems irresistible that a large part of the borax re-imported was of foreign origin, especially as the American borax exported was bought for consumption in the pottery districts of England, was shipped for that purpose, and undoubtedly was used specifically for pottery uses.

We are conversant with the regulations by which it has been sought to throw around the re-importation of goods of American origin all safeguards for the protection of the revenue, and at same time, as we believe, for the protection of American industries; but so far as the complete attainment of either of such ends is concerned, under the present conditions of the relations between the United States and foreign countries of free-trade proclivities, without, permit us to say, the all-to-be-desired consummation. We do not assume to suggest the remedy, except, perhaps, that a statutory restriction might be applied which would exclude all goods once exported from the United States from the privilege of free entry. It seems to us that

the prime object of our Government being to induce, promote, and protect the industries of the United States, and thus conserve the interests of the greatest number of the American people as against the rest of the world, that it would be only in harmony with this principle for the United States in dealing with those other countries whose policy it is to promote free trade, not only within their own limits, but with ourselves, to their own enrichment and to the destruction of our industries, to enact every law which would tend to encourage our own people and defeat the purposes of those inimical to us. Why should not American goods when they enter into consumption abroad, and assimilate practically with the products of the country to which they may be sent, be refused entry in the United States free of duty? Foreign goods imported into this country, paying duty upon entry for consumption here, assimilate with our own manufactures, are given an equal chance to compete with them, and lose their identity in so far, at least, that under the statutes they can not be exported with the benefit of return duty, and if they go out of the country must again pay duty upon their return. Would not the few interests which might suffer in the United States from the prohibition of the return of domestic goods free of duty be insignificant in comparison with the larger number which would be more fully protected by there being one less loophole for the introduction of foreign goods substituted for those exported, to the detriment both of the revenue and of the home producer, and would not such prohibition be harmonious with the prohibition of the free re-entry of foreign goods, and would such a statute be any more arbitrary than other tariff laws?

To revert to the situation as it stands to-day, may we not ask the establishment of more stringent requirements, and the thorough enforcement of such as now exist or which you may deem proper to make in addition thereto, in connection with the entry of returned goods, in order that we may not be subjected to the detrimental action of our foreign competitors?

The constituent parts of domestic and of foreign borax are shown by analysis to be so substantially the same that it is not possible that any distinction between them can be detected by the customs officers. The custom-house, in order to determine the identity of this article imported under the guise of a domestic product or manufacture, is therefore relegated entirely to the identity of the bag or package containing it, which also purport to be of domestic manufacture, and to the correctness of the paper proofs presented by the importers and called for by the regulations prescribed by the Treasury Department. The bags are doubtless like all bags, of a material produced or manufactured at home and abroad. Their only distinguishing feature under Treasury regulations is an ink mark, a name, an initial—something which is readily obliterated by handling and is readily replaced by the honest dealer abroad, or by the unscrupulous person interested in defrauding the revenue of the United States directly or through his ability thereby to undersell the American market to the extent of the 3 or 5 cents per pound duty.

We have strong reason to believe that foreign borax is introduced into the United States free of duty in these bags of alleged domestic origin. You will see by the amount of domestic borax exported, and the amount of imported borax of alleged domestic production, how improbable it is that all the borax brought into the United States as of American origin was produced in the United States. It is not comprehensible to us that so large an amount would be exported under varying dates of shipment and held abroad for a waiting market, or that so much should be held at Liverpool for so long a period for a prospective advance in the American market. We are not, however, at this time in possession of such substantial proofs as will enable the Treasury Department to direct measures for the condemnation of any given importation.

The natural key of the situation—the appraiser's department—being of but little avail for the protection of the Government and of the domestic producer of borax, because of the similarity of the domestic and the foreign article, the only recourse would seem to be to appeal to Congress to legislate on the subject, and by such amplification and modification of existing laws as will better insure protection to both the revenue and all interested in the preservation of American industries.

In this connection we suggest for your consideration the practicability of all or any of the following requirements as conditions precedent to the free entry of borax and similar domestic articles returned:

(1) Proof that the goods re-imported were exported without intent to return them to the United States. This is in line with the views expressed by Attorney-General Brewster that a shipment to a foreign port with intent to return same is not an exportation within the contemplation of the revenue laws. (See Department's decision, No. 5829.)

(2) That all domestic borax and merchandise of like description exported in bags or other packages shall only be admitted free when same shall have been corded and sealed by a customs officer prior to exportation from the United States, and when such cord and seal shall remain intact.

(3) That domestic borax and merchandise of like description shall only be admitted free when the bags or package shall have been stamped prior to export from the

United States by a customs officer with a distinctive mark extending over the place of opening, and when such mark shall remain intact.

(4) That no domestic manufacture exported in bags shall be admitted without proof that drawback has not been paid upon the bags, except upon repayment of such drawback.

(5) That article 377, general Treasury regulations, be so amended as to require the foreign customs certificate to be produced at time of entry, the provision for bond for subsequent production of certificate to be revoked, and the ruling that such certificate may be waived where value is not more than \$100 be withdrawn.

(6) That record evidence of clearance be strictly required in all cases of re-importation, and that the provision of article 377 of regulations waiving such evidence where value of goods is not more than \$100 be revoked.

(7) That bonds taken for production of domestic export certificates be not canceled without careful comparison of certificates presented in connection with previous shipments with the certificates presented in cancellation.

(8) That the instruction to the collector at the port of New York allowing the examination of less than one package in ten of borax by the appraiser be revoked.

In one case, which has come to our knowledge, but 22 out of some 2,458 packages were sent to appraiser's store—two of each mark. That one bag in each 111 could afford conclusive evidence of identification of domestic production of bag and its contents is, to say the least, a doubtful proposition; and we take it that the discharging inspector could hardly be assumed to be an expert in determining the American origin of the balance of the importation delivered by him under the permit.

We have tried to make clear in this communication the importance of the domestic borax industry, and the ease with which the revenue can be evaded by the substitution of foreign for domestic borax under American coverings, as well as the injurious effect upon the American market of the unrestrained admission of so-called returned goods; and we trust that you will see the way clear to recommend such legislation and to enforce such additional regulations as will tend to secure to the revenue all its proper duties and protect and encourage the domestic producer and manufacturer, whose capital invested and labor afford so many people employment.

We are, sir, very respectfully,

Tule Marsh Borax Company, F. M. Smith, President. Pacific Borax, Salt, and Soda Company, by Alton H. Cough, Secretary. San Bernardino Borax Mining Company, by I. N. Thorne, Secretary. Columbus Borax Company, by Edward Lande, Secretary. The Nevada Salt and Borax Company, by H. L. Coye, President. Harmony Borax Mining Company, by Wm. B. Robertson, President. California Chemical Company, by Thos. W. Chinn, President. Meridan Borax Company, by Wm. M. Brison, Secretary. Henry Clay Mining Company, by Newton M. Bell, Secretary.

OLIVE OIL.

BOSTON, December 26, 1889.

SIR: The undersigned, importers of olive oil, are desirous of urging the necessity of having the duty on olive oil changed to a specific rate or free of duty, for reasons as set forth in a communication to the honorable Secretary of the Treasury, September, 1885. (See testimony before Senate Finance Committee, Fiftieth Congress.)

Respectfully,

JAMES A. HAYES & Co.

The Chairman Committee of Ways and Means, Washington.

FLAXSEED OIL.

IOWA CITY, IOWA, January 22, 1890.

DEAR SIR: Replying to your letter of the 18th :

(1) We get about 18 pounds, or 2½ gallons oil from a bushel of flaxseed.

(2) Thirty-eight to forty pounds cake, depending upon how much foreign substance there is in the seed worked.

(3) Now seed is worth \$1.35 in Chicago, or, say, \$1.30 here. Cake \$17 per ton, Chicago, or say, \$15.50 here.

(4) Oil is worth 58 cents per gallon in Chicago, or, say, 57 cents per gallon here.

Two years ago seed was worth \$1.44 per bushel in Chicago, \$1.35 here. Oil was worth 54 cents in Chicago, 53 cents here. Cake was worth \$20 per ton in Chicago, \$18.50 here. Seed was a little higher, oil a little lower, and cake considerably higher, making the net result very nearly in the same proportion as it is to-day. But taking the whole crop of 1887 as compared with that of 1889, and the price of that of 1887 was fully 8 cents per bushel below that of 1889.

Prices in 1887 in Chicago were, August, \$1.06 to 98 cents; September, \$1.01½ to \$1.09; October, \$1.05 to \$1.10; November, \$1.10 to \$1.26; December, \$1.23 to \$1.36.

Prices of seed in 1889, in Chicago: August, \$1.20 to \$1.33; September, \$1.23 to \$1.33½; October, \$1.26 to \$1.31½; November, \$1.28 to \$1.38½; December, \$1.32½ to \$1.36½.

So you see the cost of seed to the mills is much larger on the average this year than two years ago.

Yours truly,

C. D. CLOSE.

Hon. J. H. GEAR, *Washington, D. C.*

GLYCERINE.

NEW YORK, January 16, 1890.

DEAR SIR: We beg leave to address you, and to say that our firm is engaged more largely in the manufacture of refined glycerine than any other house in the United States. We are dependent for our crude glycerine, to a great degree, upon purchases in Europe, as less than one-fourth of the crude glycerine required to supply the large demand for the refined article is produced in the United States. Therefore, the Finance Committee of the Fiftieth Congress, after due consideration of this subject, reduced the duty on crude glycerine under the heading of "unrefined, 1 cent per pound."

We respectfully request you to incorporate in any tariff bill that may be presented to the Fifty-first Congress the following changes in the nomenclature of this provision of the bill. For your information we would say that the crude glycerine of commerce is of two distinct varieties:

(1) That manufactured from stearine candles, which usually has a specific gravity of about 1.24.

(2) That manufactured from soap-lyes, which usually has a specific gravity of about 1.30. The soap-lye glycerine only became an article of commerce in 1884, and was entirely unknown in the market when the present tariff bill was passed in March, 1883.

We propose: Glycerine—Crude, not purified by refining or distilling, 1 cent per pound. Glycerine—Refined, 4½ cents per pound.

You will observe that we do not propose to change the rates of duty of the Senate tariff bill, but we desire to change the wording where the term "unrefined" is used to that of the existing law, to wit, "crude," and to change the definition of crude glycerine, owing to the difference in the specific gravities of this article as now known in commerce.

The New York branch of the United States Laboratory has a satisfactory method of testing glycerine and determine readily and accurately whether, under the above definition, it is crude or refined, so that customs officials at the different ports of the United States labor under no difficulty in ascertaining the proper classification of the two grades of this article.

We remain, very respectfully,

MARX & RAWOLLE.

Hon. WILLIAM MCKINLEY, Jr.,

Chairman Committee on Ways and Means.

BISULPHIDE OF CARBON.

CLEVELAND, OHIO, December 31, 1889.

GENTLEMEN: The manufacture of bisulphide of carbon is a very troublesome one and has up to the present been made in this country in comparatively small quantities only, there being but two makers now, some four or five different makers in the last few years giving it up on account of its troublesomeness and lack of profitable production. Among these I may mention the noted firm of Powers & Weightman, of Philadelphia, who, after years of costly experimenting and manufacture, some seven years since gave up its manufacture and purchased their own supplies at double the price they are now paying for it.

In addition to this I am satisfied that it is imported under a name that is fraudulent and misleading, by means of which it doubtless receives a lower rate of freight and perhaps escapes duty. May I ask that the importation of "ten drums of carbon by steamer *Durham City*, London, into Boston" for week ending December 21, 1889, be investigated, and I think it will be found to be "the bisulphide of carbon?"

Very respectfully yours,

EDWARD R. TAYLOR,
Manufacturing Chemist.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

MINERAL SALTS.

WASHINGTON, D. C., *December 31, 1889.*

GENTLEMEN: Acknowledging the courtesy of your committee which permitted our counsel, General W. W. Dudley, to appear before you at the time fixed for hearing on chemical preparations and products, and recognizing the consideration by which we were accorded the privilege of placing upon file our written statement as to the reasons why we asked your committee to place natural Carlsbad Sprudel salts and other natural mineral salts upon the free list, in the same manner as natural mineral waters (which are now admitted free of duty), we respectfully submit the following:

The same reasons that govern in the admission of natural mineral waters, by which they are admitted free of duty, should govern in the admission of natural mineral salts. These salts are produced by a process of evaporation from the water, exactly as it comes from the springs in the ground. It is passed over evaporating pans, and the precipitate thus produced is bottled and shipped to all parts of the world—America being the only country which charges an import duty thereon.

The natural Carlsbad Sprudel salts are produced by evaporation from the Carlsbad Sprudel Springs, at Carlsbad, Austria. Carlsbad has been sought by patients for the last four hundred years because of the curative qualities of its waters, and the salt, which is highly medicinal, as is the natural water, was first evaporated for exporting in 1842, and since then has been introduced gradually all over the globe. It is a natural remedy, used mainly by physicians in the treatment of chronic catarrh of the stomach, bladder, and kidneys, in liver diseases, diseases of the stomach and intestines, for gravel and diabetes. For all these diseases it is considered almost a specific. It is a purely natural remedy, in no way artificially prepared, and the duty on an article only enhances its price, especially where, as in this case, there is no competitor for it among the products of this country; and it is, therefore, almost placed beyond the reach of the poorer classes, for whom it is specially intended, because the rich can go to Carlsbad and effect the cures there by the use of the waters, while those in moderate circumstances can not do so. The duty of 35 per cent. ad valorem does not, therefore, protect an industry in this country, because the natural product can only come from Carlsbad, there being no other known spring in the world which possesses the same medicinal properties as does this, and any substitute for it made here in this country by chemical process must be considered as an imitation, which is prohibited by law, and which must necessarily fail in the curative effects.

Carlsbad salts contains among its constituents sulphate of soda, chloride of soda, and bicarbonate of soda, besides other ingredients, which, in chemical combination with it, are not found in any of the American springs.

What is true of the Carlsbad Sprudel salts is likewise true of all natural mineral salts which are obtained by processes of evaporation without the admixture of any foreign substances.

Our suggestion is that a paragraph be added to the free list, as follows:

“Natural mineral salts, when accompanied by the sworn certificate of the proper officers operating the springs showing them to be obtained by evaporation, and when they contain no admixture with any substance foreign to the natural waters of the spring from which they come.”

Or language to that effect.

It is manifestly to the interest of the United States that this wonderful curative agent provided by nature, and confined in its production to a limited region of Europe, should be brought into this country at the lowest possible rate in order to bring it within the reach of rich and poor alike.

These considerations move us to ask that in the preparation of a new tariff bill this distinction will be taken, and that natural mineral salts obtained by the process of simple evaporation, without the admixture of any foreign substance, should be admitted free of duty in the same manner as is provided for natural mineral waters.

It might also be stated that there is no industry in this country having for its object the business of evaporating natural mineral waters introduced into this country free of duty for the purpose of obtaining their salts by evaporation, and that therefore the duty assessed becomes simply a tax to be added to the price of the article, and is not in any degree or sense protective.

Respectfully submitted.

EISNER AND MENDELSON COMPANY.

THE COMMITTEE ON WAYS AND MEANS.

SULPHATE OF POTASH.

VIEWS OF HELLER, HIRSH & CO.

NEW YORK, *January 11, 1890.*

DEAR SIR: We have your favor of 4th instant, in reply to our letter of the 3d, and thank you for kind permission to submit to your committee in writing our arguments in relation to sulphate of potash, and your kind promise to have the same printed with the regular proceedings already put upon the chemical schedule.

The material on behalf of which we wish to appeal to your committee, and which is now taxed to the extent of 20 per cent. ad valorem, is manure salt containing sulphate of potash. We are importers of this manure salt, which is composed largely of sulphate of potash, but containing sufficient impurities to absolutely prevent its use, in the condition in which it is imported, for medicinal or chemical purposes. The pure sulphate of potash, which is protected by 20 per cent. duty in this country, is manufactured to the extent of only a few thousand pounds per annum, by two or three manufacturers of fine chemicals, who obtain it as a by-product in the manufacture of nitric acid from saltpeter. It is a very pure article, put up principally in bottles, containing from 1 ounce to 1 pound, and worth about 50 cents per pound. In spite of the protection, however, it does not pay to manufacture it to any extent here, because the total consumption in the United States is so small (not over 60,000 to 75,000 pounds) so that only two or three manufacturers dare to manufacture it, and owing to cheaper raw material in Europe, producers there send it into this country to an extent of about 10 tons per annum, making a total estimated consumption in the United States of less than 50 tons per annum, assuming that the quantity imported and manufactured here all goes into consumption, which, however, is not the case, as it is of very slow sale.

As stated before, the article which we import can not possibly be used for chemical or medicinal purposes, so as to interfere in any degree with the above described pure sulphate of potash. It is imported for purposes of agriculture, either for direct application on the soil, or for mixing with other ingredients so as to produce a complete fertilizer containing potash as free from chlorine as possible, and because some plants, such as tobacco, sugar-cane, sugar-beets, potatoes, and all kinds of vegetables and shrubs, suffer seriously in quality when potash salts containing a large quantity of chlorine are used. This is principally the case with tobacco of the finer grade. One of the main causes of the inferiority of tobacco raised in this country is the large percentage of chlorine contained in the potash salts heretofore used in this country in the fertilizers used for tobacco. To some slight extent the manure salts we import could be used for chemical purposes but only as a raw material, requiring purification and chemical manipulation. We allude to the manufacture of potash, alum, and bichromate of potash. For the manufacture of these two articles muriate of potash (free of duty) has been used heretofore on account of its being a free article, though it required a considerable outlay of time and labor and some slight loss in converting it into sulphate of potash by treating it with sulphuric acid, so as to avoid the necessity of buying a crude sulphate of potash, and paying thereon a duty of 20 per cent. ad valorem. The above-mentioned cost of using the undesirable muriate of potash (free of duty) and converting it into sulphate of potash by the use of sulphuric acid (also free of duty), and the loss of time and incidental expenses connected with this operation, sometimes aggregate a percentage so closely approaching the 20 per cent. duty on sulphate of potash containing over 30 per cent. pure potash, that the manufacturers of alum or bichromate of potash prefer to buy this raw material and pay the high price for it caused by the imposition of the duty, even though they also have to purify this crude sulphate of potash, as already stated. The chlorine contained in the muriate of potash, to the extent of 35 per cent., can not be so completely removed from the manufactured article as it can be at the potash mines, from the absolutely crude article, and for that reason the manufacturers of the above-mentioned two chemicals also find it more advantageous to buy the crude sulphate of potash and pay the duty thereon, rather than buy the high-grade muriate of potash and convert it into sulphate of potash by washing with sulphuric acid, as they have done ever since the duty was imposed on sulphate of potash containing over 30 per cent. free potash.

The importation of our manure salts, containing as large a percentage of sulphate of potash as possible, and as small a percentage of chlorine or muriate of potash, has been a great benefit to the agricultural interests, and we refer to all the agricultural experiment stations in this country, as well as to the foremost agricultural authorities of Europe, and all of the agricultural experiment stations of Europe, to prove the above assertion. Furthermore, we are in position to demonstrate that the use of manure salts containing sulphate of potash in a fairly pure condition and free from chlorine, but composed principally of sulphate of potash and sulphate of magnesia, is

largely curtailed by the imposition of a duty of 20 per cent., to the great detriment of agricultural products.

We have been for a number of years the largest importers of this article, and have made a thorough study of it; we know that its use in the tobacco regions, for which it is almost indispensable, has been largely, if not solely, prevented by its high price, necessitated by the duty of 20 per cent., which duty, of course, has to be added to the price, and has to be paid by the farmer who buys the article, either for direct application, or who buys fertilizer in which this article has been used.

It might be interesting to your committee to know that all fertilizers sold in each State are tested by the chemist of the experimental station of such State for its ingredients and the quality of such ingredients. These stations then determine the value to the farmer of fertilizer bought by the latter, on the basis of the availability and value to the plant of each of the ingredients composing such fertilizer. Potash in the form of sulphate of potash is determined by these stations by estimating the percentage of chlorine contained therein, and with the full appreciation of the high value of sulphate of potash free from chlorine, or low in chlorine, these stations, with few if any exceptions, give a higher value (of from 25 to 35 per cent.) to fertilizers made with sulphate of potash low in chlorine than they do to fertilizers containing potash in the form of muriate or kainit.

We maintain, furthermore, that under the specific law that all manures, or materials expressly used for manures, should be free, our manure salt should be put on the free list. Under the Treasury ruling of December 4, 1869, potash salts containing less than 50 per cent. free potash were declared free. A later Treasury ruling, viz, that of August 2, 1870, was modified to assess the duty on all potash salt containing sulphate of potash to the extent of 30 per cent. free potash.

We maintain that as this duty does not protect any one (there not being one solitary manufacturer in this country of the article we import) that the duty should be abolished. Should your honorable committee decide otherwise, and desire to protect the farmers by putting it on the free list, when used for fertilizers or manures only, a provision might be made that a satisfactory bond be given by the importers or dealers to have such sulphate of potash manure salt used only for such purposes, but by all means remove the onerous duty as far as the farmer is concerned, and enable its free importation for agricultural purposes. It should be free also when used as a raw material by the manufacturers of alum and bichromate of potash, but we would advocate this more for the purpose of preventing a system of annoying and expensive supervision on the part of the Government of the other importations for farming purposes than for any other reason. We do not think that the retention of duty merely for chemical purposes (as raw material) would bring the Government one-tenth of what it would cost to look after and collect such duty, as the importation of this article so far has been largely, if not entirely, for agricultural purposes, and its use for the other purposes above described was accidental, and caused by unexpected conditions rather than the regular demand.

All European countries buy sulphate of potash very largely for manure purposes, and in no foreign country is muriate of potash used in fertilizing tobacco plants, as it is a well-known fact that the chlorine in the muriate gives to tobacco a pungent flavor, and gives to smoking tobacco very inferior burning qualities.

The Randall bill, as well as the last year's Senate bill, put this article on their list, and we hope your committee will do likewise.

We remain, yours, very respectfully,

HELLER, HIRSH & Co.

HON. WILLIAM MCKINLEY,
Chairman Ways and Means Committee.

STATEMENT OF A. J. WEDDERBURN.

GENTLEMEN: Replying to a question of Mr. La Follette relative to the imposition of a duty on potash sulphate over 30 per cent. of sulphate of potash, as required by rulings of the Treasury Department, I respectfully submit the following:

There is used in the composition of fertilizers and as a manure, without manipulation or addition, potash in various forms, all of which is imported. I am unaware that any potash salts exist in this country. Potash exists in green sand, marl, and wood ashes, but none of this is worked for the purpose of extracting the pure potash. The fertilizing salts that are imported come in as muriate and sulphate. There is no tax upon the former, although it contains as high as 98 per cent. of muriate of potash, equal to 48 to 50, and kainit sulphate contains 25 per cent. of sulphate, equal to 11 to 13 per cent. of actual potash—chemically, K_2O . There is also a sulphate ranging from 40 to 55 per cent. sulphate, equal to 26 to 30 per cent. K_2O , and higher grades sulphate, running up as high as 90 to 98 per cent. of sulphate, or 50 to 56 per cent. of pure potash.

The importations of muriate (free) were as follows for the past three years: 1887, 18,000; 1888, 27,000; 1889, 25,000, used probably one-half for chemical purposes, the balance for fertilizing purposes. Kainit (free) average importations about 75,000 tons a year.

	1887.	1888.	1889.
Double manure sulphate of potash	5,000	6,000	7,000
High grade, about	1,500	1,500	500

The statement of the imports are given to show that where no duty exists, as on muriate, that although one-half is used for manufacturing purposes the use is steadily increasing, while the sulphate steadily decreases under the influence of the tariff.

Now, as to the effect upon American agriculture and the interest the farmer has in the matter. Potash is one of the three principal elements that scientists agree must be supplied the soil to make it productive and prevent its deterioration from constant cropping; the other two being ammonia and phosphoric acid.

It is a well-established fact that the system of American agriculture has been to destroy rather than to improve the fertility of the soil, and the acreage of the production in all the older States is steadily declining, which proves the necessity for improving the land. This fact comes to the farmer at a time when he can ill afford the increased demand to meet the bill for fertilizers, owing to the many additional drains upon his purse and the ever-decreasing value of the produce raised. Lower prices and smaller crops, with no less rate of interest and ever-increasing mortgages, make the farmer ask, at the hands of the national law-makers, every possible facility to increase his income and decrease his expense.

This article of sulphate of potash enters largely into the components that improve his soil. By being able to purchase in concentrated form he is enabled to save in freight, which is an item of no small magnitude to him. For example, a ton of kainit costing, say, \$12 a ton contains about 12 per cent. of the manure he desires for his tobacco, potatoes, corn, and peach trees, while a ton of high-grade sulphate contains, say, 50 per cent. of potash and costs \$45 per ton. In the first place the price is less by \$3 for the amount required of potash, and in the next the freight on 1 ton only has to be paid on the high grade, while on the low freight has to be paid on 4 tons. When it is remembered that from many of our sea-board cities to places in the interior the freight runs from \$5 to \$9 per ton, it needs no mathematician to show the loss to the farmer.

There is another and yet more important side to this question, and that is the fact that many scientists agree that the chlorine in muriate and the kainit salts are actually poisonous to land, and I have no doubt from experience that it is to some lands. As the sulphate high grade does not contain this deleterious substance its use as a fertilizer should be encouraged rather than discouraged by every means within a proper limit by the Government.

The present tariff free list, paragraph 505, provides that guanos, manures, and all substances expressly used for manures shall be free.

Now, if sulphate of potash is not a manure it is nothing; if it is not a substance, what is it? And that not one-twentieth of the product is used except for fertilizing purposes can be readily established by the highest authority. Under these circumstances the interpretation of the word expressly to mean always or universally by the Solicitor of the Treasury seems to me to be stretching a point against the American farmer. That the importations are used universally for fertilizers can readily be shown. Always, as a matter of fact, they are not, as some small proportion goes into the manufacture of certain chemicals, the extent of the manufacture of which will not exceed a few thousand pounds a month.

The constant drain upon the fertility of the American farm lands demands at the hands of Congress more consideration than they are apt to get, and more than even the farmer of to-day is apt to ask, but undoubtedly the constant decrease in fertility of our wealth-producing land is a matter for consideration of the statesman and patriot, and when the farmer comes before you and respectfully urges that you place a construction upon the action of your own body in placing on the free list "guanos, manures, and all substances expressly used for manures," so that the Treasury officials will not construe another section of the same bill to place a tariff tax of 20 per cent. upon this most valuable ingredient of fertility, it seems only just to our people that you accede to their demands and give them free manures of all kinds and character, and that in your subsequent action upon the tariff bill that you allow no eloquence or argument to induce you to add to his burden by imposing a tax upon potash salts

(or sulphuric acid, which is one of the chief elements that enters into his manure), for by so doing you will simply add to the burdens of the agriculturalist and increase rather than diminish the troubles that beset him on all sides.

Respectfully submitted.

ALEX. J. WEDDERBURN,
Chairman Legislative Committee,
Virginia State Grange Patrons of Husbandry.

The WAYS AND MEANS COMMITTEE.

SULPHUR.

VIEWS OF DANIEL MYERS.

CLEVELAND, OHIO, January 9, 1890.

The Ways and Means Committee, Washington, D. C. :

I desire briefly to invite your attention to the sulphur industry of this country and its possibilities. Vast deposits of sulphur are known to exist in Louisiana, Texas, New Mexico, Colorado, Arizona, Idaho, California, Michigan, Utah, and Wyoming. Sulphur occurs widely distributed in the mineral kingdom.

As a general rule, it is abundant in volcanic districts.

The Utah deposits are very extensive, and known to contain millions of tons. These deposits alone are sufficient to supply the United States for a century to come.

In 1884 Prof. G. Von Rath, geologist, in the service of the German Government, on a tour entirely in the interest of science, spent several days investigating the Utah deposits of sulphur, and speaks as follows in his report:

"Among the almost numberless discoveries of volcanic origin, there appears to be none which in massiveness can even approximately compare with the Cove Creek (Utah) deposits."

Yet to-day all these vast deposits are lying dormant, simply because American labor can not compete with Italian macaroni-fed labor; and furthermore, because of the fact that refined sulphur is allowed to come in duty free as "crude sulphur."

Owing to this latter fact but trifling progress has been made in developing these vast deposits of raw material.

Sicily has supplied the United States with sulphur during the past century. A small proportion during the past few years has arrived from Japan.

The sulphur ore mined in Sicily yields not over 20 per cent. of sulphur. The ore is all refined, before shipping, to an average purity of not less than 95 per cent., and in this form is admitted free of duty as "crude sulphur."

No one familiar with the facts will controvert this statement.

The duty of \$6 per ton on crude sulphur imposed during the war was removed under the representation and belief that there were no deposits in this country to develop; hence the removal of the duty on crude sulphur met with no opposition.

The duty still remains on flowers or sublimed sulphur, \$20 per ton; roll sulphur, \$10 per ton; pyrites, sometimes termed sulphur ore, 75 cents per ton. (The latter usually carries over 40 per cent. iron.)

Sulphur ore proper contains no iron, only sulphur and earthy matter.

Custom-house statistics, in round figures, show the imports to have been as follows:

	Tons.
1878	48,000
1880	87,000
1884	105,000
1886	117,000
1888	98,000

Formerly sulphuric acid used in refining petroleum and manufacturing fertilizers was all made from Sicily sulphur. This is now all changed. The sulphuric acid for above uses has been for several years manufactured from pyrites, which exists in very great abundance in all parts of this country.

This American substitute for Sicily sulphur proved a fortunate and formidable competitor. But for its use in producing sulphuric acid for mechanical uses, the imports from Sicily the past few years would have exceeded 200,000 tons, whereas by the use of pyrites mined in this country the imports were about half that amount.

The Sicilians for many years have had a monopoly of the American sulphur market, and up to the time that the new process came into use for manufacturing sulphuric acid from pyrites the Sicilians charged the Americans an average price of not less than \$35 per ton.

But since the development of this American competitor the Sicilians reduced their price, averaging less than \$25 per ton. This reduction in price was the direct result of home competition.

In 1833 the sulphur barons of Sicily, thinking their monopoly of the world's market impregnable, advanced their price to \$70 per ton by forming a combine or, what is termed in the language of to-day, a trust. Experience demonstrates that the only safeguard from foreign extortion is home competition.

But what is to prevent the Sicilians, with their great advantage of cheap labor and cheap ocean transportation, from supplying the American market with sulphur at a price that may in time crush out all American competition, and having done so, again take a firm grip on our market and advance the price 50 per cent., as formerly?

As the tariff now stands there is nothing in the way. The only safeguard from such extortion, or foreign "trusts," is to protect and develop our own natural resources.

If "trusts" must be tolerated, surely American trusts will be preferred.

Where raw material exists in such wonderful abundance in our own country, is it not wise to foster and protect it for a term of years until the industry can be fairly developed?

Admitting the so-called "crude sulphur" free of duty has deprived the United States Treasury of many hundred thousand dollars revenue, only to place it in the pockets of the Sicilian sulphur kings and the Italian treasury, as that government imposes an export duty of \$2 per ton on every ton that has been sent to the United States, and every ton exported is weighed by government officials.

No one will object to the raw material coming in duty free; but to continue to allow the Sicilians to refine their raw material from say 40 per cent. to as high as 99 per cent. and still admit it duty free as "crude sulphur" is certainly a direct discrimination against the American producer, the American laborer, and in favor of the Italian treasury and the sulphur barons of Sicily, with their hordes of pauper labor willing to work for 25 cents to 40 cents per day, the latter being the highest price paid to the Sicily miners.

The Sicily mines vary in depth from 100 to 400 feet. The mineral extracted by the miners is brought to the surface by children from twelve to sixteen years of age. Having reached daylight, they lay down their load and at once descend to the bottom of the mine to repeat the same operation.

The proprietors of the Sicily mines have all accumulated great fortunes and are known as sulphur kings.

The total exports reach 500,000 tons annually.

In commerce 99 per cent. is regarded as pure. only 1 per cent. more would be absolute. If Sicily "crude sulphur" were refined just 1 per cent. more it surely could not evade the duty of \$10 per ton.

Year after year the Sicilians have sent to this market a higher grade of "crude sulphur," until 99 per cent. has been reached, and the average is above 95 per cent.

Without further refining, this identical so-called "crude sulphur" is ground into a fine powder by the importer and sold as flour sulphur, thus completely depriving the American miner and producer of any protection or benefit whatever, by reason of the duty of \$20 per ton on flowers sulphur.

The present tariff of \$20 per ton on flowers sulphur, \$10 per ton on roll sulphur, and admitting lump sulphur, 99 per cent. pure, free of duty, is entirely in the interest of a few importers and the Sicilians, and thus far has prevented the successful development of the vast deposits existing in this country.

The object of the above duty certainly must have been either for revenue or protection, or doubtless both, but in its practical results has utterly failed to accomplish either, simply because of the incongruities and anomalies herein referred to. The Treasury has derived no revenue from this source, and the American miner and producer of sulphur has been deprived of all protection.

If I may be allowed to suggest, I would say, place a duty of \$5 per ton on refined sulphur, averaging not over 50 per cent. pure; and \$10 per ton on all from 50 per cent. to 99 per cent.; \$15 per ton on roll sulphur; \$25 per ton on sublimed flowers of sulphur, or distilled sulphur ground into flour.

The above wording in a tariff bill would effectually prevent all controversy between customs officials and importers, and effectually close all avenues to fraudulent importations.

Such protection as I have named, for ten years, will result in developing the mining and refining of sulphur in this country to such an extent as to make us a formidable competitor in the markets of the world.

A large corporation was organized for the purpose of mining and refining sulphur in Louisiana, and preparations for mining were begun on a large scale. But the outbreak of the late war ended further proceedings. General Beauregard, I believe, was a leading spirit in this enterprise.

The Louisiana sulphur beds, near Calcasieu Parish, are now in the hands of a strong corporation, of which Hon. Duncan F. Kenner was president. Reasonable tariff protection against Sicily cheap labor would promptly stimulate capital to develop these vast deposits.

In 1885 a strong corporation was organized, and the mining and refining of sulphur

was begun at Cove Creek in Utah, some 200 miles due south of Salt Lake City, in a locality where millions of tons are known to exist. Over \$100,000 was expended in plant and development.

The intention was to produce only the sublimed flowers of sulphur, or distilled sulphur ground into flour, and the roll sulphur, wherein the tariff did not fail to protect, and where the sole competition would come from the half dozen refineries located in New York and New Jersey, who further refine the Sicilian product. No sooner, however, had the Utah enterprise entered the market with its product, than the eastern sulphur pool dropped its price some \$15 per ton on flowers sulphur.

Possibly this decline had no connection with the Utah enterprise, nevertheless the coincidence is remarkable that the sulphur pool of the East should so much reduce their price a few months after the Utah enterprise started—especially as the cost of their Sicily raw material was only \$2 per ton less than in 1884.

It should be borne in mind that the sulphur pool of the East import the 95 to 99 per cent. sulphur from Sicily, and at small expense and small labor convert it into the highly refined products referred to.

Possibly the sulphur pool and the chemical industry of the East will howl and hold up their hands in holy horror at any attempt to place a duty upon their "raw material." At the same time, everything produced from this same "raw material" is fully protected. Consistency, in tariff matters, is indeed a jewel.

If it is the design of this Government to maintain a duty of \$20 per ton on flowers sulphur for the sole benefit of the half dozen refiners in the East, who import Sicilian refined raw material, then no change in the present tariff is needed. But if this Government desires to develop its own gigantic natural deposits, a duty must be imposed upon the Sicilian product referred to, and the fraudulent importation of Sicilian refined sulphur as "crude sulphur" must cease.

The East should not forget that the nation's bread is now buttered west of the Alleghany Mountains, and that all producers of raw material must be equitably protected. Either protect all the natural resources of our country fairly, or all protection will disintegrate and be followed by tariff for revenue only.

Even with the great advantage of Sicily cheap labor, the mining and refining their raw material into 95 per cent. lump sulphur averages not less than \$10 per ton.

The Utah enterprise, at the close of two years' struggle, had exhausted its working capital and suspended further operations. The sulphur pool of the East, aided by the great advantage of Sicilian "refined material," made it unprofitable for the Utah refiners of sulphur ore.

The Utah corporation referred to, with its capitalization of \$2,000,000, would at once begin operations if assured of protection. This corporation is not composed of speculators, but its members are at the present time active and leading business men in the following cities, viz, San Francisco, Denver, Kansas City, St. Paul, St. Louis, Chicago, Detroit, Cleveland, Baltimore, Philadelphia, New York, and Boston, and all of whom are dealers in sulphur.

The natural outlet for Utah sulphur would be over the Union Pacific Railway. The protection asked for would result in a train of 10 to 20 car-loads daily over that line. This increased freight alone would enable that road to pay its obligation to this Government.

It can not be said that protection in this case would be in the interest of monopoly any more than in iron ore, as both are too generally distributed and too abundant to be "cornered."

Sulphur enters largely into the manufacture of gunpowder.

During the civil war the South was greatly embarrassed for the want of refined sulphur for making gunpowder.

In the event of a foreign war, with our ports blockaded, very serious embarrassments might follow if the sources of crude material are left undeveloped.

Extensive mining and refining of sulphur was begun at Rabbit Hole Springs, Humboldt County, Nev., and continued for several years, until forced to suspend because of the Sicilian competition.

The question naturally arises, why is it that Sicily lump sulphur refined to over 95 per cent. has been permitted to enter free of duty as "crude sulphur?" I would answer, simply because the chemical industry of the East possess great wealth, act in harmony, employ the ablest advocates, and well understand how to lay the pipes to secure their ends and prosper, while the western mine-workers have had no organization, and have never, as a body, presented their case before a Congressional committee.

Exhibit A is the so-called "crude sulphur," as imported from Sicily.

Exhibit B is this same so-called crude sulphur, ground into flour in the East at an expense of not over \$1 per ton.

Exhibit C is crude sulphur proper, as obtained from the mines.

Respectfully,

DANIEL MYERS,
Of BENTON, MYERS & Co.

STATEMENT OF THOMAS WHITE.

MR. THOMAS WHITE, of Brooklyn, N. Y., appeared before the committee and read the following paper :

To the Committee of Ways and Means, House of Representatives, Washington, D. C. :

The undersigned refiners of sulphur desire respectfully to present the following statement, with a view to alterations of the present tariff, which bears very hard against them on the subject of their industry :

First. Crude sulphur is now on the free list, but by an ill-advised change of language found in all the old tariffs that have come to our notice down to the revision of 1873, the words "brimstone, crude, in bulk" have been altered by omitting the words "in bulk," probably as a verbal commendation of the reviser, wholly ignorant of the reason why these two little words "in bulk" were used and of the mischievous effect of omitting them. Refined sulphur, if brought in bulk, would be unfit for use for the purposes for which refined sulphur is wanted, exposed as it would be to contamination by sea water and cargo impurities.

In effect, the old phraseology of "brimstone, crude, in bulk" excluded all dispute about quality, for the question whether the brimstone or sulphur was refined and therefore subject to duty, or not refined, and therefore free, was simply whether it was imported in bulk or not.

Now, however, we have vast quantities of refined sulphur imported in bags, barrels, or casks, and passed through the custom-house as crude sulphur free of duty.

If the question is raised as to quality or fineness, a tedious and expensive investigation by chemical experts has to be made, and their analysis of each importation to be reported before the question of dutiable or not dutiable can be decided.

In practice, therefore, the omission of the words "in bulk" completely nullifies all discrimination against the importation of manufactured or refined sulphur and renders it a non-dutiable article.

We ask, therefore, as of the first importance, that the phraseology of the old tariffs prior to the revision of 1873 be restored, so as to read "brimstone, crude, in bulk, free."

The tariff now in force imposes a duty of \$10 per ton on sulphur refined in rolls, and of \$20 per ton on sulphur sublimed or flowers of sulphur. All other forms of refined sulphur under the sweeping clause of "sulphur or brimstone not otherwise provided for" are admitted free.

The progress of the age has brought about a great change on this subject of refined sulphur, as well as on many other subjects. Under the early acts imposing duties on imports, the only forms of refined sulphur known to commerce came in as roll brimstone, or as sublimed flowers of sulphur. Now this is all changed. The art of vulcanizing India rubber, an invention of Charles Goodyear, about forty years ago, requires a fine flour made from pure refined brimstone.

Manufacturers of gunpowder now use refined brimstone in the form of rock brimstone, solid or broken. Friction-match manufacturers, also in general, use the same, so that it has come about that the two items intended to comprehend all refined sulphur, to wit, roll brimstone and sublimed flowers, and therefore placed under an import duty, are comparatively but little called for.

The main body of all refined sulphur now wanted is rock brimstone, solid or broken, and refined sulphur in the form of fine flour, and these are left to come in under the present tariff as free goods, which leaves us refiners with no protection against foreign competition of any important advantage to us. On the other hand, every item of our expense account, which constitutes about one-third of the value of our manufactured products, is subject to an enormous average duty of between 40 and 50 per cent.

Under this head may be mentioned the cast-iron for retorts, which, owing to the destructive action of heated sulphur upon the metal, have to be often renewed; also iron and steel for steam-engines and boilers, anthracite and bituminous coal, and many other articles too numerous to be specially enumerated.

In view of the facts above mentioned we respectfully ask that the following changes be made in the present tariff :

First. That the clause "sulphur or brimstone not specially enumerated or provided for" be stricken out, and the words "brimstone or sulphur, crude, in bulk, free" be inserted.

Second. That the duty on sublimed flowers of sulphur be reduced from \$20 per ton to \$15 per ton.

Third. That all other forms of brimstone and sulphur be subject to a duty of \$10 per ton.

THOMAS WHITE,
Surviving Partner of the Firm of T. & S. C. White.
BATTELLE & RENWICK,
Brooklyn Sulphur Works.

Mr. BAYNE. How does the Senate bill suit you?

Mr. WHITE. I presented the subject to the House in 1883, but the Mills bill never passed, and I gave myself no further trouble on the subject. I made up my mind that nothing would be done, and I have not noticed the matter since.

Mr. CARLISLE. Do you import such machinery as retorts?

Mr. WHITE. No, sir.

Mr. CARLISLE. How would this affect that article?

Mr. WHITE. We presume that cast-iron is increased to that extent.

Mr. CARLISLE. It is claimed that cast-iron and steel has been largely reduced by this.

Mr. WHITE. I have seen a statement that it increased the duty 40 or 50 per cent. I have never tried to import material that I could get in my neighborhood.

Mr. GEAR. What is sulphur worth in this country, refined?

Mr. WHITE. The highest is the sublime. The flour is about 2 cents or 1½, and the regular brimstone is the same.

CANDLE PITCH.

STATEMENT OF THEO. ROSENBERG.

The following statement is made by Mr. Theo. Rosenberg, vice-president of the Standard Varnish Works, of New York:

The varnish and japan manufacturers of the United States have for the past six or eight years been using an article called pitch, which is a residuum in the manufacture of candles where stearine and palm oil are employed. Some manufacturers have manipulated this article so successfully in the manufacture of black varnishes, etc., that they have been able to build up quite a trade in foreign countries. All of this residuum comes from Europe, as only the foreign article can be successfully used in the manufacture of black varnishes.

This candle pitch being a bi-product, it is against the interests of candle-makers to produce it in quantities; in fact they are continually devising means of lessening its production, as the stearine and palm oil in the shape of candles are more valuable to the candle-maker.

It has, however, become quite an important article in the manufacture of black varnishes, and as the home manufacturers of candles do not produce the quality, and in no event sufficient quantity, to satisfy the existing demand, varnish-makers must go to Europe for their wants. Importations at present are about 500 tons per annum, costing about \$20,000 and upward.

This article (candle pitch) pays a duty of 20 per cent., and it is classified amongst the unenumerated articles. Should this duty of 30 per cent. be removed, the export of such articles as are being made from it could be more than doubled within a very short time; in fact in time a very large and lucrative export trade could be built up.

At present the export trade of such articles in which candle pitch enters amounts to over \$40,000 per annum. As only American products, such as turpentine, linseed-oil, oxide of lead, and benzine, are used in conjunction with candle pitch in the manufacture of black varnishes, the removal of the duty would encourage the sale of these goods in foreign lands versus foreign oils, French and Norwegian turpentine, Russian benzine, etc.

As the present tariff protects an article which is of no importance to the home producer, but is a great drawback in extending the export trade of such articles into which it enters, we pray that it be removed in order to foster a growing American industry.

PHOSPHORUS.

STATEMENT OF N. P. ALLEN.

Mr. N. P. ALLEN, of Philadelphia, appeared before the committee and read the following papers:

MANUFACTURERS' CLUB, OF PHILADELPHIA,
SECRETARY'S OFFICE,
December 28, 1889.

At a meeting of the chemical section of the Manufacturers' Club, held on the 23d instant, it was voted that the Committee on Ways and Means be asked, in the preparation of tariff bill, to impose a duty of 25 cents per pound on phosphorus.

Attest:

W. T. SEAL, *Secretary.*

PHILADELPHIA, December 27, 1889.

To the Ways and Means Committee of the House of Representatives :

GENTLEMEN: We are informed that the chemical section of the Manufacturers Club, of Philadelphia, has by resolution requested an increase in the duty on phosphorus to 25 cents per pound. We respectfully join in recommending this increased duty. The fact that for ten years nearly all phosphorus consumed here has been brought from Europe, while the American works are closed, we consider plain evidence that the present duty is not sufficient to put the works of this country on an equal footing with those of Europe.

We believe that a duty sufficient to enable the manufacturers of this country to compete on equal terms with the foreign manufacturers will result in the consumer receiving the product at lower prices than will rule if the American works are not enabled by a fair duty to compete for the trade.

CHARLES LENNIG & Co. (Limited), Philadelphia, Pa.

PENNSYLVANIA SALT MANUFACTURING COMPANY, per T. Armstrong, president, Philadelphia, Pa.

ROSENGARTEN & SONS, Philadelphia, Pa.

FREDERICK PHILLIPS, Philadelphia.

POWERS & WRIGHTMAN, Philadelphia.

J. J. ALLEN'S SONS, Philadelphia.

J. J. ALLEN'S SONS, No. 2 CHESTNUT ST REET,
Philadelphia, December 28, 1889.

DEAR SIR: We respectfully ask the attention of your committee to a letter written by us to Senator Aldrich, August 3, 1888, on the subject of phosphorus, and his reply, copies of which accompany this letter. In that letter we stated that we would try to keep our plant in repair if the duty remained at the present rate, 10 cents per pound, hoping some circumstance might arise that would enable us to start up.

The Senate committee complied with that request, and now, one and a half years later, we find the conditions remain as they have been for ten years and that we can not meet the foreign manufacturers with the present duty. Careful examination shows that the cost of plant, labor, coal, and materials, at the lowest prices ruling to-day, amount to nearly 25 cents per pound more in this country than in Europe. The foreign manufacturers are very few and of large wealth and for twenty years have, whenever the American works were started up or kept in repair, pursued the policy of selling the large consumers of this country at the wholesale prices ruling in Europe, notwithstanding the duty of 10 cents per pound, and as soon as our works were thought to be disabled, advanced the prices 50 to 100 per cent.

In the light of these facts we again respectfully ask you to consider whether the consumers in this country will not be benefited by a duty of 25 cents per pound, which will start up the American works and insure steady and moderate prices and work to many hands now idle.

Very respectfully, yours,

J. J. ALLEN'S SONS.

Hon. WM. MCKINLEY, Jr.,

Chairman Ways and Means Committee.

[Copy of letter sent to Hon. N. W. Aldrich, August 3, 1888.]

DEAR SIR: We respectfully ask your attention to the item of phosphorus in preparing a tariff bill. It now pays 20 per cent. duty (or 10 cents per pound, about same rate). The Mills bill puts it on the free list. Phosphorus is used principally in the manufacture of matches, but also in various other preparations.

Its history in this country is: Until about twenty years ago it was not manufactured in this country, and was, we think, entirely free of duty and was selling from England at \$1.50 to \$1.20 per pound. A duty of 20 per cent. was then put on and a plant was erected in this country, costing over \$100,000. As soon as the American works were fairly under way English phosphorus was reduced to 75 cents per pound, delivered at New York. The American works failed and the price of English phosphorus was advanced to about \$1.10. The American works stood idle several years, were finally bought out and came into our possession, were started up, and English phosphorus again dropped to 75 cents. It was found that a moderate profit could be made at our works at this rate by careful management, and we continued about three years, during which time another large plant was erected in this country, and, we

think, a third one. The English manufacturers now evidently decided to wipe out the industry here and contracted with the corporation which purchases about three-fourths of all used in this country to deliver it to them at New York for several years at about 50 cents per pound, continuing to charge small outside buyers 70 to 75 cents. This closed our works, as it was below cost, and by careful figuring we believe the present price leaves no profit to the English manufacturer after paying the present duty.* The English manufacture is entirely controlled by one house, and we believe their policy to be to compel us to let our plant decay, after which, and in particular if the duty is removed, which would discourage us from keeping our plant in repair, the price in America would undoubtedly be advanced 50 to 100 per cent.

If the present duty of 20 per cent. is retained we shall keep up our plant and compete for the trade whenever the price is as high as 65 cents, and if the duty should be increased to 40 per cent., or probably to 30 per cent., it would result in all the phosphorus for this country being made at home, for which there is sufficient plant ready, and as this plant is in the hands of two or more rival concerns, it would insure the consumer receiving his phosphorus at the moderate price of 65 to 70 cents per pound and give employment at double the wages paid in England to a large number of hands now idle.

Very respectfully, yours,

J. J. ALLEN'S SONS.

Hon. N. W. ALDRICH, *United States Senate.*

[Copy of letter from Senate Finance Committee to J. J. Allen's Sons.]

AUGUST 17, 1888.

MY DEAR SIR: Your letter in regard to phosphorus, addressed to the Hon. N. W. Aldrich, has been laid before the subcommittee on the tariff.

Your statement is so valuable in connection with the subject referred to that the committee desire, with your approval, to print it with other testimony. Please make such changes or additions to the copy inclosed as you may deem necessary.

Yours, very truly,

BENJ. DUFFEE.

J. J. ALLEN'S SONS,
Philadelphia, Pa.

Mr. ALLEN. I propose to ask for a decided increase in the duty on phosphorus. I come here with the indorsement of the Manufacturer's Club of Philadelphia to ask for a duty of 25 cents per pound.

The CHAIRMAN. What duty did the Senate bill put on it?

Mr. ALLEN. Ten cents. I wrote a letter to Senator Aldrich and he put it in the bill at 10 cents. There is a great deal of money invested in works in this country now, and our works are in such a condition that we will have to spend several thousand dollars to put them in repair, or else let them go down, and we are not warranted in making these repairs without an increase in the duty.

Mr. CARLISLE. State some of the purposes for which phosphorus is used.

Mr. ALLEN. Its largest use is in the manufacture of matches. It is also used in some chemical preparations.

Mr. CARLISLE. State the annual product of the establishments now in operation.

Mr. ALLEN. Two complete works have turned out 50,000 pounds a year each.

Mr. CARLISLE. How many hands do you employ?

Mr. ALLEN. We employ about thirty hands. If the duty is increased we will start up and employ about one hundred, all skilled labor. For the same labor in Europe the price paid is only about \$5 a week, and our labor is paid \$12 a week.

Mr. CARLISLE. What is the entire product now?

Mr. ALLEN. Two plants in this country turn out 100,000 pounds. Our works turn out 50,000 pounds, but are capable of turning out 150,000 pounds, though we never have done it. The consumption is about 250,000 pounds a year.

Mr. FLOWER. Why could not match-makers carry on this business?

Mr. ALLEN. I can not tell, I am sure. I am not in the match business. They would hardly attempt to make phosphorus when our plant, which costs \$150,000, is idle.

Mr. BAYNE. Would 10 cents enable you to go on?

Mr. ALLEN. No, sir; it would not. It is 10 cents now. I said to Senator Aldrich that we would try to keep our works in repair with that amount of duty, but in that I

* December, 1889.—We find this is an error. It can be made in England cheaper than we expected J. J. Allen's Sons.

found I was in error. Since I have looked into the whole matter, I find that we need 25 cents a pound duty.

Mr. BAYNE. Do you think that would enable you to go on?

Mr. ALLEN. Twenty five cents a pound would, and it would not increase the price of phosphorus to the consumer. We would start up at present market prices if we had the increased duty to assure us that prices would not be cut lower until our works failed and then raised again. That has been the foreign policy for years.

Mr. BAYNE. What would 25 cents be equivalent to ad valorem?

Mr. ALLEN. It would be equivalent to 50 per cent.

Mr. GEAR. Do you prefer a specific to an ad valorem duty?

Mr. ALLEN. We do.

Mr. MCKENNA. At the present prices can you make a profit?

Mr. ALLEN. Whether we make any profit at that price is problematical, but we would start up if protected against lower prices. There are now two works. There is enough competition and enough brains to put other works in the field if necessary, and I say that a duty of 25 cents on phosphorus is necessary.

Mr. GEAR. Why do you prefer a specific to an ad valorem duty?

Mr. ALLEN. It settles the thing definitely. There is more or less fraud under an ad valorem duty.

Mr. CARLISLE. Why does the match combination desire to interfere with you?

Mr. ALLEN. They say they do not. They told me they would prefer to buy of us than of other people if we could meet the market price.

Mr. CARLISLE. What is your principal business?

Mr. ALLEN. It is nothing now. Our works are closed.

Mr. CARLISLE. I thought you had a plant for this purpose in connection with other business?

Mr. ALLEN. We have a plant that was built for this purpose, and we have added to it the manufacture of fertilizers, in order to use our engines and boilers. We moved our fertilizer business to another place, and, therefore, our works are standing absolutely idle and many of our men are now doing nothing!

Mr. LA FOLLETTE. Where are your works situated?

Mr. ALLEN. Burlington County, N. J.

Mr. GEAR. What is phosphorus made from?

Mr. ALLEN. It is made from bones and sulphuric acid. The principal items of cost are labor and coal.

BEES-WAX, COMB FOUNDATION.

STATEMENT OF CHAS. DADANT & SON.

HAMILTON, HANCOCK CO., ILL., January 8, 1890.

To the members of the Ways and Means Committee:

GENTLEMEN: Please excuse us for the liberty of calling your attention to some facts related to custom-house duties:

(1) The books written in foreign languages do not compete with the books published here. Most of them relate to history, science, agriculture, industry, etc., and our country can but be benefited by their importation.

If the duties on these books, duties which are but a mite in the revenue, were abolished, all the most learned citizens of foreign descent would experience gratitude toward the actual Government.

(2) The production of bees-wax is not any more considered as beneficial to bee-keepers. Indeed it costs to them at least five times its worth, and as bees can not do without it the bee-keepers invented the comb foundation machine to renovate the old combs and spare all the honey digested by the bees in building their combs; for the wax is the fat of the bees. It results of these facts that a few old foggy bee-keepers only have any wax to sell, while the others buy wax for their bees. We have sold 59,600 pounds of comb foundation last year (see samples inclosed) and have been compelled to use imported wax and to raise our price, as you will see by the small slip inclosed. Then the bee-keepers, far from being benefited by the customs duty, had to pay it from their own pockets.

The duty on bees-wax is very unimportant and can be easily spared.

By putting these facts before the Congress you will confer a favor to the bee-keepers and oblige

Yours very respectfully,

CHAS. DADANT & SON.

We quote an advance of 5 cents per pound over March prices as printed in our circular.

ALCOHOL.

STATEMENT OF W. S. MANNING.

Mr. W. S. MANNING, Esq., of Albany, N. Y., appeared relative to the tax on alcohol. He said :

Mr. Chairman and gentlemen of the committee, I appear before your honorable committee as the representative of the Albany Chemical Company, of Albany, N. Y., and will, as briefly as possible, state their objections to any act whereby any discrimination is made in the tax on alcohol, either in its use in the arts of manufactures or otherwise. Free alcohol in the arts means either methylated spirit, which is open to the very serious objection that it can be and has been easily purified or demethylated by Government chemists as well as others, or it means manufacture in bond, and which is met with the grave objection that such manufactures would be confined strictly to wealthy capitalists, because the Government, to be secure, must exact a heavy bond, which none but the capitalists can command. There is also another, an equally as grave an objection, that the manufacturers of alcoholic preparations would be continually under Government espionage, subjected to the arbitrary will (it may be) of an unscrupulous official. Aside from this, such a condition would naturally lead to combinations amongst large manufacturers, which would tend to drive the small manufacturers from the field of competition ; and, as a natural consequence, would be followed by higher prices to the retail dealer and the consumer.

Methylated spirit, but partially purified by incompetent and unscrupulous dealers in intoxicants, would result in the manufacture and sale of adulterated mixtures of partly purified methylated spirit, the taste and smell of which could be disguised by sirups, flavors, aromatics, etc., the use of which would be seriously, if not fatally, injurious. This objection is especially applicable to the venders and manufacturers of so-called "medicinal bitters" and "compounds," which are made and sold to consumers in vast quantities, especially in "prohibition" States. They are now notoriously made of the poorest possible quality of liquor, the taste of which is disguised by bitter herbs, etc. To this particular class of manufacturers who now, by virtue of their patents, enjoy abnormal profits, even under the present law, free alcohol in the arts and pharmacy is particularly and peculiarly attractive and lucrative, as they could either directly or indirectly get the alcohol, which is the base of these bitters, duty free ; whereas the liquor dealers, paying tax and license fee, could not compete, thus stimulating fraud to a degree beyond calculation. Fostering such an industry is not exactly the surest way or method by which the public welfare could be promoted.

Free alcohol in pharmacy appears open to very grave objections, and some of them are too obvious to admit of any sound argument. The great reduction in the price of ordinary tinctures would unquestionably lead to their very general adoption as a stimulating beverage, instead of spirituous liquors, by a certain and very large class of people, and it would be beyond the power of the Government, with free alcohol in the arts and manufactures, to control the pernicious evils which such a law would entail. There are many tinctures which could be sold directly by the pharmacist to the liquor dealer, who could utilize them almost as received ; and, besides, there is no way which could be devised that would prevent the druggist himself from making his tinctures in such proportions that no dilution would be needed. How can even the sale of alcohol over the apothecaries' counter for intoxicating purposes be prevented ? As a matter of fact, this opens the door for fraud to an unlimited extent. We hear now on every hand, mostly from prohibition States, accounts of the rapid growth of the habit of "ginger drunkenness," and this would be promptly followed by drunkenness from (medicinal) elixirs, wine, and beef (with the iron left out), tincture of gentian, compound tincture of cardamon, etc., which would be sold for such purposes, should free alcohol obtain in the arts and manufactures ; and we would soon have a prolific crop of patented or non-patented "stomach bitters," "vinegar bitters," etc., put up by the pharmacist in 10 and 15 cent bottles, and sold all over the country without restraint from any law.

The practical result of such a law would be the extinction of a large part of the tax on alcohol now used in the liquor traffic, and the substitution of the druggist for the legitimate liquor dealer. Not that all druggists would care to go into such a business ; but men are not all scrupulous, and the honest man with profits on legitimate preparations, cut down by the shrinkage of values of alcohol, could make no stand against the man who sold stimulants under such a cover. Who, for instance, could prevent any druggist from selling "anise-seed carminative," or "caraway carminative," or in fact any stimulant under the disguise of a medicinal compound ? There is positively no safeguard which can be found that will effectually prevent the sale of compounds which can be used for intoxicating purposes, except by retaining the full

tax on alcohol wherever it may be used. Who can define a law by which the apothecary could be prevented from selling alcohol for the purposes of manufacturing, and how can he know whether such alcohol will not be used as a stimulant under such a cover?

English capital, even, is drawn into this country attracted by the immense profits made by patent-medicine dealers, in which alcohol is used as one of the main component parts. Are the English capitalists attracted here building upon the hope that free alcohol in the arts and manufactures will become a law? To relieve such industries from the tax now imposed would certainly benefit the manufacturer, but not the public.

Such a step, moreover, would greatly cripple, if not extinguish altogether, an industry which now gives employment, either directly or indirectly, to many thousands of people, that is, "the wood alcohol" and the "acetate of lime industry."

With the introduction of wood alcohol into the arts a number of years ago a cheap substitute was found which can and does to a very great extent supplant ordinary alcohol, being just as good for manufacturing purposes as the grain alcohol; but, owing to impurities therein contained, it is rendered unfit to be used as a beverage. Varnish manufacturers and others engaged in similar pursuits make extensive use of it at the present day; and it is useless to deny the fact that it is fully as good as grain alcohol, in all instances, with no exception, where its dissolving powers are needed.

From the moment that alcohol for use in the arts and manufactures becomes unrestricted the sale of wood alcohol will be entirely wiped out, together with the total extinction of a great industry, thus entailing a loss of many millions now invested, fostered into existence because of the present state of the revenue laws. This would naturally be followed by higher prices for the acetate of lime, which now being a by-product, to a great extent, is sold so cheap as the base for the manufacture of acetic acid used in the arts that, although vinegar manufacturers are allowed to make their acetic acid from grain alcohol, yet they can not compete with the impure acetic acid produced by that agent. The consequence of such a condition would of necessity be followed by increased prices of the lead colors, mordants for fixing calico colors, Paris green, etc., because the lead corrodors of the United States, as well as of Europe, depend largely for their supply of acetic acid and acetate of lime, respectively, upon the product manufactured and shipped from this country.

Hence any limitation of the supply must advance the price of every article of manufacture of which the acetate of lime and acetic acid are the agents. The increase of the cost of corroding of necessity increases the cost of paints to a very great extent, and untold millions of dollars are thus irretrievably lost to the public at large solely for the benefit of those who are enriched by reason of the removal of the tax so far as the arts and manufactures are concerned.

Now, Mr. Chairman, if it is really necessary for the public good to reduce the revenue by reducing the tax on alcohol, would it not be more just to the whole people to reduce the tax without regard to any special interest? No particular interest should be benefited at the expense of the many, and no established industry should be destroyed in order that some other industry may reap inordinate profits.

A reduction of, say, 5 to 10 cents per gallon of the present tax on proof spirit would not materially disturb the present condition of the interested industries, while it would fully cover the estimated reduction of the revenue—should you deem it wise to reduce the alcohol tax—quite as much as the reduction to be derived by reason of free alcohol used in the arts and manufactures.

Mr. McKENNA. Do you agree or disagree with the gentleman, Mr. Rawolle, who has just spoken?

Mr. MANNING. I disagree with him in regard to what he says about wood alcohol not being generally used by manufacturers of varnish.

Mr. McKENNA. Are you familiar with wood alcohol?

Mr. MANNING. Yes, sir, to some extent.

Mr. McKENNA. You know something about its use?

Mr. MANNING. Yes, sir.

Mr. McKENNA. Have you ever heard of men being affected in the manner that Mr. Rawolle describes?

Mr. MANNING. It is new to me.

Mr. McKENNA. Do you think that any application with a brush or rag would produce the results mentioned?

Mr. MANNING. I would not like to express an opinion on that. I never heard of it before.

Mr. FLOWER. You have heard it just now?

Mr. MANNING. Yes, sir; I heard it now.

Mr. BAYNE. Are you a manufacturer of chloroform?

Mr. MANNING. Yes, sir; we are.

Mr. BAYNE. How do you make it?

Mr. MANNING. From acetate of lime by distillation, with the application of bleaching powder.

Mr. BAYNE. You reduce it from the acid?

Mr. MANNING. It is made from a mixed liquid, which is obtained from the dry distillation of acetate of lime.

Mr. BAYNE. Do you use wood alcohol?

Mr. MANNING. No, sir; chloroform can not be made by using wood alcohol.

Mr. BAYNE. Is it used in chloroform at all?

Mr. MANNING. Not a drop.

Mr. BAYNE. Have you certain patents under which you are making chloroform?

Mr. MANNING. Yes, sir.

Mr. BAYNE. Would not the free use of alcohol in the arts enable competition to arise against you?

Mr. MANNING. Most assuredly. I think, however, notwithstanding, we could compete with them with acetate of lime at its present price.

Mr. BAYNE. Is it your desire that alcohol shall not be made free in the arts because it would come in competition with you?

Mr. MANNING. Most assuredly it is not desired. We fear it would destroy the acetate of lime and our pharmaceutical industry.

Mr. BAYNE. Therefore the tax now levied on alcohol in the United States is a protection to your special industry?

Mr. MANNING. It is. This process which we use is our individual discovery. But what we really fear, as manufacturers of fluid extracts and alcoholic preparations, is that with methylated spirit free in the arts we should have, as honest men, to buy tax-paid alcohol to make reliable preparations, while we would be exposed to dishonest competition from any one unscrupulous enough to make medicinal preparations from demethylated spirit, which would be highly injurious, but also cheaper. Our objections to manufacturing alcoholic products in bond I have already stated.

Mr. BAYNE. You have the protection of a patent?

Mr. MANNING. Precisely. I would say that by reason of this discovery chloroform has been cheapened to the consumer 50 per cent.

Mr. BAYNE. If you had competition, would not it be cheapened still more?

Mr. MANNING. No. I doubt whether other manufacturers could hold their own with us under present cost of material.

Mr. BAYNE. If they can not, why do you fear the taking off of this tax?

Mr. MANNING. Simply because I think, as stated, that for sanitary reasons it ought not to be, aside from the reasons contained in my argument.

Mr. BAYNE. You argue from a humane stand-point.

Mr. MANNING. Yes; but we fear the removal of the tax would to a great extent cripple our pharmaceutical industry, as heretofore stated.

Mr. BAYNE. In other words, it would make competition for your industry?

Mr. MANNING. Yes, sir; but higher chloroform prices would rule; besides the making of chloroform is merely a part of our business.

Mr. GEAR. Would not the price of chloroform be reduced by taking the tax off alcohol?

Mr. MANNING. I do not think it would. It might not be raised up as high as the traffic would bear under the present tax, but in Germany, where there is no tax on alcohol used in the arts, chloroform is made by the acetate of lime process and not by the alcohol process, because of the present low price of acetate of lime, which is now a by-product, and is shipped from this country in vast quantities.

VIEWS OF MR. J. R. FRANCE.

DEAR SIR: Replying to your esteemed favor of January 15, in reference to the abolition of the tax on alcohol for use in the arts, we submit for your consideration the following figures and arguments.

The Arlington Manufacturing Company is a corporation organized under the laws of the State of New Jersey, with works at Arlington, N. J., and office there and also in New York.

The product of this company is pyralin, a compound made from pyroxyline, and similar to that known as celluloid and zylonite.

The figures herewith are based on an annual product of \$100,000 or a multiple thereof, and at prices current in the markets.

The item of supplies for the factory in its manufacture of the sheeted product, outside of all other items, such as fuel, and leaving out the question of wages, for one month, including alcohol used, amounts to \$4,646.56.

This item is composed of such supplies as camphor, acids, paper, dyes, pigments, and other chemicals, and exclusive of alcohol.....	\$2, 488. 36
Alcohol, 95 per cent.....	2, 158. 20
	<hr/> 4, 646. 56
Alcohol, 1,090 gallons, at \$1.98	2, 158. 20
	<hr/>
Alcohol, per gallon 28 cents	305. 20
Tax on same, per gallon, \$1.70.....	1, 853. 00
	<hr/> 2, 158. 20
Without the tax these figures would stand:	
Sundry items as enumerated above	2, 488. 36
Alcohol, 1,090 gallons, without tax	305. 20
	<hr/> 2, 793. 56

The relative value of the alcohol item in ratio to the other supplies is about one-eighth, while as now with the tax added, it is about two-thirds of the sum total of all the supplies, alcohol included. Thus—

One month's supplies, alcohol included	\$2, 793. 56
Tax on alcohol.....	1, 853. 00
	<hr/> 4 646. 56

On a business of, say, only \$500,000 it will be seen how enormous and burdensome this tax becomes.

Because of this tax we are compelled to use largely wood alcohol. This item costs more than double that of grain alcohol, and is not so good for our purposes as the latter, and while enhancing the cost of the product does not give so good a one. The difference in these two respects, viz, enhanced cost and poorer product, must be chargeable to the tax on alcohol.

The enhanced cost of manufacture makes this tax entirely prohibitive to sale of our goods in all markets except home. There are large fields open to us from which, for this cause, we are entirely shut out. The superiority of American manufactures in this line is so much in advance of foreign competition that, despite the disparity of earnings by employes as compared with foreign labor, we could compete easily, and that too with good profits, except for this tax.

Growing out of this tax, and co-existent with it, is another item of unnecessary expense both to your correspondent and also to the United States Government. Our company are in possession of United States patents for a method of freeing pyroxyline from water by the use of alcohol. The Patent Office gives us the right to use it, but the Treasury Department says, No; if you do you must pay an annual license and comply with certain restrictions. These restrictions are wasteful, costly, and full of delays. As a result of correspondence, some modifications have been allowed by the Treasury Department, but not such as will prevent to us heavy loss and expense.

The method referred to is one by which we wash out or by percolation expel water from pyroxyline by a column of alcohol. In doing this the alcohol becomes diluted with water. To recover it we use a still, for which we pay a license of \$100 per annum, and to attend which the United States Government has assigned a gauger in charge of this work to visit our factory. For this \$100 the Government pays for gauger and clerical force not less than \$500, and we are subjected to delays and waste—waste by evaporation, in consequence of having to pour from barrel to barrel to comply with the excise laws, instead of passing the diluted alcohol into the still and from that to tanks without this heavy item of loss. In addition we have the long routine of forms to make out, for which a clerk has to be detailed. These sums are directly chargeable to the tax on alcohol.

We believe in a proper protective tariff to protect home manufacturers, but this tax strikes directly at the foundation and life of home industries, and is not only burdensome, but we submit to your committee that it will be hard to find a parallel in any other line of manufacture where taxation is so disproportionate and wrong.

If Congress shall refuse to abolish this tax, then some equitable laws should be passed by which (as a temporary expedient only) a larger license fee should be exacted from manufacturers using alcohol, and a sworn watcher in the employ of the Government detailed to such factory or premises where the alcohol is used, whose duty would be to see and report if alcohol were used for other purposes than those designed.

Respectfully submitted.

J. R. FRANCE,

President The Arlington Manufacturing Company.

Hon. WILLIAM MCKINLEY, Jr.,

Chairman Committee on Ways and Means.

VIEWS OF THURBER, WHYLAND & CO.

The following papers were presented by members of the committee to be printed in connection with the testimony in reference to chemicals:

NEW YORK, January 6, 1890.

The honorable the Committee on Ways and Means of the House of Representatives :

We beg to present the following in behalf of the proposition to abolish the tax on alcohol used in the arts and manufactures. The National Board of Trade, representing the principal commercial organizations of the country, the Wholesale Druggists' National Association, and other commercial and manufacturing organizations, are also on record in favor of this proposition.

Its importance to the manufacturing industries of this country can hardly be over-estimated, and it is safe to say that in no other way can a similar amount of reduction in the nation's revenue be made with such benefit to so many different lines of industry and with so little harm to any.

The principal objection which presents itself is the danger of fraud upon the revenue from this source, and the difficulty of enacting a law which will give the required freedom to trade and at the same time protect the revenue.

We think this can be done by your committee confining itself principally to defining general principles in the act and lodging considerable discretionary authority with the Commissioner of Internal Revenue for carrying them into execution.

Industries using alcohol are so varied, the conditions surrounding them so different, that if you attempt to express all the details in a law, it will be found very difficult to do it wisely.

There are many secret formulas for the manufacture of medicines, perfumery, etc., a knowledge of which is zealously guarded by manufacturers, and which it would be undesirable for revenue officers to be familiar with. All that the Government is interested in, is that the alcohol shall not be used otherwise than for legitimate manufacturing industries, and not as a beverage; and this can be secured by exacting heavy bonds from any manufacturer who uses alcohol to see that it is not used in other than the legitimate processes of his business.

The responsibility of bonds should be ascertained and certified to by United States officials, as in other matters connected with the internal revenue, and then the Commissioner should be given a large discretion to grant reasonable facilities to houses doing a straightforward and legitimate manufacturing business.

For instance, our firm are wholesale grocers and manufacturers of food products; one branch of our business is that of flavoring extracts in which we use alcohol as a solvent for essential oils and spices, and as a preservative of fruit flavors. When thus compounded it is put up in small bottles, and the product is not likely to be used as a beverage, although, of course, it is possible to a limited extent.

Persons who can not get stimulants in any other way or form will sometimes use even extract of Jamaica ginger as a stimulant; but with alcohol free of taxation for such purposes, the cost of perfumery or flavoring extracts is greater than other forms of stimulants, while the repugnance of the palate of the average consumer would be a still greater safeguard.

The same is true of alcohol used in the compounding of medicines. It will not be difficult, if the Commissioner of Internal Revenue has the proper authority, for him to discriminate between what is a legitimate and well-recognized medicine or preparation, not made to drink, and what is an alcoholic beverage.

In order that alcohol delivered from distillery warehouses for manufacturing purposes may not be used for other purposes a system of manufacturing in bonded warehouses or apartments under a responsible bond, and under the supervision of Government officials, can easily be arranged in a manner similar to that in which the bottling of liquors is now allowed by the internal-revenue regulations, and by which the disposition of the goods can be traced until their character is so changed that they are no longer available for drinking purposes.

In the more important industries, where greater quantities of alcohol are used, more stringent regulations might be necessary to prevent redistillation; but even there such evasions of the revenue could not proceed far without detection, as the existing machinery of the Internal Revenue Department would soon detect any considerable contraband source of supply.

In the thousand and one small industries where alcohol is used, this danger would not be experienced; and even if a small amount of alcohol should pass into consumption without being taxed, the evil would be so small in comparison to the general good accomplished that the country can afford to give the system a trial.

All of which is respectfully submitted.

THURBER, WHYLAND & Co.

NEW YORK, *January 4, 1890.*

GENTLEMEN: Responding to your note of 2d, advising us of the hearing before the committee at Washington on 7th instant in regard to abolishing tax upon alcohol used in the arts, we regret that we can not be represented there, but desire to put ourselves on record as decidedly opposed to the present entirely impracticable shape of the proposed regulations controlling free alcohol for such uses. The provision of the proposed law which requires the constant presence in one's laboratory of an inspector practically nullifies all advantage, inasmuch as so many of the processes of manufacture are secret. Unless this provision is done away with, but few manufacturers will avail themselves of the advantages of the proposed change. A number of the leading manufacturers of alcoholic perfumery have conferred together, and we are all decidedly of the opinion that it will not be possible to admit inspectors to the private processes of our factories. This is almost universally true also of the manufacturers of chemicals, and there has been a general expression of opinion from both these classes of manufacturers that the proposed change in its present shape will be of no practicable advantage to those for whose advantage it was designed. We believe the above expression of opinion fairly represents the convictions of consumers of alcohol and cologne spirits in the arts and manufactures to the extent fully of one-half of the entire amount annually so used, and we shall be under obligation to you if you will so represent us personally.

Yours very truly,

LAZELI, DALLEY & Co.

Messrs. THURBER, WHYLAND & Co.

VIEWS OF JAMES A. WEBB & SON.

Your informant has been engaged in refining and distributing alcohol for use in the arts and manufactures for nearly forty years. During the first decade of said term three-fourths of the alcohol so distilled was used for burning fluid. Refined petroleum, having superseded burning fluid, alcohol is no longer used for illumination, but it is thinly distributed in the arts and manufactures.

The distribution of alcohol is in no sense a monopoly, but for personal reasons the writer having devoted himself to the manufacture and sale of alcohol for the industrial arts (the least lucrative branch of the distilled spirit business), now distributes fully one-half of the entire output of alcohol of this country, and being in daily intercourse with every class of manufacturer can therefore speak understandingly, and knows whereof he affirms.

We affirm that no discrimination in favor of alcohol can safely or justly be made while any tax is imposed upon distilled spirits.

PRECAUTIONS NECESSARY BUT UNAVAILING.

The rigid regulations, restrictions, and penalties whereby alcohol may be free for the arts, provided in the Senate bill, are absolutely necessary, and, indeed, are inadequate to prevent frauds upon the revenue, and yet they do not accomplish the desired purpose, to wit, making it possible for free alcohol to be used by the general public.

A few manufacturers can avail themselves of free alcohol as proposed, and so reap the benefits of the profits arising therefrom, but their goods would not be sold to the consumer at any lower price.

OBJECTIONS TO REVEALING FORMULAS.

The majority of manufacturers of proprietary articles will be deterred from availing themselves of this provision because the formulas of their various compounds would be disclosed to the revenue officer in charge of the store-room, he being required to account for every gallon of alcohol placed under his care.

It is a well-known fact that the value of these proprietary articles into which alcohol enters consists in the formula (as well as their title), which is kept a secret.

For example, Mr. Hood, the well-known sarsaparilla manufacturer, who uses a vast amount of alcohol, claims superiority over other sarsaparilla because of the introduction of peculiar ingredients, which others do not possess.

Mr. Tobias claims the same thing for his liniment, and we might cite *ad infinitum* instances where it would be impracticable for the manufacturer to avail himself of free alcohol.

DEALERS AND USERS CAN NOT DERIVE BENEFIT FROM EXEMPTION.

Moreover three-fourths of the entire quantity of alcohol is distributed to the retail druggist and apothecary, in barrels and lesser quantities, who can not avail themselves of free alcohol because they require it in its natural state accessible at all times, and, as far as we are advised, in every country where a tax is imposed upon distilled spirit, free alcohol can only be had after being mixed with some fluid or substance which renders it unfit for use as a beverage, and we suppose that the same regulations will and must follow in this country, and therefore the majority of buyers of alcohol could not avail themselves of the provisions of the bill.

It may be argued that small druggists would purchase their tinctures from others who had compounded them in bond under the provisions of the bill, but it is very safe to say that the consumer or the general public will not derive any benefit therefrom, but a prescription will cost just as much under those circumstances as it does now.

USERS OF ALCOHOL COULD NOT COMPLY WITH THE REGULATIONS PROPOSED.

In addition to the large portion used by the druggists and apothecaries, there are a great variety of industries that use alcohol in a small way, who require it convenient and accessible in its natural condition, uncontaminated.

We enumerate a few :

The manufacturers of soap, fire-works, brass goods of different kinds, various iron establishments, lock manufacturers, celluloid manufacturing companies, watchmakers, woolen manufacturers, cotton mills, nitre manufacturers, straw-goods makers, picture-frame manufacturers, gas companies, electric light manufacturing concerns, hat and cap companies, furniture manufacturers, compass makers, preserving of specimen companies, the tobacco manufacturers, cigarette and cigar men, the railroad machine-shops, lead-pencil makers, blacking manufacturers, rubber-goods makers, wall-paper makers, cement makers, brush manufacturers, patent-leather manufacturers, cutlery men, cartridge manufacturers, fulminate men, etc.

We aver without fear of contradiction that in none of the aforesaid branches of industry will free alcohol cheapen the product to the consumer or public, but will simply add to the profits of the manufacturer, which seems unnecessary, inasmuch as the users of alcohol seem to be prospering in their various lines of business. We therefore infer that they add the cost of their alcohol to their product.

Now, we have endeavored to show the impracticability of freeing alcohol when any tax is imposed upon distilled spirits, and will proceed to give our reasons why we do not advocate free alcohol in the arts.

FACILITY OF SEPARATING ALCOHOL FROM METHYL, ETC.

There is no fluid or substance for which alcohol has an affinity that can not, by the simplest processes of exhaustion and precipitation, be separated, even including methyl. In witness whereof we refer you to ex-Commissioner Miller's report, and the statements of Dr. E. R. Squibb, the well-known chemist.

We would be required under the Senate bill to give a bond for \$1,500,000. We are held responsible for any violation of the law, not only while the goods are in our possession, but after they leave our control, and until their annihilation.

The bill prohibits the use of alcohol in stated articles, and provides, that if we "use it in any of these articles so prohibited, or if we willfully permit it to be so used, or if it ever shall be so used, and also, if it shall ever be separated, then the penalties attach to us."

REVENUES ENDANGERED—THE SELLER HELD RESPONSIBLE.

We are confident that many successful attempts would be made to defraud the Government by withdrawing from bond certain compounded articles which have fulfilled the requirements of the law as far as apparent destruction of the identity of the spirit is concerned, and then separating the spirit which would be put upon the market in competition with the legitimate spirit of trade, alcohol being simply a high-proof spirit which needs only to be reduced with water and leached through charcoal to meet the requirements of the liquor trade. The offender being captured it is ascertained that the goods were purchased from our bonded warehouse, and very naturally they would seek to inculcate us in the frauds, upon the principle that if a goose is to be plucked it is very desirable to get one who has some feathers on him.

FREE ALCOHOL NOT WANTED UNDER RESTRICTIONS.

Those who experienced the irregularities practiced in the early days of our internal-revenue system, devoutly pray to be spared even the possible recurrence of the troubles that transpired in those days.

We see no way of relieving alcohol from tax except by the abolition of the tax upon all distilled spirits.

We beg further to say that when it is understood by the advocate of free alcohol that it can not be had in its natural condition, and can be used only in a compounded form under the necessary rigid restrictions of bonds and espionage, they no longer desire free alcohol and declare that they do not want the freedom at such a cost. In fact we do not know of any one interested to-day who advocates free alcohol intelligently, unless it be the distillers, who are under the false impression with regard to the increased demands upon them if alcohol is free from tax.

Our experience proves that during all of the ramifications of the revenue tax alcohol will be used at any cost, and the price has but little to do with the quantity consumed.

We believe that if alcohol were made free it would not increase the sale of it over 20 per cent.

In view of the foregoing restrictions upon business that only a few manufacturers can avail themselves of free alcohol, and the fact that the public will in no case be benefited by it, we recommend, in justice to all concerned, and in the interest of the Government, that until the entire tax can be removed from distilled spirits, alcohol remain as it is.

REASONS ASSIGNED FOR RELIEVING ALCOHOL USED IN ARTS AND MANUFACTURES FROM TAX.

First. That the public may be relieved from a supposed burden.

Second. Reduction of revenue.

IS THE TAX UPON SPIRITS USED IN ARTS AND MANUFACTURES A BURDEN UPON THE PUBLIC?

No; it is not a burden to the public—the people do not ask for relief, because they do not experience any oppression—because the quantity of alcohol, whether in its natural state or mixed with other ingredients required by individual users, consumers, or “the public,” is so very small. While its uses are multiform, it is thinly distributed.

HOW AND IN WHAT QUANTITY IS ALCOHOL SOLD AND DISTRIBUTED?

The writer distributes fully one-half of the alcohol used in the arts and manufactures in the United States. It is sold mainly in single-barrel lots, or less; and even these small lots are subdivided many times by the user or vender, and to be available must be accessible at all times in its natural or unmixed state or form.

If it be true that the public must have alcohol free to use in its natural form to derive any benefit from the exemption from tax, we ask: Does the Senate bill so free alcohol; and if not, why?

The Senate bill, notwithstanding its safeguards and conditions, which are almost prohibitory, provides only for those manufactures of proprietary articles and other dealers who make and vend their products containing alcohol, and leaves the great mass of individuals who require alcohol in its natural state unprovided for. They will and must resort to tax-paid spirits because it is simply impossible to have free alcohol accessible while any tax remains upon distilled spirit.

Why did the Finance Committee take such a limited view of this important subject?

There are few who understand the uses of alcohol, the processes of its distribution as herein set forth. Those who make and vend articles containing alcohol do not care to consider the whole subject. The Senate committee may have conferred with them only, and therefore did not get both sides of the case. The writer did not appear before them because it seemed impossible to perfect any bill during the last session of Congress.

Other and chief objections to making alcohol free in the arts and manufactures: All legislation upon this subject does not relieve, but embarrasses the user of alcohol. It adds largely to the cost of collecting the revenue and opens a wide door for frauds, which those whose business experience covers 1864-1867 can not contemplate with complacency.

It is well known that alcohol can by the simplest process be separated from methyl, varnishes, or almost any fluid or substance for which it has an affinity (see ex-Commissioner Miller's report, Dr. Squibb, and others) and when so recovered, as it surely should be, would find its way to cellars and dark places, where it would be leached and marketed to the confusion of the legitimate spirit trade, and be a standing menace to the whole internal-revenue system.

How shall the revenue be reduced? Simply by reducing the tax upon “distilled

spirit" in the ratio desired; 10 cents per proof gallon upon all distilled spirit would amount to a sum equal to the repeal of the tax upon spirits used in the arts and manufactures.

JAMES A. WEBB & SON,
New York.

VIEWS OF NOYES, BROS. & CUTLER.

JANUARY 24, 1890.

DEAR SIR: As the desire of your committee seems to be to get the views and desires of representative houses in every branch of trade we venture to write you on a subject in which we are largely interested, and concerning which the present time seems ripe for action.

We are heartily in favor of the total abolition of the tax on alcohol and spirits at the earliest possible moment; but if this can not be granted now, we sincerely hope that the present session of Congress will not pass without the present tax being reduced. Why it should have remained so long where it now is we think is unexplainable on any reasonable grounds. If a tax must remain on this article, we venture to suggest that at 50 cents it would prove amply sufficient for the needs and purposes of the Government. In any event, we desire free alcohol for the manufactures and the arts, and rejoice to see that both reduction and free alcohol for these purposes have their advocates in Congress, and we think in your committee as well.

The present bill for freeing alcohol for these specific purposes now before the Senate is not as simple as we could wish, but we believe it can be modified and amended to make it of much more practical value to those whom it seeks to benefit, and unless a simpler and better measure of relief can be secured at this time we desire this as a recognition of the need of relief and a step towards the end desired.

Your honorable body needs no argument from us in regard to this matter. We simply state what we desire. This matter has had our careful consideration for years.

Yours, respectfully,

NOYES BROS. & CUTLER.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

VARNISHES.

STATEMENT OF FREDERICK RAWOLLE.

Mr. FREDERICK RAWOLLE appeared before the committee and made the following statement. He said:

Mr. Chairman and gentlemen of the committee, I respectfully desire to make the following remarks upon the internal-revenue tax on alcohol. We are one of the small manufacturers who use alcohol for the manufacture of French varnishes, colored lacquers, and shellac varnish.

Methylated spirit I understand to be a mixture of nine parts grain alcohol and one part wood alcohol. This methylated spirit can not be used at all for medicines, medical preparations, perfumery, flavoring extracts for cooking, etc., nor can we use it for our French varnishes and colored lacquers. In our business we can only use it for the cheap class of shellac varnishes, and the demand for these is only a limited one. We can not use it for our French varnishes, because for some uses the workman dips a rag or sponge into the varnish and then rubs it over the surface which he wishes to polish. This operation has made ulcers on the hands of those thus employing the varnish. I went to see a man who was suffering from bad ulcers and sores on his hands which were produced by this cause.

Grain alcohol if made free in the arts, owing to the safeguards which the Government would be obliged to impose in order to prevent frauds upon the Treasury, would probably place many difficulties and trammels upon the manufacturer, and thus annoy and even prevent him from having the necessary free control and management required in the carrying on of his business. These remarks would apply most forcibly to the small manufacturers. Should you gentlemen, however, deem it best to make alcohol free in the arts, then the necessary laws and regulations should be so made that, whilst fully protecting the Treasury, they should be as few and simple as possible, and cause the least possible annoyance and difficulty to the manufacturer. But in any event, and this point should not be forgotten, all the necessary Government officials and inspectors should be wholly paid by the Government, and no part of such salaries or fees should be paid by the manufacturer; should this not be the case, then

the small manufacturers would be driven out of business, and only the large manufacturers would be able to survive, and thus the Government would create large monopolies.

In view of the above objections to methylated spirits and alcohol free in the arts, we desire that everybody be treated alike and put on the same basis, and hence we propose:

First. Abolish entirely all internal-revenue tax on alcohol and make it free for everybody, or—

Second. Largely reduce the present tax (which is 90 cents per gallon on whisky = \$1.69 $\frac{1}{2}$ per gallon on alcohol of 188 per cent.) to one-third of the present amount, so that the proposed tax will be 30 cents per gallon on whisky = 56 $\frac{1}{2}$ cents on alcohol of 188 per cent.

Mr. CARLISLE. Is it not very offensive to the smell?

Mr. RAWOLLE. Yes, sir.

Mr. GEAR. What is its cost?

Mr. RAWOLLE. Grain alcohol costs about \$2 and wood alcohol about \$1.

Mr. GEAR. Was not methylated or wood alcohol made cheap originally?

Mr. RAWOLLE. No. I think in former times it sold as high as \$1.25 to \$1.50, and now I think we are paying \$1 for it. The quality has been improved. Formerly it was so bad that sometimes the consumer could not use it.

Mr. CARLISLE. Can the smaller establishments avail themselves of free alcohol in the arts if it was so provided by law?

Mr. RAWOLLE. The question arises should we pay the cost of the inspector? For instance, we keep our alcohol in the cellar. We buy 10 barrels at a time. We put the whole 10 barrels in the cellar and when we want to use it we take out one at a time. We employ only one man in making varnish. This French varnish is comparatively little used, its chief employment being for metals.

Mr. GEAR. How much would it reduce the price of varnish to take off the duty on alcohol?

Mr. RAWOLLE. I think it would take off about three-fourths of the cost on the cheaper varnishes.

Mr. McKENNA. Reduce them three-fourths?

Mr. RAWOLLE. It would take off an amount equal to three-fourths of the duty on alcohol. Labor is a material item.

Mr. GEAR. What price do you get for your best varnish?

Mr. RAWOLLE. Three dollars and fifty cents.

Mr. GEAR. If we take off the duty on alcohol, would it reduce the price to less than \$2?

Mr. RAWOLLE. Probably it would.

Mr. CARLISLE. Suppose we simply allow it to be methylated, how much would that reduce the cost?

Mr. RAWOLLE. For some purposes that could not be used at all.

Mr. CARLISLE. Are there many arts which could not use methylated alcohol at all?

Mr. RAWOLLE. For some purposes they could not use methylated spirits at all.

Mr. McKENNA. If you reduce the price of everything in which alcohol is used, there would still be a trouble about the administration of the law?

Mr. RAWOLLE. Yes, sir.

Mr. CARLISLE. Could you reduce the price of those goods for which methylated alcohol could be used?

Mr. RAWOLLE. Yes; but for many purposes it could not be used at all. On this fine varnish, where they use a rag or sponge to apply it, as I said, the hands of the workmen break out with these sores. My idea is to make a universal law; either very much reduce the tax or take it off entirely.

BLEACHED SHELLAC.

The Ways and Means Committee, House of Representatives:

We, the undersigned manufacturers of bleached shellac, respectfully request that your committee carefully consider the advisability of placing a specific duty upon this article, for the following reasons:

At the present time the principal competition that the manufacturers in this country have, are goods made by English manufacturers who have the benefit over American makers of lower prices on crude material, being closer to the source of production, and the London market being a more favorable market to purchase crude shellac; and having also the benefit of cheaper chemicals which enter into the manufacture of these goods; as well as the benefit of cheap labor, which is an important item.

At the present time the article is subject to a duty of 10 per cent., coming under the head of "gums that have been increased in value by manufacturing process." (See paragraph 508 of present import duty.) This duty is not sufficient to protect the

American makers. The foreign goods can be imported and sold in this country at below the prices of domestic makers.

We would suggest as a fair and equitable duty, a specific duty of 5 cents per pound.

We trust that our communication will receive your favorable consideration.

ROGERS & PYATT, 78 and 80 Maiden Lane.

WM. TINSSUR & Co., 197 William street.

C. T. RAYNOLDS & Co., 106 Fulton street.

MARX & RAWOLLE, 163 William street.

E. KASE, CIER & Co., 445 Water street.

BERRY BROTHERS, 252 Pearl street.

ANILINE DYES.

STATEMENT OF HENRY MERZ.

Mr. HENRY MERZ next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I am here representing the coal-tar dye industry. There are now four factories in the United States which promised a rapid growth when the tariff was changed in 1883, by taking off a specific duty of 50 per cent. and leaving an ad valorem duty of 35 per cent., which is no adequate compensation for the difference of price of labor between our country and Europe, particularly so, as much of our raw material—about 90 per cent.—must be made here and is subject to the same price of labor as we pay. It has been asserted that the duty on that raw material (coal-tar products) which has to be imported now to a great extent was a great obstacle in one way. This is not quite correct. From a pamphlet I have here it can be seen that one of the largest coal-tar dye manufacturers in Europe consumes about 100,000 tons of raw material, about 90 per cent. of which would have to be made here if the factory was situated here in the United States. The coal-tar products we use are made from coal-tar produced by gas and coke manufacturers. Although we use a comparatively small amount, it represents a very large amount of coal-tar from which these products are distilled and prepared in various ways, and of which the greater part is now allowed to go to waste. There is no doubt in my mind that a proper protection of our industry would enable it to become very extensive as a producer as well as a consumer of chemicals, coal, etc., casks, cases, tins, etc.

It may be said that a slight increase of duty would enhance the price of the goods, yet our experience has always taught us the contrary. European prices go down much quicker in presence of American competition than with a European only. Some of our colors which were sold at \$3.50 dropped since they are manufactured here to \$1.50. Goods which pay no duty in Canada were sold there higher than in the United States until the American competition was felt, and then prices fell to "bed rock." Besides the industrial and financial advantages our industry has for the United States, we must not forget to take into consideration the educational benefits it offers.

Many of our young men study chemistry here or abroad. There is no industrial branch which is as much in need of chemical help as the coal-tar color industry; just such help as would most likely be developed by our national traits of far-reaching inventiveness.

The present duty of 35 per cent. ad valorem is very difficult to collect in full, and is no proper protection. A purely specific duty will be very hard to adjust on account of the widely variance of prices. The only mode of a just discrimination would be to divide the coal-tar dyes in two classes—Class I, azo colors, Class II, non-azo colors.

For the first class, which comprises all cheap colors, we would ask for a specific duty of 10 cents per pound, and 25 per cent. ad valorem. For the second class, which comprises all the higher priced colors, we would ask for a specific duty of 25 cents per pound and 25 per cent. ad valorem. We hope your committee will consider our request favorably, and thus correct an injury which was done to our industry erroneously in 1883.

Mr. PAYNE. Do you want free coal-tar?

Mr. MERZ. We do not. We use coal-tar products, not coal-tar.

Mr. PAYNE. Do you want duty on alizarine red?

Mr. MERZ. We do not ask for that. Alizarine red is a color which requires a very expensive plant and I do not think that anybody would venture to make alizarine here at present.

Mr. PAYNE. Is there any one engaged in making coal-tar products?

Mr. MERZ. There is one party now making some coal-tar products for coal-tar dyes.

Mr. PAYNE. Do you import coal-tar?

Mr. MERZ. We only import coal-tar products for color, but not coal-tar crude.

Mr. PAYNE. Do you think this might become a very large industry?

Mr. MERZ. A very large industry. Yes.

Mr. McKENNA. What is azo color?

Mr. MERZ. That is difficult to explain. In chemical processes different bodies accumulate in groups. In coal-tar dyes one of these groups is called the azo group, and wherever this appears such group would be called an azo color. I would like to make a statement with reference to the remarks of Mr. Tracy: When Mr. Morrison was chairman of the House committee we had a conversation of about two hours. We found that it was absolutely impossible to get anything else than free raw material, and of course rather accepted this offer than nothing. Afterwards we went over the whole field with our chemists and concluded to present the request of to-day.

Mr. TRACY. In the last Congress the matter was before the House committee?

Mr. MERZ. I was not there, but Mr. Hudson, from Albany, was, and I did not act with him before the House committee.

Mr. TRACY. Mr. Hudson made a recommendation for taking off the duty on coal-tar products. You said that if you had protection on this article a great deal more might be produced.

Mr. MERZ. But how can there be more produced if there is no consumption for it?

Mr. TRACY. In this statement Mr. Hudson said that this industry would have prospered at that time if they had retained that 20 per cent. ad valorem duty.

Mr. MERZ. There is no doubt about it that free raw material would not help us much. We have part of that free now.

Mr. PAYNE. How many distilleries of coal-tar are there in this country?

Mr. MERZ. There is only one.

Mr. McKENNA. Mr. Hudson recommended that coal-tar should be dutiable, and he recommended a specific duty of 10 and 15 per cent. ad valorem.

Mr. MERZ. That would be impracticable.

Mr. McKENNA. What do you recommend as to coal-tar products?

Mr. MERZ. We prefer not to interfere with the gentlemen in that line of business.

Mr. CARLISLE. You want an increased rate of duty on aniline dyes?

Mr. MERZ. Yes, sir.

Mr. BRECKINRIDGE. What materials do you use as the base of your industry?

Mr. MERZ. Arsenic, aniline; nitric, sulphuric, and muriatic acids; soda-ash, caustic soda, etc.

Mr. BRECKINRIDGE. My impression was that the main articles you used in your industry were products of coal-tar.

Mr. MERZ. The great bulk of our raw material is not coal-tar.

Mr. BRECKINRIDGE. What proportion of your raw material is the product of coal-tar?

Mr. MERZ. It varies with the different colors; in some it may be as much as 10 to 15 per cent.

Mr. BRECKINRIDGE. Take the whole range of your industry?

Mr. MERZ. The amount of coal-tar products is small in comparison to other materials used.

Mr. BRECKINRIDGE. Do you mean the amount of coal-tar in your industry?

Mr. MERZ. We do not use coal-tar at all.

Mr. BRECKINRIDGE. I only wanted to know the per cent. of coal-tar products used in your business?

Mr. MERZ. It is almost impossible to give the percentage in an at-random way.

Mr. BRECKINRIDGE. Without going through the entire list I should like to have you enumerate to me perhaps two or three of the principal articles of raw material.

Mr. MERZ. Benzole, toluol, nitro benzo, dinitro benzol, toluidin, nitro toluidin, di-nitro toluidin, aniline, naphthol, etc.

Mr. BRECKINRIDGE. What in general terms would be an approximate estimate?

Mr. MERZ. Among other things we use a large percentage of acids.

Mr. BRECKINRIDGE. That covers the acids; what else is a leading element?

Mr. MERZ. Coal.

Mr. BRECKINRIDGE. Coal for fuel?

Mr. MERZ. Yes; for fuel.

Mr. BRECKINRIDGE. I mean chemical constituents.

Mr. MERZ. Aniline oil.

Mr. BRECKINRIDGE. Aniline oil would be about what per cent. of your material?

Mr. MERZ. In some colors we do not use any aniline oil.

Mr. BRECKINRIDGE. Would there be anything else containing as much as 10 per cent.

Mr. MERZ. Salt is quite an item; it may be about 10 per cent.

Mr. BRECKINRIDGE. Is there anything else that would be as much as 5-10 per cent of the raw material used?

Mr. MERZ. Nothing, outside of coal.

VIEWS OF MANUFACTURERS.

NEW YORK, December 10, 1888.

The Subcommittee on the Tariff of the Senate Committee on Finance:

The undersigned manufacturers of coal-tar dyes beg leave to present the following statement with regard to the tariff bill now under discussion.

The great difference in the cost of raw material, both imported and domestic, and the still greater difference in the price of labor between here and Europe, makes it impossible for the home manufacturers to successfully compete with those of Europe, even if the duty of 35 per cent. be actually paid.

Annexed schedule will show clearly the disadvantages under which we labor.

We also submit a statement of one of the largest factories in Europe showing their consumption of raw materials and products for one year, thus illustrating the importance of this industry for the United States, if fully developed by a protective policy.

In order to give the domestic manufacturer a safer protection, to enforce a strictly honest entry of values, and to insure the importation of the best quality of goods only, we suggest that a specific, or at least a partly specific duty be imposed.

To overcome the apparent difficulty of equalizing the duty on the various priced goods more justly, we propose to separate coal-tar dyes in two large classes, which can easily be distinguished, and which would also separate the high-priced colors from the cheaper ones, viz:

COAL-TAR DYES AND ACIDS OR BASES OF COAL-TAR DYES.

Class I.—Azo colors, picric acid, and naphthole yellow, 25 per cent. ad valorem and 10 cents per pound gross weight.

Class II.—Non-azo colors, 25 per cent. ad valorem and 25 cents per pound gross weight.

Our authority for this classification is the list of coal-tar dyes as compiled by Gustave Schultz and Paul Julius, and published by R. Gaertner, at Berlin, in the year 1888.

This book not only gives the scientific and trade names, but also a description of the outward appearance of all coal-tar colors and their action when treated with certain named re-agents, thus clearly establishing the identity of the respective dyes.

Very respectfully,

ALBANY ANILINE COMPANY.

SCHOELKOPF ANILINE AND CHEMICAL COMPANY.

HELLER & MERZ.

HUDSON RIVER ANILINE COLOR WORKS.

We also beg to call your attention to the following: Under "paragraph 974" aniline oil is free. We would suggest to strike out the words "aniline oil" and insert the words "commercial aniline oils." All aniline oils are mixtures of several products, but the law as it now stands is liable to be misconstrued by the custom-house officials.

Schedule showing the consumption of raw material and products for the year 1887-'88, by Farbwerke, vorm. "Meister, Lucius and Bruenig," at Hoechst-on-the-Main.

	Long tons.		Long tons.
Coal.....	64, 230	Pyrites.....	12, 661
Coal-tar products.....	3, 624	Iron borings.....	1, 503
Caustic soda.....	2, 112	Methylated and ethylated spirits...	309
Different potash salts.....	350	Various chemical products.....	1, 635
Soda.....	1, 610	Rock salt.....	10, 518
Nitrate of soda.....	1, 905	Lime.....	4, 312

Should this factory be located in the United States 93 per cent. of the above material would have to be produced in our country, 2 per cent., nitrate of soda, would come from South America, and of the remaining 5 per cent., consisting of "coal-tar" and various chemical products, a large part, if not the whole, would also be manufactured in America.

To ship the manufactured products of above factory the following packages were used:

Casks.....	25, 310
Tins.....	1, 962, 000
Bottles.....	803, 200
Cases.....	25, 310

The effect on the carrying of such an establishment can well be imagined. This house was founded in 1863, and commenced operations with one 3 horse-power steam-engine and 7 employes, which have been increased in the comparatively short time of twenty-five years to 1,840 horse-power and 2,062 employes.

Schedule showing effect of the proposed change of duty on the price of the most important colors now on the market.

CLASS I.—Azo colors, etc.

	Cost in Europe.	35 per cent.	25 per cent. and 10 cents per pound.
	<i>Cents.</i>	<i>Cents.</i>	<i>Cents.</i>
Orange Y	22	29.7	37.5
Orange R.....	25	33.75	41.25
Orange No. 4.....	60	81.5	85
Metanil yellow.....	75	101.25	103.75
Chrysoidine.....	40	54	60
Bism. brown.....	72	97.2	100
Scarlet 2 R.....	27	36.35	43.25
Scarlet 3 R.....	34.5	46.57	52.1
Fast red.....	22	29.7	37.5
Crocein scarlet.....	47	63.5	68.75
Benzo-purpurine, 4 B.....	100	1.35	135
Chrysamine R.....	100	135	135
Hessian purple.....	100	135	135
Hessian yellow.....	100	135	135
	824.5	11,135.2	11,601

Cost in Europe, 100 per cent.
Present duty cost in United States, 135 per cent.
Proposed duty cost in United States, 142 per cent.

CLASS II.—Non-azo colors.

	Cost in Europe.	35 per cent.	25 per cent. and 25 cents per pound.
Anramine	\$2.00	\$2.70	\$2.75
Victoria green.....	.72	.972	1.15
Acid green.....	1.00	1.35	1.50
Victoria blue.....	1.40	1.89	2.00
Fuchsine.....	.84	1.13	1.30
Violet crystals.....	1.67	2.25	2.34
Violet 3 B.....	.80	1.08	1.25
Cotton blue 5 B.....	2.90	3.91	3.975
Cotton blue B.....	1.50	2.02	2.125
Methylene blue.....	2.11	2.85	2.89
Eosine.....	1.25	1.685	1.81
Erythrosine.....	3.00	4.05	4.00
Rhodamine.....	5.00	6.75	6.50
	24.19	32.637	33.49

Cost in Europe, 100 per cent.
Present duty cost in United States, 135 per cent.
Proposed duty cost in United States, 135.4 per cent.

Class I.....	142
Class II.....	138.4
	2)280.4
	140.2
	135.0

5.2 = average higher duty under proposed duty.

VIEWS OF FRED. KOEHLER.

WASHINGTON, D. C., December 13, 1888.

The Subcommittee on the Tariff of the Senate Committee on Finance :

Mr. Pickhardt, in his statement regarding the manufacture of aniline colors in this country, having alluded to myself to sustain his assertion of the impossibility to make said dyes here, I beg leave to submit the following :

I was employed as chemist in the largest aniline-color factory in Germany and in the world from 1874 to 1883, and as such have had in my hands and am familiar with the manufacture of all aniline colors known up to that date. I subsequently was engaged for over five years in the aniline-color manufactory in this country, and I therefore believe to be more competent to judge about the possibility or impossibility of making colors here than Mr. Pickhardt. This gentleman having never been a manufacturer of coal-tar dyes himself, can only express the views of his friends in Germany about this matter or possibly the views they wish to impress upon your committee. If they really are convinced that aniline colors never can be profitably produced here, why are they not willing to let the American manufacturers die a natural death instead of trying to kill them quickly by having the duty removed, trying it even to the point of raising money among the German aniline-color manufacturers for that purpose? I, for my part, am firmly convinced that aniline colors can and will be made here, and, as a matter of fact, about 20 per cent. of the home consumption are actually made here.

I am further convinced that had the duty not been lowered in 1883 not one pound of aniline color would be imported to-day.

It is true we did not succeed nearly as well as I expected, but that does not prove the impossibility to succeed finally. In the light of my knowledge of the circumstances under which this industry exists here and abroad, I find the reasons for its slow progress here chiefly as follows :

(1) In the very large difference in wages. An ordinary laborer in German aniline factories receives at the utmost 58 cents for eleven hours' work, while we must pay from \$1.25 to \$1.75 for ten hours.

(2) In the large difference in the cost of raw material.

(3) In the difficulty we have in selling our goods. There are now about twenty agents of foreign manufacturers established in this country, who until recently have had practically the whole market, and whom we must undersell materially in order to procure any share of the market.

In conclusion, I would reiterate my statement that it is my firm belief that coal-tar colors can be made here, and it rests wholly with your honorable body to make the industry prosper or die out by tariff legislation.

Respectfully,

FREDERICK KOEHLER.

REMARKS ON MR. WILLIAM PICKHARDT'S TESTIMONY GIVEN BEFORE THE SUBCOMMITTEE ON THE TARIFF OF THE SENATE COMMITTEE ON FINANCE DECEMBER 5 AND 6, 1888.

Mr. Pickhardt does not contradict our statement that he charged \$1 per pound over the European price. We are informed by the defendants in the suit that the patent had two years longer to run when the adverse court decision came, and other alizarine importers stated that Mr. Pickhardt could have had the patent two years longer if he had permitted the defendants and one or two others to share in the profits.

Page 8, b, line 8.—Anthracene was formerly made here and could be made here again.

Line 16.—The coal tar produced here is practically the same as that produced in London.

Page 9, b, line 9.—Considerable coal-tar products are made in this country and used for coal-tar dyes and other purposes in spite of Mr. Pickhardt's decisive "No."

Page 12, line 15.—How can the woolen mills of Rhode Island be retarded when the duty on the whole importation of coal-tar dyes used for cotton, wool, silk, paper, jute, lake colors, etc., only amounts to \$400,000 per year? On all these articles the quantity of color used can not average 1 pound of dye to 100 pounds of material.

Page 13, line 8.—If Mr. Pickhardt calls the stuff the New York Coal Tar Company distills benzine, he tries to mislead. He must know this is commercial benzole—50 and 90 per cent. used in the manufacture of coal-tar products. In fact, these are the standard grades produced by coal-tar distillers for the trade.

Line 13.—On a previous page Mr. Pickhardt describes the process of distillation very minutely, and here he does not know what comes off first.

Page 14, line 17.—Mr. Pickhardt says that his factory was only making 10 per cent. on their capital. For the last four years they declared dividends of from 12½ to 25 per cent. after deducting large amounts for wear and tear, reserves, etc. His statement that an aniline factory would be useless for any other purpose is absolutely true. Mr. Pickhardt's statement that all azo dyes are made from naphthole and naphthalene and the aniline colors from aniline is incorrect and shows how very little he understands of the real nature of coal-tar dyes. The very first azo color discovered—amidoazo benzole—is a pure aniline color and contains not a trace of naphthole or naphthalene. The true characteristic of an azo dye is the fact that it contains the azo group N-N.

Page 15, line 10.—If the patent has nothing to do with the price it is singular that alizarine red should have dropped \$1 per pound as soon as the patent was practically declared void, page 7.

Page 19, line 9.—Mr. Pickhardt's assertion that transportation from London to New York is as low as from London to Germany is not correct. It costs three times as much to New York than to Cologne on the Rhine.

Page 21, line 20.—It is singular that Mr. Pickhardt can not state the difference in price of soluble and insoluble alizarine blue, as he imports and sells both. We protest against putting the alizarine colors on the free list. These colors, with free alizarine red, can be produced here as well as any of the coal-tar colors.

Page 5, c, last line.—The Buffalo people never tried to sell their factory to Mr. Pickhardt or anybody else. The reason why the industry did not develop is because the duty was lowered, in 1883 but not because we can not get the proper help.

Page 7, c.—The reasons for the decline in prices of aniline colors are, first, cheaper raw material; second, improved methods and principally on account of the enormously increased output. Farbwerke, Meister, L. and M. produced in 1863, 10 to 14 pounds of magenta per day, in 1873 they produced 770 pounds per day.

Mr. Pickhardt's reply to Mr. Randall's letter.—In 1883 Heller & Merz's ultramarine factory was about the third largest in the world and probably furnished 10 per cent. of the world's consumption. The labor in aniline factories in the United States ranges from \$1.25 to \$1.75 per day for ordinary laborers.

We estimate the production of aniline dyes in the United States at 500,000 pounds, and the value at \$500,000.

Mr. Pickhardt's statement regarding the number of men employed in this industry is probably correct. In this connection we may say that the Buffalo factory employed over one hundred men before the last reduction in duty. They now employ about one-half that number.

The production of aniline colors in Germany last year was in round numbers 13,000,000 pounds. Of this, one-ninth is exported to the United States. Seven-eighths of the entire output is exported.

The following is a pretty complete list of coal-tar dye factories in Europe: Germany, 18 factories; England, 6 factories; France, 6 factories; Switzerland, 6 factories.

It would be very desirable to have free alcohol, but for many purposes it should be free from admixtures such as methyl-alcohol, camphor oil, etc.

Page 14.—There is a decided difference between dye-wood and coal-tar colors. The first named are products of agriculture, while the latter are wholly manufactured articles.

Page 18.—Mr. Pickhardt says here that in 1872, when he contemplated starting an ultramarine factory, nobody else had thought of it up to that time. He seems to have forgotten that he bought ultramarine from Heller & Merz several years before the date mentioned.

Pages 19 and 20.—Not everybody seemed to have been of Mr. Pickhardt's opinion regarding the foolishness of starting an aniline factory here. As late as 1882 the general manager of Mr. Pickhardt's factory told Dr. Koehler that he considered America a good field for that industry then and he would come over himself if he had been younger. He told Dr. Koehler he did not consider the Americans crazy enough to lower the duty. Another authority on this subject is G. Schultz, who in his book on coal-tar dyes, edition of 1882, says: "The tar in Russia and especially in America is developing. The latter country may soon be a serious competitor in this line to Europe."

Page 22.—Mr. Pickhardt evidently wishes to convey the impression that our raw material is almost finished color. This is not the case by any means, as Mr. Pickhardt knows. With the exception of a few of the very largest, all the European factories buy their material in the same state as we do.

Schedule showing the principal raw materials used in American coal-tar dye factories, and their prices here and abroad.

	Price in Europe per pound.	Price in United States per pound.
Sulphuric acid 66°	\$0.45	\$0.95
Nitric acid 40°	4.75	5.50
Muriatic acid 20° .....	.30	1.10
Aniline oil for blue	16.33	18.00
Aniline oil for red	15.00	16.50
Toluidine	15.00	19.50
Binitro-benzole	14.70	18.00
Binitro-toluole	14.70	18.00
Bichromate of soda	7.00	9.50
Salt .....	.10	.25
Naphthole	14.40	18.00
Nitrite soda	5.77	7.72
Alkali, 58 per cent.	1.10	1.40
Iron borings .....	.50	.75
Caustic soda, 74 per cent.	1.74	2.84
Labor per week	4.04	10.00
Total	115.88	148.01

The above list shows that we have to pay for our raw material and labor on an average 25 per cent. more than it costs on the other side. If it is further considered that we are obliged to undersell imported dyes from 5 to 10 per cent., that our plant costs at least twice as much, the higher interest on capital and insurance, on plant and wear and tear of same, and the difference in scientific and clerical help, it will be plain to everybody that 35 per cent., even if fully collected, is an entirely inadequate protection. This assertion is borne out by the schedules given below, showing the different costs of a few of the principal colors in this country and abroad.

One week's production of safranine.

	Cost in Europe.	Cost in United States.
600 pounds aniline oil	\$90.00	\$99.00
150 pounds nitrite soda	8.64	11.58
2,400 pounds muriatic acid	12.00	24.00
600 pounds iron borings	3.00	4.50
960 pounds whiting	3.84	5.76
1,110 pounds bichromate soda	77.70	105.42
30,000 pounds salt	30.00	75.00
Labor	16.16	40.00
Total	225.18	325.26
Wear and tear*	11.26	32.52
Per cent.	236.44	357.78
	100	151

One week's production of Bismarck brown.

	Cost in Europe.	Cost in United States.
900 pounds binitrotoluole	\$132.30	\$162.00
1,910 pounds muriatic acid, 20°	9.55	19.10
702 pounds alkali, 58 per cent	7.72	9.83
2,400 pounds iron	12.00	18.00
222 pounds nitrite soda	12.81	17.14
1,200 pounds salt	1.20	3.00
Labor	12.12	30.00
Total	187.70	259.07
Wear and tear*	9.38	25.90
Per cent.	197.08	284.97
	100	145

* In Europe, 5 per cent.; in United States, 10 per cent.

One week's production of orange.

	Cost in Europe.	Cost in United States.
660 pounds aniline oil.....	\$107.79	\$118.80
1,710 pounds sulphuric acid, 66°	4.29	16.25
345 pounds alkali, 58 per cent.....	3.81	4.83
270 pounds lime.....	.54	.54
398 pounds nitrite soda.....	22.86	30.57
720 pounds naphtole.....	103.68	132.60
600 pounds caustic soda.....	10.44	17.04
2,100 pounds salt.....	2.10	5.25
Labor.....	12.12	30.00
Total	267.63	325.88
Wear and tear*.....	13.38	32.58
Per cent.....	281.01 100	358.46 128

One week's production of fuchsine.

	Cost in Europe.	Cost in United States.
4,188 pounds aniline oil.....	\$628.20	\$691.02
17,400 pounds salt.....	17.40	43.50
210 pounds alkali, 58 per cent.....	2.31	2.84
2,664 pounds muriatic acid.....	13.32	29.30
Labor.....	40.40	100.00
1,900 pounds nitrobenzole.....	190.00	237.50
Total	891.63	1,104.26
Wear and tear*.....	44.58	110.42
Per cent.....	936.21 100	1,214.68 130

* In Europe 5 per cent.; in United States 10 per cent.

All of above calculations do not include salaries for chemists and office help, insurance on plant, interest on capital invested, etc., all of which items form a large part of the cost of the finished product, and cost at least twice as much here than they do in Europe.

	Cost in Europe.	Cost in United States.
Safranine.....	<i>Per cent.</i> 100	<i>Per cent.</i> 151
Brown.....	100	145
Orange.....	100	128
Fuchsine.....	100	130
Total	400	554
Average	100	139

STATEMENT OF HENRY STEWART.

Mr. HENRY STEWART, of the Henry Wetherell Company, addressed the committee on the subject of the production of oxides of iron, venetian reds, and copperas.

Oxides of iron and venetian reds are made largely, from copperas. When not so manufactured they are natural products of the earth.

Copperas or sulphate of iron is made from waste acid that has been used in the manufacture of wire and in treating iron for galvanizing.

This waste acid can not be run into the streams and water-ways without seriously impairing the purity of the water. Many cities have ordinances prohibiting manufacturers from running this waste acid through sewers and otherwise into streams, and there can be no doubt that laws of this kind must become general.

This would force the iron manufacturers to make up immense quantities of copperas for which there is no possible use except the manufacture of oxide of iron and venetian red. (The quantity of copperas now made largely overstocks the market for dyeing and other chemical purposes.)

The present tariff on these articles (oxides of iron, venetian reds, etc.) was imposed before there were any goods of this kind manufactured in this country, and the rate of duty they should pay is by no means clear. There are many conflicting sections in the present tariff bill under which these goods may be imported, and the duty levied on present importations depends upon the ideas of the collector.

PROPOSED AMENDMENTS AND ADDITIONS TO THE PRESENT TARIFF ON EARTH-PAINTS, COLCOTHARS, OXIDES OF IRON, ETC.

Amend section 144 to read "iron ore, including manganiferous iron ore, also the dross or residuum from burnt pyrites, not advanced by refining, grinding, or any other process of manufacture, 75 cents per ton."

Amend section 89 of the present tariff bill to read "ocher and ochrey earths, umber and umbrey earths, sienna and sienna earths, in crude state, not advanced by refining, burning, grinding, or any other process of manufacture, one-fourth cent per pound; if washed or powdered or burned, one-half cent per pound; if ground in oil, 1½ cents per pound."

Amend section 479 to read "polishing powders not otherwise provided for, 20 per cent. ad valorem."

Make the following addition to the tariff bill: "Indian reds, Tuscan reds, Venetian reds, colcouthars, and all oxides of iron that have been advanced by refining, burning, grinding, or any other process of manufacture, when containing less than 60 per cent. oxide of iron, one-half cent per pound; containing over 60 per cent. oxide of iron, 25 per cent. ad valorem; if ground in oil, 1½ cents per pound."

Section 144. The proposed change in this section is to prevent the importation at iron-ore duty (75 cents per ton) of paints and colors made from dross or residuum from burnt pyrites.

Section 89. The proposed change in this section is a reduction of one-half the present duty on crude materials. The present duty on ochers, umbers, etc., is the same on the crude materials as it is on the manufactured product. This is a manifest injustice to the American manufacturers, because crude umbers, ochers, siennas, etc., as imported from abroad, contain from 30 to 40 per cent. of moisture, on which the present duty of one-half cent per pound must be paid by the manufacturer in America, while the foreign manufacturer saves this duty on moisture in addition to his cheaper labor. Thus the American manufacturers are not only not protected, but are actually legislated against. The manufacture of earth-paints is quite a large industry, in which Pennsylvania, Virginia, Wisconsin, the New England and many Southern States are interested, and it would be largely increased by the revision of the duties as suggested. At present very good deposits of earth-paints are undeveloped, owing to the cheap production of foreign paints of this kind. An advance of three-fourths of a cent a pound would not be too much to give proper protection to this industry. One-half cent per pound is certainly the lowest duty that should be considered on the manufactured product.

Section 479. This section conflicts with other sections of the present tariff, and if continued must lead to much confusion and uncertainty. Polishing powders are generally composed of articles otherwise provided for, such as colcathar, rotten-stone, pumice-stone, etc. Frankfort black, Berlin, Chinese fig, and wash blues, which are made dutiable in this section at 20 per cent., are certainly paints and colors, and are dutiable under section 87 as paints and colors at 25 per cent. The term "polishing powder" conveys no idea of what the material is. It might be used to cover a multitude of frauds or it might be applied to articles on the free list, such as rotten-stone, pumice-stone, etc.

The new section proposed to provide a duty on colcothar, Indian reds, oxide of iron, etc., is desirable because oxide of iron products have never had a definite place in any tariff bill.

There are a number of sections of the present bill that have been applied to their classification. Oxides of iron, either natural or manufactured, might be brought in under any of the following sections of the tariff bill of 1883. (See sections 87, 89, 95, 97, 144, 215, 479, and 638.) Some of these sections provide for free entry; others vary in the rate of duty from 75 cents per ton up to 25 per cent. ad valorem. The rate of duty that these goods must pay is certainly a question that should be definitely settled and plainly stated.

All of the articles referred to in the proposed new section are oxide of iron preparations. They are valuable according to the quantity of bright-colored oxide of iron they contain. Prices of these goods abroad range from one-half cent per pound to 8 cents per pound. It is therefore impossible to fix an equitable specific duty on these goods.

STATEMENT OF HENRY C. STEWART.

Mr. HENRY C. STEWART, of the Henry Wetherell Company, appeared before the committee and made the following statement:

Mr. Chairman and gentlemen of the committee, I will say that the oxide of iron, etc., was never manufactured in America until within a few years ago, and of course there has never been any arrangement made for it in any tariff bill.

Mr. BAYNE. How does the Senate bill suit you?

Mr. STEWART. It was very suitable.

Mr. CARLISLE. When did you commence the manufacture of this article?

Mr. STEWART. We commenced the manufacture of oxide from copper ore in this country in 1878.

Mr. CARLISLE. You say that at the time the industry was established there was no duty on it?

Mr. STEWART. It was provided for as a special class.

Mr. CARLISLE. Under what rate of duty was it admitted?

Mr. STEWART. Twenty-five. It is still 25.

The CHAIRMAN. What rate do you now suggest?

Mr. STEWART. I would say that all under 60 should be half a cent a pound, or 25 per cent. ad valorem.

Mr. BRECKINRIDGE. Did you make some mention of manganese?

Mr. STEWART. I simply read the clause.

Mr. BRECKINRIDGE. Did you make any change?

Mr. STEWART. I am not sufficiently familiar with that question.

STATEMENT OF H. M. JOHNSON.

Mr. H. M. JOHNSON, of the firm of Johnson & Shaw, manufacturing chemists, Boston, Mass., next appeared before the committee. He said:

Mr. Chairman and gentlemen of the committee, I wish to speak in regard to the duty on alizarine assistant, Turkey-red oil, and soluble oil.

In the Senate bill these articles, which are one and the same thing, were placed at a duty of 3 cents per pound, provided they did not contain more than 50 per cent. castor-oil. What they intended to say was, provided not more than 50 per cent. castor-oil was used in their manufacture. For when the article is finished but little castor-oil remains unchanged in it, even when so high as 90 per cent. has been used in its manufacture. No provision was made as to what these articles should pay when more than 50 per cent. castor-oil was used in their manufacture.

The duty on castor-oil was put at 50 cents per gallon, or about 6 cents per pound, thus making this article pay a higher duty than alizarine assistant, a manufactured article, in which, no matter of what strength, the castor-oil used in its manufacture represents always at least 90 per cent. of its cost.

Under the old law alizarine assistant paid the same duty as castor-oil, being classified under the similitude clause.

The manufacturers of this article would like the duty to be made specific as in the past; its proper rate of duty has been in controversy several times and once in the courts, but up to the present time all decisions have been that it should pay the same duty as castor-oil.

Mr. CARLISLE. At what rate?

Mr. JOHNSON. At the same rate as castor-oil. The Senate bill changes it to 3 cents per pound, which makes a lower rate on the manufactured article than on castor-oil or crude material for making this kind of oil.

Mr. CARLISLE. Did you protest against the proposed change in the Senate?

Mr. JOHNSON. We did.

The CHAIRMAN. You are satisfied with the present law?

Mr. JOHNSON. Yes, sir; but should prefer to have a specific duty in order to settle the matter and to prevent further controversy and a changing from one rate of duty to another, as has been the case in times past.

KAOLIN.

STATEMENT OF WILLIAM M. WILSON.

Mr. WILLIAM M. WILSON, of Philadelphia, representing the kaolin interest of South Carolina, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, our clay is sold at the rate of \$12 the long ton. The output is 15,000 casks of 2,000 pounds. Since the tariff has been taken off the profits on the investment have very much decreased, while the cost of labor has largely advanced. It has become so now that it is a question, if his Congress does not advance the tariff, whether these clay mines will not close up. If they do close up it is clear as sunlight that this negro labor will be reduced to poverty, if not semi-barbarism.

The CHAIRMAN. How many men do you employ?

Mr. WILSON. One thousand.

Mr. GEAR. What wages do you pay?

Mr. WILSON. The wages were originally 50 cents per day. It advanced from 50 to 75 cents, and now a good negro will obtain \$1 a day.

Mr. McMILLIN. What is the average?

Mr. WILSON. About 80 cents. The nearest clay to the station of Langley is put directly into the casks from the earth. It is impossible to put it in in bulk like other clays. The cost of this is \$4.25 per cask. Of this \$4 would be for labor including the cost of the casks, which are made by negro hands. The hoop poles are also made by the same labor. Taking into consideration that this 25 cents is the only profit the digger receives, and by reason of the clay being paid by the cask and sold by the long ton thus reduces it 10 per cent., besides the wear and tear of machinery, etc., makes the investment on his money an absolute deficit. In other words, it will not pay to continue the business unless you gentlemen see fit to advance the duty on it.

The CHAIRMAN. What advance would you suggest?

Mr. WILSON. I would suggest the old tariff, namely, \$3 and \$5 per ton. There would not appear to be much sentiment in this business, but there is a great deal of humanity in it. If you protect the Southern white man, in protecting him you protect the colored hand, and there is where the humanity comes in.

Mr. BURROWS. What does the foreign clay cost?

Mr. WILSON. Our clay is hardly worth as much as the foreign. Our clay is a very crude clay, not washed but dug from the earth, and while it is very white it is not a china clay.

Mr. BURROWS. Does any foreign clay come in competition with it?

Mr. WILSON. We feel the effect of the competition from foreign clay. Our clays thereby have declined from \$12 to \$8 per ton. Foreign clays are frequently shipped as ballast, thus really paying no freight.

Mr. GEAR. What are they used for?

Mr. WILSON. For surfacing paper, paints, and pottery.

Mr. FLOWER. Are you from the North?

Mr. WILSON. I was educated in Philadelphia as a protectionist.

Mr. FLOWER. I suppose in addition to that the Northern white man might also want a little protection?

Mr. WILSON. I should like to protect everybody to a certain extent.

Mr. BRECKINRIDGE. You would not exclude yourself?

Mr. WILSON. No, sir. Again, transportation to tide-water is quite an item. To place this clay in New York costs \$3.50 a cask.

Mr. McMILLIN. From what point abroad is clay obtained that is used as a substitute for yours?

Mr. WILSON. England ships a great deal of clay here.

Mr. McMILLIN. Clays that are used as a substitute for yours?

Mr. WILSON. Yes, sir. And now there is a French beauxite coming up, and I say, with great respect to the committee and to Congress, that unless this tariff is re-instituted, the French beauxite will deluge the market. It contains a large amount of aluminum, and the qualities of that article are greatly agitating the chemists of the world just at this time.

Mr. FLOWER. Is this found in swamp lands?

Mr. WILSON. No, sir; it is not found in such localities.

Mr. BRECKINRIDGE. What is the weight of one of your casks?

Mr. WILSON. Two thousand pounds.

Mr. GEAR. Do you kiln-dry it?

Mr. WILSON. Yes, sir. We have artificial means for that. We put it in sheds about 50 feet wide by 500 feet long.

Mr. GEAR. The production of it is all labor?

Mr. WILSON. All labor. The last thousand casks we produced we sold for less than 25 cents profit. We sold it for \$4.25 the long ton. The negro labor was over \$4, and it was really a loss. When you consider other things there was an absolute deficit. I would like to direct the special attention of the committee to this fact, the users of American clays, many of whom are now in this room, are with us in our desire to advance the tariff, because if American clays are wiped out by reason of non-protection the foreign clays will advance enormously.

VIEWS OF JOHN M. O'ROURKE.

PROVIDENCE, R. I., *January 15, 1890.*

GENTLEMEN: My occupation is that of an importer of drugs and chemicals used by calico printers. And among such goods are alizarine assistants and soluble oil. Both are mordants and should be charged a duty of 10 per cent. as mordants, under the present law. They are made from castor-oil, sulphuric acid, and any alkali you may wish to use. You will be kind enough to note the articles they are made from for future reference. For many years I imported it as a chemical compound at 25 per cent. under 506, Schedule A, chemical products. A party in New York stirred up the Treasury Department and we were advised that from a certain time, and for the future, it must pay a duty of 80 cents per gallon (over 500 per cent. ad valorem for our lowest priced article). The printers in the country took umbrage at this and every calico printer in New England, and nearly all in the United States, signed a petition to Hon. Nelson W. Aldrich, asking him to appear before the Treasury Department and use his best efforts to get said article back to 25 per cent. Senator Aldrich insisted that the law only demanded for it 10 per cent. as a mordant.

After quite a struggle it was placed at 25 per cent. and until just after Secretary Manning retired it remained the same.

Shortly after I was informed that the celebrated Secretary Fairchild had ordered that until changed by a court of competent jurisdiction it must be charged at 80 cents per gallon under what is called the similitude clause, which as they say, once iron always iron no matter what changes may occur. I at once commenced appealing, and continued to import to fill contracts, and to test matters commenced an action against John McWilliams, esq., collector port of Providence.

After long trial, case went for the collector, on the grounds that although the articles were chemical compounds, that the similitude clause takes precedence of the chemical compound clause. I have carried case to full bench Supreme Court. Now to explain, Treasury Department claimed our product to be castor-oil; again, that it has once been castor-oil, and under similitude clause it must still be castor-oil.

Any sucking babe in either country of the world must know that by mixing sulphuric acid with castor-oil, that the woody fiber and glycerine is destroyed never to be recovered. No chemical expert of any reputation will say there is one drop of castor-oil in properly made alizarine assistant and soluble oil. It is not possible for them to so say with any regard to truth.

Now, gentlemen, as I am not able to come to testify, I write to ask you to place articles named where they belong. If they are mordants place them there—their proper place; if they are chemical compounds, at the rate aforesaid.

I tell you truly that if the rate was made 50 per cent. I could not import and would not. But, gentlemen, I do ask you to do something with this infernal similitude clause. It has been a bugbear to all tariffs, and unless thrown out or made much plainer it will continue to be such. No one knows what he is doing under it.

Hoping for some aid in these matters, I am gentlemen,

Yours, very truly,

JOHN M. O'ROURKE.

THE COMMITTEE ON WAYS AND MEANS.

BARYTES.

STATEMENT OF HON. W. M. KINSEY.

SATURDAY AFTERNOON, *January 11, 1890.*

Mr. KINSEY, a Representative from Missouri, appeared before the committee and said:

Mr. Chairman and gentlemen of the committee, I have been requested by some of my constituents, as well as by the representative manufacturers in Virginia, to make a brief statement to the committee in regard to barytes, and if you desire I shall be glad to have you examine Mr. Dingee, of Virginia, who is here and who knows more of the details than I.

Mr. FLOWER. What do you propose?

Mr. KINSEY. We propose to change the present schedule, which is now one-fourth of a cent a pound on manufactured, and 10 per cent. ad valorem on the crude. The manufacturers in Missouri desire to have it changed to one-half cent a pound on the manufactured and one-fourth of a cent a pound on the crude.

Mr. BRECKINRIDGE. What is the article?

Mr. KINSEY. Barytes. It is used in paint as a substitute for lead and zinc. It was at one time said to be an adulterant, but recently all who have used it regard it as a valuable adjunct in the manufacture of paints and colors.

Mr. GEAR. Is it an iron?

Mr. KINSEY. It is not an iron. In Missouri it is found in connection with lead, and among lead miners is called "lead blossom." It is also found in large quantities in Virginia, North Carolina, Connecticut, Wisconsin, Michigan, Illinois, and Iowa.

Mr. FLOWER. It is found in Connecticut.

Mr. KINSEY. Yes; but the two States which produce most of it are Virginia and Missouri. In the State of Virginia it is found 40 or 50 feet below the surface, while in Missouri it is found in pockets near the surface. Nearly every farm in portions of Missouri contains more or less of this article, and in former years when we had a higher tariff the farmers mined it in large quantities. There is a production in my State of the manufactured article now of 10,000 tons per annum, and I understand the production in the State of Virginia is about 8,000 tons per annum, so that the home production of this article is from 16,000 to 20,000 tons. There is being imported now some 8,000 to 10,000 tons per annum. The foreign supply comes from Germany and is brought over as ballast in vessels and laid down in the port of New York at an average valuation of \$2.85 per ton. Although I have here a trade journal which quotes it in New York at \$6.50 to \$8.50 for the crude article.

There is exactly the same reason for protecting this as there is for protecting lead or any other of the numerous minerals which receive an adequate protection. Under the present ad valorem duty, beginning in 1884, I will call attention to some figures which have been taken from the report of the Bureau of Statistics.

In 1884 the importation of the crude article from abroad amounted in round numbers to 2,500,000 pounds, on which a duty of \$366 was paid.

In 1888 there were 9,000,000 pounds imported and the duty paid was about \$1,200. The increase from 1884 to 1888 was nearly 7,000,000. Of the manufactured article imported in 1884 there were 2,700,000 pounds, which paid a duty of \$6,800, and in 1888 there were imported 4,300,000 pounds, which paid a duty of \$19,600. The effect of the change of the schedule in 1883 tended not only to increase largely the importation of this article and consequently increase the amount of revenue, but it appears the industry in this country began at once to decline. In Missouri, where there was a large number of mills formerly, there is but one now. The industry does not amount to anything like what it did then, and can not because crude and manufactured barytes from abroad is sold in ruinous competition with our own.

Mr. FLOWER. At what price?

Mr. KINSEY. I can not give you the figures, but the crude material is now about \$5 a ton in St. Louis. It has to be mined, hauled to the railroad, and shipped a distance of 75 to 150 miles, and is sold to mills in St. Louis at an average of \$5 a ton.

There are two things that the miners and manufacturers of this article want: They want the existing ad valorem duty on the crude article repealed. They want a specific duty instead, and they think one-fourth of a cent a pound is as little as they ought to have in order to successfully conduct the business in competition with the foreign trade. They also want half the former duty, one-half cent a pound, restored on the manufactured article.

I call your attention to the duty formerly levied on this article. In the act of 1840 it was 20 per cent.; in the act of 1847 it was 15 per cent.; in the act of July 14, 1862, it was one-half a cent a pound on both crude and manufactured, and that rate of duty was maintained until the revision of 1883, when the present rate of 10 per

cent. ad valorem on the crude and one-fourth of a cent a pound on the manufactured went into effect. Under the act of 1862, this industry grew up and became very valuable in those two States. It is practically in its infancy in Virginia and Missouri, and they need adequate protection so as to be able to keep up this industry in both of those States. It has hardly begun to develop in my State. Formerly barytes was supposed to be an adulterant. It becomes harder with time, and I am told it has been used in Italy for centuries in pigments where they want a paint that will harden with age and retain its color for a great number of years. It gives body to paint, and so far from being an adulterant, it is now regarded as a valuable adjunct in the manufacture of paints and colors. This industry is of importance to the people of those two States. I am told three thousand people in Virginia are dependent upon it, and I know there are a large number in Missouri. In some places in Missouri it is an article in which the farmer is greatly interested; he puts in his winter months in mining this article and hauling it to the railroad and shipping it to market. The increase we ask would revive an industry that has been depressed by the change made in the act of 1883. There are now one or two manufactories in Virginia where there were a large number formerly. With an increase of the duty there will, no doubt, be a revival of this industry, which is a valuable one to the country, and particularly to these States. In Virginia it affects quite a large number of people. In one or two counties in Missouri nearly every farm has more or less of this article upon it. If it can be marketed at anything like a fair price, even to make wages, our farmers will mine it and send it to market.

I do not want to detain you any longer, and I would be glad if you would listen to my friend Mr. Dingee, of Virginia. He can give you much more information than I.

STATEMENT OF M. H. DINGEE.

Mr. M. H. DINGEE, of Lynchburgh, Va., next addressed the committee.

Mr. BRECKINRIDGE. Have you a specimen of this article?

Mr. DINGEE. Yes, sir. [Exhibiting a specimen.] Baryta, or sulphate of barytes, is a mineral or chemical composition, which is rendered valuable for its whiteness in the manufacture of paints and colors, and as an insulating material for electrical conductivity. It is simply a solid rock, and we grind it. In adding it to lead it helps lead to retain its color. As Mr. Kinsey has said, it has been used for centuries by artists, on valuable oil-paintings, where they can not use anything else. Lead tarnishes by time, and so does zinc. Some ten years ago consumers in this country used to consider it an adulterant, or as something to cheapen the cost of goods, but to-day the consumers have come to realize its value.

Mr. GEAR. It is used in wood-work?

Mr. DINGEE. I think, to some extent, it is. The German article is brought down from the Hartz Mountains, nearly 1,000 miles, to Bremer Haven, at a cost of about \$2.85 per ton. While in Virginia we have as cheap labor as there is anywhere in the United States, we can not mine it for less than \$3 a ton. They bring it to New York, and, after paying the duty, the market value is \$6.50 to \$8.50 per ton. At Bremer Haven vessels use it as ballast. In former years there were ten mills in Virginia. None of them made any money, and all are closed out except one small mill and the firm that I represent, in Lynchburgh, which runs two mills. We want a specific instead of an ad valorem duty.

Mr. BRECKINRIDGE. How is it found? Is it found in veins?

Mr. DINGEE. It is found under the ground, 40 to 100 feet, in Virginia. It runs in pockets. There are small veins, 6 to 9 inches wide.

Mr. BRECKINRIDGE. What sort of a pocket?

Mr. DINGEE. Sometimes they run 200 or 300 tons and sometimes 50.

Mr. BRECKINRIDGE. Is the deposit in this country similar to the deposit in the Hartz Mountains.

Mr. DINGEE. We think we have a better grade in Virginia. The deposit in the Hartz Mountains is similar to what is found in Missouri, where it is found on the surface. The farther down we go the softer the product is.

Mr. BRECKINRIDGE. Are the veins apart?

Mr. DINGEE. Some might be 100 feet and some might be half a mile.

Mr. BRECKINRIDGE. Have you surface indications of the existence of the pocket?

Mr. DINGEE. We have surface indications of the existence of a vein and by that we find the pocket.

Mr. BRECKINRIDGE. You follow the vein until you get to the pocket?

Mr. DINGEE. Yes, sir.

Mr. BRECKINRIDGE. Do you pay miners by the day or by the ton?

Mr. DINGEE. I pay by the day, and as this business is so precarious to a miner we could not pay by the ton.

Mr. BRECKINRIDGE. How much do you pay per day?

Mr. DINGEE. Prices vary. Our best men get 85 cents. It runs down as low as 50 cents.

Mr. BRECKINRIDGE. It is according to the strength and skill of the men?

Mr. DINGEE. Yes, sir.

Mr. BRECKINRIDGE. How far do you haul it?

Mr. DINGEE. From our best mine we haul it half a mile.

Mr. BRECKINRIDGE. How much do you estimate it costs to haul it 2 miles?

Mr. DINGEE. We have to pay \$1 a ton.

Mr. BRECKINRIDGE. How much do you pay to haul it 1 mile?

Mr. DINGEE. We pay for hauling it half a mile 40 to 42 cents per ton.

Mr. BRECKINRIDGE. Do you know anything about the extent of the supply in Missouri?

Mr. DINGEE. I never personally examined into it.

Mr. BRECKINRIDGE. Have you any information from hearsay on that subject?

Mr. DINGEE. My information is there are large quantities in Missouri.

Mr. BRECKINRIDGE. Does it lie on the surface there?

Mr. DINGEE. Yes, sir.

Mr. GEAR. Do you use powder to blast it?

Mr. DINGEE. No, sir; we use a pick.

Mr. BRECKINRIDGE. It comes to New York in the form in which it is mined by the farmers of this country, does it?

Mr. DINGEE. It is imported both in that state and in the manufactured state.

Mr. BRECKINRIDGE. It comes in in both conditions?

Mr. DINGEE. There is one concern in Connecticut which imports it in the crude state and manufactures it in Connecticut and undersells us.

Mr. BRECKINRIDGE. When you reach the railroad how far are you from Lynchburgh?

Mr. DINGEE. Eighteen miles.

Mr. BRECKINRIDGE. What is your mode of shipment?

Mr. DINGEE. We grind it up and ship it in barrels; we grind it as near to an impalpable powder as possible.

Mr. BRECKINRIDGE. Do you ship by water or by rail?

Mr. DINGEE. The bulk of it goes by the Old Dominion Line to Newport News.

Mr. BRECKINRIDGE. How far is it by rail from your shipping point at Newport News?

Mr. DINGEE. I do not know, but about 250 miles.

Mr. BRECKINRIDGE. What is the freight you pay per barrel from that point to New York?

Mr. DINGEE. A barrel will average 800 pounds; that makes the freight \$2.50 a ton.

Mr. BAYNE. Are you acquainted with the chemical properties of barytes?

Mr. DINGEE. So far as I need it in my business.

Mr. BAYNE. Do you know what its affinities for ores are?

Mr. DINGEE. Yes, sir; I have broken up barytes. It is easily amalgamated by being ground fine.

Mr. BAYNE. I have understood that the Senate committee took evidence and that some persons appeared before that committee and said barytes was an adulterant for paint and injured its quality.

Mr. DINGEE. That was a general impression. It was so with some manufactures. It is now used, however, in the finer grade of paints.

Mr. BRECKINRIDGE. You think it improves paint?

Mr. DINGEE. It is cheaper than lead and is put in to cheapen the cost, I suppose.

Mr. BAYNE. What about its durability?

Mr. DINGEE. It is absolutely indestructible. No acid will affect it. It is a solid rock and when you apply it to a building you have a solid-rock resting.

Mr. McMILLIN. Does the action of the atmosphere tend to separate it from the lead; and does disintegration go on more rapidly between the particles of this than between the particles of unadulterated lead?

Mr. DINGEE. If it is properly amalgamated this will help lead. If not it will hurt it.

Mr. McMILLIN. What do you mean by proper amalgamation?

Mr. DINGEE. If barytes is ground in properly it is all right; if not, it is not all right.

Mr. McMILLIN. In the best paint known to you what proportion of white lead and what proportion of this is used?

Mr. DINGEE. I think the ordinary proportion is 35 to 50 per cent. of barytes.

Mr. KINSEY. I am informed that 30 per cent. is used.

Mr. McMILLIN. A little over half a cent a pound.

Mr. DINGEE. The reason a larger percentage is not used in lead is that lead will take up oil; this will not absorb as much oil as lead will. It is because of this greater absorption of lead, and they have to make an amalgamation that will absorb linseed-oil.

Mr. GEAR. Is it used for any other purposes?

Mr. DINGEE. It is used for dry colors.

Mr. GEAR. Have we enough of it to supply the wants of this country?

Mr. DINGEE. Yes, sir.

Mr. BAYNE. Can you give us any evidence that this is not an adulterant? I know there has been an impression in regard to it, but the later view is the contrary and that it is a useful article in the manufacture of lead.

Mr. Kinsey asked and was granted permission to file a brief on the subject.

ADDITIONAL STATEMENT OF HON. W. M. KINSEY.

HOUSE OF REPRESENTATIVES,

Washington, January 23, 1890.

SIR: Supplementary to the oral statement made before the committee on January 11, by Mr. Dingee, of Virginia, and myself, and pursuant to leave then granted, I submit the following in relation to barytes or sulphate of baryta, together with certain petitions, affidavits, etc.:

The miners and manufacturers urge a modification of the present duty, both upon the crude and manufactured article. Prior to March 3, 1883, the rate was one-half a cent per pound on both. By the act of that date it was made 10 per cent. ad valorem on the crude and one-fourth of a cent per pound on the manufactured.

By both the Mills and Senate bill the duty was retained on manufactured, but crude was placed on the free list.

We now ask that a specific duty of one-fourth of a cent per pound be levied on the crude and one-half a cent per pound on the manufactured.

(1) Because barytes as now prepared and used in this country is a valuable product entitled to be classed with lead and zinc in the application of the protective system.

(2) Because what was becoming a growing and profitable industry in the South and West under the act of 1862 became depressed and unprofitable as a result of the act of 1883, and if the crude article is placed on the free list, as proposed in the Senate bill, will be practically destroyed.

(3) Because the proposed duty will curtail importation and decrease the revenue while the home supply is so vast and to be found throughout so wide a territory as to insure ample competition between producers of the domestic article.

The principal use of barytes is in the preparation of paints and colors (lately in those of very high grade, I am informed), and to meet a question propounded by a member of the committee, viz, whether it is an adulterant, I copy one of four affidavits all to the same effect, the originals being filed herewith:

STATE OF MISSOURI, *City of St. Louis, ss:*

Henry Wunder, of lawful age, being duly sworn, deposes and says:

We have been engaged in the manufacture of pigments for nineteen years last past in St. Louis, Mo. We have often made paint of a mixture of sulphate of barytes, zinc oxide, and white lead in proportion anywhere between one-third and one-fourth barytes. If properly pulverized and prepared barytes improves the quality of paint, making it more durable.

The best and most durable paint we have ever made or used has been made of one-third each best prepared sulphate barytes, zinc oxide, and white lead.

White lead alone will "chalk off" and turn yellow; zinc alone will crack and scale off; barytes properly prepared and used lessens both of these defects of the lead and zinc pigments.

HENRY WUNDER.

Sworn to and subscribed before me at St. Louis, Mo., this 15th day of January, 1890.
[SEAL.]

ENRIQUE FARMER,
Notary Public.

Barytes cheapens the cost and improves the quality of paints and colors.

Under the act of 1862, fixing the rate of duty at one-half a cent per pound, and which continued until March 3, 1883, mining and manufacturing barytes grew into a valuable industry, while under the act of March 3, 1883, importation was stimulated, the amount of revenue largely increased, the home industry was crippled, and many concerns driven out of business.

This was due to the fact that the foreign supply is mined by the cheapest labor in Europe, shipped to this country as ballast, and under the ad valorem system of duties has for the last few years been laid down on the wharves at New York at an average

valuation of \$2.85 per ton, while the cheapest crude artifice of home production has cost \$4.50 to \$5.50 per ton delivered at mills near the mines.

To show the effect on importation of the rate of duty fixed by act of March 3, 1883, and other interesting facts, I attach a fac-simile of a statement made by the Chief of the Bureau of Statistics:

Statement of the quantities and values of barytes imported and entered into for consumption in the United States, the rates of duty, and amounts of duty collected during the years ended June 30, 1884 to 1888, inclusive.

Fiscal year ended June 30—	Baryta, sulphate of, or barytes—					
	Unmanufactured.			Manufactured.		
	Ten per cent. ad valorem.			One-fourth cent per pound.		
	Pounds.	Values.	Duties.	Pounds.	Values.	Duties.
1884.....	2,586,082	\$3,666	\$366.60	2,721,361	\$15,417.00	\$6,803.39
1885.....	9,622,822	13,324	1,332.40	4,100,173	24,583.86	10,250.44
1886.....	5,300,269	8,883	888.30	4,019,280	19,742.00	10,048.21
1887.....	11,813,810	12,649	1,264.90	3,442,563	17,153.00	8,616.44
1888.....	9,055,859	12,032	1,203.20	4,274,011	19,815.89	10,685.06

Rates of duty—barytes, sulphate of, crude or refined.

Act of July 30, 1846, 20 per cent. ad valorem.

Act of March 3, 1857, 15 per cent. ad valorem.

Act of March 2, 1861, 20 per cent. ad valorem.

Act of July 14, 1862, one-half cent per pound.

Act of March 3, 1883, unmanufactured, 10 per cent. ad valorem.

Act of March 3, 1883, manufactured, one-fourth cent per pound.

I also file a memorandum, prepared by Mr. Dingee to be used in preparing the Eleventh Census, showing that of twenty-eight mines, at one time in operation in Virginia, but two are now operated.

In so far as the rate of duty fixed in the act of March 3, 1883, has affected the industry in Missouri, I am able from common information to verify the correctness of the statements made herein.

Touching the question of supply in this country, I copy the following affidavit, filing the original and three others to the same effect:

STATE OF MISSOURI, *City of St. Louis, ss:*

Thomas Richeson, of lawful age, being sworn, on his oath, says as follows:

I am president of the Collier White Lead Company of St. Louis, Mo. I have been familiar with barytes and barytes mining for thirty-five years. Barytes exists in great quantities in Illinois, Missouri, Kentucky, Tennessee, Georgia, Arkansas, Virginia, and several other States and Territories of the United States. Missouri alone can supply the whole United States with barytes. * * *

THOMAS RICHESON.

Sworn to and subscribed before me at St. Louis, Mo., this 15th day of January, 1890.
[SEAL.]

ENRIQUE FARMER,
Notary Public.

I also submit for the inspection of your committee petitions very numerously signed by residents of my own and other Congressional districts in Missouri, and containing the signatures of farmers, miners, and manufacturers, all of whom are deeply interested in the subject to which I invite your considerate attention.

In conclusion, I beg to express the opinion that if this Congress shall enact a tariff law framed upon the theory of protection to American industries, it can not afford to overlook this comparatively new and undeveloped source of wealth in the South and West.

Respectfully submitted,

W. M. KINSEY,
Tenth District, Missouri.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

LAKES.

VIEWS OF H. KOHNSTAMM & CO.

NEW YORK, *January 18, 1890.*

DEAR SIR: Noticing that the hearing on tariff has ended, and having been prevented from going to Washington to submit our grievances before your honorable body, we now beg to lay before you a few facts in reference to duty on fine colors called lakes.

Probably over \$2,000,000 worth of these lakes are imported every year, and not \$200,000 worth is made in this country, for the simple reason that the materials used for making these lakes pay an average duty of 47 per cent., and the colors made from these materials are protected only 25 per cent.

This industry was in a flourishing condition previous to 1882, and since then most factories have stopped making these fine colors, and those left are about to give up manufacturing for the reason that before 1882 the duties on lakes made from aniline colors was then 35 per cent. ad valorem and 50 cents per pound specific (same as aniline dyes at that time), 75 per cent. of the value of these lakes being aniline, on which basis we could then compete with foreign manufacturers. When the duty was lowered in 1883 from 35 per cent. and 50 cents per pound to 25 per cent., our possibility of competing with foreign lakes was then reduced to a minimum, giving the foreign manufacturers an advantage of 10 per cent., and consequently they are now monopolizing this market.

We think it no more than just that lakes or colors made from aniline pay the same duty as aniline (which is 35 per cent.) or be made dutiable at the rate of 50 cents per pound, which represents an average duty of only 25 per cent.

Considering that some paints and colors, the use of which is as universal as white lead, pay an average duty of 60 per cent. and ultramarine about 35 per cent. on its value, a duty of 35 per cent. on goods made so exclusively for the fine arts as lake, is neither excessive nor unreasonable, and, if put in the proper light, can not but meet with approval. Otherwise we would suggest a reduction of duty on aniline dyes to the basis of colors.

We inclose a few comparative examples showing the difference of a lake containing, for instance, 10 per cent. aniline (eosine), made in Germany, and pay a duty of 25 per cent., and are still 20 per cent. cheaper than can possibly be manufactured here.

Very respectfully,

H. KOHNSTAMM & CO.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

PRESENT TARIFF ON ONE OF THE PRINCIPAL COLORS.

Cost of geranium lake, containing, for example, 10 per cent. eosine.

Made in Germany:		Made in America:	
100 pounds hydrate alumina.	\$1.25	100 pounds hydrate alumina,	\$2.00
10 pounds eosine at \$1.25.....	12.50	10 pounds eosine at \$1.70	17.00
10 pounds sugar of lead at 8 cents.....	80	10 pounds sugar of lead at 12 cents	1.20
	<hr/>		<hr/>
	14.55		20.20
10 per cent. expenses, etc....	1.46	15 per cent. expense, which does not cover cost in the United States	3.03
	<hr/>		<hr/>
	16.01		23.23
25 per cent. duty at present..	4.00		
	<hr/>		
	20.01	For 25 pounds yield, or 95 cents per pound.	
For 25 pounds average yield, or 80 cents per pound.		Can be imported 20 per cent. cheaper than it can be made here.	

Proposed tariff.

Made in Germany:		Made in America:	
100 pounds hydrate alumina,	\$1.25	100 pounds hydrate alumina,	\$1.65
10 pounds eosine at \$1.25	12.50	10 pounds eosine at \$1.70	17.00
10 pounds sugar of lead at 8 cents	80	10 pounds sugar of lead at 10½ cents	1.05
	14.55		19.70
10 per cent. expenses, etc....	1.45	15 per cent. expenses	2.86
	16.00		22.56
Duty, 20 per cent.....	3.20	For a yield of 25 pounds, or 90 cents per pound, cost of American 10 per cent. eosine lake,	
	19.20		
For a yield of 25 pounds, or about 77 cents per pound German lake laid down in New York.			

Comparative costs of lakes made from aniline previous to 1882.

Made in Europe:		Made in America:	
100 pounds hydrate alumina,	\$1.25	100 pounds hydrate alumina,	\$2.00
10 pounds eosine at \$1.25	12.50	10 pounds eosine at \$2.25	22.50
10 pounds sugar of lead at 8 cents	80	10 pounds sugar of lead at 12 cents	1.20
	14.55		25.70
10 per cent. labor.....	1.45	15 per cent. labor.....	3.85
	16.00		29.55
Duty, 35 per cent.....	5.60	This is a yield of 25 pounds, or about \$1.20 per pound.	
	21.60		
This is a yield of 25 pounds, and 50 cents per pound.....	12.50		
	34.10		

Or about \$1.36 per pound.

Formerly we worked under 10 per cent. advantage; now we work under 20 per cent. disadvantage.

MANURIAL SALTS.

OFFICIAL CORRESPONDENCE ON IMPORTATION OF.

Mr. LA FOLLETTE. Mr. Chairman, I offer for the consideration of the committee in this connection the following correspondence, which will, I think, be found of special value at this time:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D. C., January 16, 1890.

SIR: In conformity to your suggestion that the correspondence between this Department and the Treasury Department with reference to the free importation of manurial salts would be likely to contain information of value to the Committee on Ways and Means, I beg herewith to hand you copies of the correspondence in question for such disposition as may please you.

Very respectfully,

J. M. RUSK,
Secretary.

Hon. R. M. LA FOLLETTE,
Committee on Ways and Means.

APRIL 6, 1889.

SIR: The statutes of the United States permit the free importation of all substances which are to be used exclusively for fertilizing purposes. One of the most important fertilizing materials which we import in this country is potash, which comes to our ports in various forms and chiefly from Germany. The crude potash salts which are

imported into this country contain usually less than 30 per cent. of pure potash. In order to save freights, however, it has been found profitable to prepare and ship to this country much higher grades of potash salts as, for instance, an almost pure sulphate of potash, which is a form particularly valuable for fertilizing purposes. Under the ruling of the Treasury these high-grade potash salts are compelled to pay duty, since they have been used, in some instances, for other purposes than the manufacture of fertilizers.

Permit me to suggest, therefore, that it would be of the greatest benefit to the farmers of the country if the Treasury Department could arrange some method by which high-grade potash salts could be imported free of duty, by instituting a series of regulations which would secure the Treasury Department against fraud in this matter. You can readily see how much benefit the farmer would have if he could secure high-grade potash salts imported free of duty, as the crude salts are now admitted.

Hoping that you may have time to give your early attention to this matter, I am,
Respectfully,

J. M. RUSK,
Secretary.

Hon. WM. WINDOW,
Secretary of the Treasury.

TREASURY DEPARTMENT.
OFFICE OF THE SECRETARY,
Washington, D. C. April 12, 1889.

SIR: I have the honor to acknowledge the receipt of your letter of the 6th instant suggesting that crude potash salts specially imported for use as fertilizers may be passed free of duty, regardless of the percentage of potash contained therein, and to inform you that the matter will receive due and careful consideration, and that you will be hereafter informed of the determination reached by the Department.

Respectfully, yours,

GEO. S. BATCHELLER,
Acting Secretary.

The SECRETARY OF AGRICULTURE.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, D. C., May 21, 1889.

SIR: I have the honor to acknowledge the receipt of your communication of the 6th instant, in which you suggest that crude potash salts of the higher grades as, for instance, the almost pure salts of potash, which is a form particularly valuable for fertilizing purposes, may be admitted to free entry under the provision in the free list, Tariff Index, 505, for "Guano, manures, and all substances expressly used for manure."

I have made a careful investigation of the matter, and after due consideration of the question involved, have reached the conclusion that, under the existing statutes your suggestion can not be carried into effect.

Although the substance mentioned by you may, as you state, be imported and used mainly for fertilizing purposes, yet you will see by reference to Schedule A of the existing tariff act, a copy of which is herewith inclosed, that both crude potash as well as sulphate of potash, is dutiable at the rate of 20 per cent. ad valorem.

The substance, therefore, being thus expressly provided for by name, is under the rule of classification as prescribed by the courts as well as this Department liable to the duty therein prescribed, without regard to the use for which it may be intended.

Respectfully, yours,

W. WINDOW,
Secretary.

The SECRETARY OF AGRICULTURE.

JUNE 11, 1889.

SIR: I have the honor to acknowledge the receipt of your communication of the 21st ultimo, together with the copy of existing regulations concerning importations. I have made a careful examination and beg leave to submit the following points for your consideration. I interpret your communication of the 21st ultimo to apply exclusively to crude potash and to sulphate of potash, as mentioned on page 10 of

the pamphlet to which you call my attention. I desire to direct your attention to the fact that—

(1.) "Crude" potash, as included in No. 63 of Schedule A ("Crude carbonate of, or fused, and caustic potash, 20 per cent. ad valorem"), is never used as a fertilizer, this form evidently referring to crude carbonate and hydrate, such as is used in alkali manufacture, and

(2.) "Sulphate of," in No. 70, undoubtedly refers to the pure chemical.

On page 44, however, I find enumerated on the list of articles entitled to free entry, under act of March 3, 1883, first (616); "Kainite," a mineral containing sulphate or chloride of potash, and second (627), "Muriate of potash."

It is evident that these latter classifications were made with a view of exempting potash salts, used as fertilizers, from duty. But it is the understanding of the Department that you are still applying the ruling of August 2, 1870, to those articles expressly exempted from duty under act of March 3, 1883. "Kainite" varies in its composition, but may contain over 30 per cent. of potash (K_2O), although the commercial article as imported does not contain so much. "Muriate (chloride) of potash" may contain over 60 per cent., though it is probable that, as it is designated by its trade name, the crude salt is meant, which would not contain so high a percentage, though it would be considered over 30 per cent. In view of these facts, it seems manifestly unjust and improper to arbitrarily apply the ruling made in 1870, that "all potash salts containing over 30 per cent. of potash shall be dutiable," when the law of 1883 expressly states that these articles shall be imported duty free. Section 2503, No. 505, expressly provides that all substances used for manure shall be imported duty free. The Treasury Department will hardly hold that a fertilizer and a manure are different substances. It was undoubtedly the intention of the law that all substances used as fertilizers or manures should be duty free. I desire to call your further attention to the fact that the sulphate of potash is a fertilizer of special value to certain crops, viz, tobacco. Tobacco grown with chloride of potash (KCl , "muriate") has poor burning properties, which make it unfit for the manufacture of cigars. The sulphate of potash must be used with this crop. Even kainite contains enough of chloride (muriate) to render it of little value for tobacco. You will readily understand, therefore, the great importance of the contention which I make, and which to me appears fully authorized by the law.

The reason which is assigned for continuing the present ruling, as stated in your letter of the 21st ultimo, is that since "both crude potash as well as sulphate of potash is dutiable at the rate of 20 per cent. ad valorem," they can not be admitted duty free under a general clause authorizing the free admission of substances used for manure. I beg, however, to call your attention to the fact that by your own ruling you do admit such salts, provided they do not contain more than 30 per cent. of potash. You will therefore see that by the present action of the Treasury the argument which you advance is rendered wholly null and void. If such salts can be admitted, according to law, for manurial purposes, when they contain 30 per cent. or less of potash, they might also by a similar construction of the law be admitted with a higher percentage, viz., 40 or 50 per cent. and so an absolutely pure salt containing 54.1 per cent. could be admitted duty free, provided it were used solely for manurial purposes. In point of fact, the potash salt known as manurial salt, which I seek to have admitted free of duty, is not the pure sulphate, the high price of which would preclude it from ever being used for manurial purposes.

By washing the crude kainite of commerce and thus securing the removal of the chlorides which it contains a manurial salt is obtained which sometimes may contain as much as 90 per cent. of pure sulphate of potash. Such a salt would contain approximately 48.5 per cent. of pure potash. The Department of Agriculture, therefore, would be satisfied with a modification of your ruling which would admit for manurial purposes, free of duty, all sulphates of potash containing not more than 50 per cent. of pure potash. This would allow the importation of a high-grade manurial salt free of duty and at the same time prevent the importation of the pure sulphate which is used solely as a chemical and not as a manurial salt.

The view which I take of the law, as I have set forth above, is fully sustained by the decision of the United States courts in a recent cause of an action brought by Heller, Hirsch & Co. against the collector of the port at New York to recover duty collected of them on manurial salt, consisting of a high-grade sulphate of potash which contained more than 30 per cent. of potash. The jury was instructed by Judge Lacombe as follows:

"The COURT. The more frequently we are called upon to interpret statutes the greater likelihood there is of a tendency to an overstrained construction; and it is wholesome occasionally to turn back to first principles, and to appreciate the force of the old rule, again re-affirmed by the Supreme Court in *The Board of the County Commissioners for the County of Lake vs. Rollins*, that to get at the thought or meaning expressed in a statute, the first resort in all cases is to the natural signification of the words in the order of the grammatical arrangement in which the

framers of the instrument have placed them; and that is a perfectly safe assumption that the framers of an act meant exactly what they said. The clause here, No. 505 in the free list, reading, 'Guano, manures, and all substances expressly used for manure,' very clearly expresses, and there seems no doubt that by the use of this phrase Congress has plainly said that all imported substances (whether especially provided for *eo nomine*, or covered by any general language descriptive of their origin or qualities) which subserve the purpose of enriching the soil, and thus increasing the crops to be raised upon it should be free. That is the plain meaning of the paragraph as it stands. I think we should err if from some strained and overelaborate examination of a great many other paragraphs in the act, we should seek to spell out some understanding or conception of what we might possibly infer had been the intent of Congress. We are entitled to take their intent as expressed by the plain language we have used. It is very true that the use of the word 'expressly' may make this paragraph difficult of application in very many cases, and in fact all cases so far as the collector is concerned; but it gives us no trouble in this particular action because there is abundant evidence here to warrant the holdings that these particular importations were expressly used for manure. They have been traced from their importer into the hands of individuals whose sole business is the preparation of 'fertilizers,' which word is a mere synonym for manure; and should the jury draw from the testimony any other inference than that the articles were expressly used for manure I should be inclined to set aside the verdict. Therefore I think it is unnecessary to send the question to them. The defendant refers to the well-settled rule of interpretation that a specific designation will prevail over a general one, but the clause which he contends to be a general one (section 505, *supra*) is in reality more specific than the paragraph under which he insists these imports should be classed (paragraph 70, 'Sulphate of potash') because from the general class of articles properly classified as sulphate of potash it differentiates that smaller portion which are expressly used for manure. I will therefore direct a verdict for the plaintiff in the sum of \$2,225.84. Exception to the defendant, with a stay of sixty days, and a certificate of probable cause.

"Verdict rendered accordingly."

You will see from the above that the courts of the United States expressly rule that a manurial salt imported for manurial purposes under the broad clause of the act of March 3, 1883, must be admitted free of duty.

The ruling of the Treasury Department, therefore, which prevents such an importation, is not only unjust to the farmers of our country, but is clearly contrary to the expressed purposes of the law itself. It was clearly the intention of the act of Congress to admit all manurial salts free of duty, just as it was also their intention to levy a duty of 20 per cent. ad valorem on pure sulphate of potash imported for other than manurial purposes.

I therefore respectfully request that the ruling of the Treasury in question be revoked, or so modified as to admit all salts of potash for manurial purposes containing sulphate of potash, and not containing more than 50 per cent. of pure potash (K O)

I am, respectfully,

J. M. RUSK,
Secretary.

THE SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., July 3, 1889.

SIR: I have the honor to inform you that having carefully considered the reasons set forth in your letter of the 11th ultimo, why your request that imported crude potash and sulphate of potash should be passed free of duty under the provision in the free list for "Guano, manures, and all substances expressly used for manure," I have failed to reach a conclusion different from that which is expressed in my communication to you of the 21st of May last, which is to the effect that under the existing statute I am unable to authorize the free entry of such articles.

While it is doubtless true that some importations of sulphate of and crude potash are used in manufacturing fertilizers, the fact of such occasional use as material for manufacturing purposes can not operate so as to authorize me to disregard the special provisions in the tariff act of March 3, 1883, which impose a duty of 20 per cent. ad valorem on both crude and sulphate of potash. Were I to do so, in the case of these articles, then there is no reason why other articles and substances specified by name in the tariff act as liable to duty should not also be passed free of duty, because, forsooth, they may or can be used in the manufacture of fertilizers. Such action would necessitate the adoption of a principle or rule of classification which would lead to disastrous results to the interests of the revenue, and would be adverse to all

the previous decisions of the courts and this Department, the decisions being to the effect that a special provision by name in the tariff act for an article must take precedence of a general clause under which such article might be classified; and that the intended use of an article can not control its classification.

In the case of *Arthur vs. Lahey* (96 U. S. Reports, 118); in the United States Supreme Court, the principle is clearly enunciated that the commercial designation of the article among traders and importers, when clearly established, fixes its character for the purpose of the tariff laws, and when Congress has designated an article by its specific name, general terms in a subsequent act, or in a later part of the same act, although sufficiently broad to comprehend such article, are not applicable to it.

With regard to the case of *Heller* and others against Daniel Magone, collector of customs, recently tried at New York, with a result adversely to the Government, I have to state that, under the views herein expressed, and as advised by the Solicitor of the Treasury, an appeal will be taken by the United States to the United States Supreme Court.

The Solicitor, among other things, states that, in his judgment, the case is an important one, in that it attempts to establish a method and principle of classification that if extended or made universal might very seriously affect the revenues of the Government, and that it ought to be appealed, and vigorously prosecuted in the Supreme Court. He further advises that in his opinion, the word "expressly," as found in paragraph 505 ("all substances expressly used for manure"), is used in the sense of "always," or "universally," so that it should be only those substances which are used for manures, and could not be used for any other purpose that are entitled to free entry.

This opinion the Department concurs in, the more especially as it is believed to have been the intention of Congress to only exempt from duty substances that are only fit for use as manures in the condition in which imported, and not those which require to be subjected to a process of manufacture to render them fit for that purpose.

Referring to that portion of your letter which relates to this Department's decision of August 2, 1870 (S. 715), concerning the percentage of potash contained in articles entitled to free entry when imported for use as fertilizers, I have to state that when an article is specifically provided for in the tariff and is commercially known by that name, the Department holds that it must be so classified for dutiable purposes, regardless of any percentage of strength it may contain, and the decision referred to will be modified accordingly.

It is a matter of regret that I am unable to reach a determination in accordance with your wishes.

Respectfully, yours,

W. WINDOM,
Secretary.

THE SECRETARY OF AGRICULTURE.

DEGRAS.

STATEMENT OF MR. ANDREW G. WEBSTER.

Mr. ANDREW G. WEBSTER, of Boston, Mass., addressed the committee. He said Mr. Chairman and gentlemen, I represent the shoe and leather industry. It was expected that ex-Governor Claflin, of Massachusetts, would appear before you to-day, but on account of his partner being from home, he was unable to leave Boston, and it therefore devolves upon me to present the case to you.

In the Mills bill, and in the Senate bill as reported by the Finance Committee, the article known as wool degreas was put upon the free list, where it seems to us to belong. But when the Senate bill came before the Senate an amendment was offered and agreed to, by which a duty of 1 cent a pound was put upon this article, in the supposed interest of the producers of menhaden oil, which is used to some extent in the manufacture of sole-leather, but almost to no extent in the manufacture of upper-leather.

The producers of menhaden oil thought that if they could have a duty of 1 cent a pound put upon this foreign wool degreas (of which 94 per cent. of all that is used is imported) they could force the tanners and curriers to use their product (menhaden oil), but I think I can show you why curriers and tanners can not use it to any greater extent than they do at present.

MR. CARLISLE. Please state what menhaden oil is.

MR. WEBSTER. Menhaden oil is produced by pressing the menhaden fish that is caught off the coasts of Maine, Long Island, New Jersey, and New York. But I shall be followed by Mr. Leonard who is more familiar with the matter than I am, and he will tell you how menhaden oil is produced.

I have here a petition from the Shoe and Leather Trade, which I would like to read. It is short. It is signed by about two hundred persons, who represent an annual product of over \$100,000,000 worth of leather and boots and shoes. It is signed by Democrats and Republicans; by free-traders and protectionists, indiscriminately. It is signed by the whole trade, so far as that was possible; and I think it expresses the opinion of the trade in all but one particular, which I will explain to the committee afterwards.

Mr. Webster read the following petition:

The Ways and Means Committee of the National House of Representatives:

The undersigned, tanners and curriers, and others interested in leather and shoes manufactured therefrom, understand that an effort is being made to increase the duty upon brown wool grease, commercially known as degreas in the tariff bill now under consideration, respectfully request that no increase be made in the duty upon this article, but that 10 per cent., as heretofore assessed, be the duty put upon it in the proposed bill, unless it should be thought best to place it upon the free list.

This article is not one of the products of the United States, except to a very limited extent, and it is indispensable in the manufacture of modern leather of desirable quality.

Boston, December 24, 1889.

[Here follow numerous signatures.]

MR. WEBSTER (continuing). This petition is signed by about two hundred firms. The first signature is that of ex-Governor Claflin, who, you all know is a Republican and a protectionist. The second signature is that of Mr. Froctor, of Boston, well known there as a Democrat and free-trader. As I said, it is signed, indiscriminately, by Democrats and Republicans, by protectionists and free-traders; they all join in saying that there should be no duty on this article. I have also here similar petitions from Salem and Worcester, and a similar one from the boot and shoe manufacturers, and from what few leather dealers there are in Worcester County. The tanners and curriers of the West also unite with the tanners and curriers of the East in petitioning that this article shall not be increased in duty, but shall, if possible, be placed upon the free list.

MR. BRECKINRIDGE. Under what head is this article of wool degreas now imported?

MR. WEBSTER. Under the head of "other greases," I think.

Mr. LEONARD (the next witness). Under "other greases," not separated in any way. It is not known in the tariff bill as degreas.

Mr. WEBSTER. It has been imported at 10 per cent., and that rate has been found in practice to be equal to from one-eighth to one-fifth of a cent per pound.

The CHAIRMAN. What is this material?

Mr. WEBSTER. It is recovered from the washings of fine wool by treatment with acids and some neutralizing process which I can not explain.

The CHAIRMAN. What is it used for?

Mr. WEBSTER. In manufacturing leather. The advantage of using it over any other grease known to the trade is that leather finished with it retains its freshness although it may be kept for a number of years. The menhaden-oil people hoped to have their product introduced instead of this stuff. I would like to show you one of the effects of using menhaden oil. You can see in this piece of leather [exhibiting specimen] the gum from the oil. It comes out on the leather, also on the shoes. It is liable to come out within a month or two of the leather being finished.

This piece of leather was finished three months before the stuff made its appearance. That piece of leather is not worth as much as the rawhide of which it is composed would be worth if it could be separated. The tanners and curriers could not use this article of menhaden oil if they could have it for half the price of degreas; and degreas is produced in this country only to a very limited extent. In our opinion it should be on the free list. We say in our petition that we would like to have it on the free list, if it be thought advisable to put it there; but, at any rate, we would not like to have the duty raised beyond what it now is. This proposed tax of 1 cent a pound would amount to five times the present duty, and would amount in round numbers to something over \$100,000. This is not a large enough sum to appear in the price of the finished article. It would therefore simply amount to a tax on leather dealers, for they would use just as much of the article as they now do.

There is another point. The hides produced in this country to-day are largely in excess of the quantity needed for the leather manufactured here, and the export of leather (especially finished leather) is a large and growing business. But if the cost of producing that leather be increased the export trade will be endangered to a large extent. In 1884 leather was exported from this country to a large amount, but in 1889, although there had been a decrease of 30 per cent. in the price of leather, there was an increase of 50 per cent. in the value of the leather exported, making an increase in the quantity of leather exported of 65 per cent. in from five to six years. And the increase is likely to go on and to employ a great many of our workmen in time, who, if we did not have an export trade, would have to be idle. For all these reasons we think that the stuff should be put upon the free list.

Mr. GEAR. To what country do you export most of your leather?

Mr. WEBSTER. Mostly to England and to the continent of Europe.

Mr. GEAR. What proportion of it goes to Germany?

Mr. WEBSTER. I should say not more than one-fourth.

Mr. GEAR. Is there a tariff on leather in Germany?

Mr. WEBSTER. There is a tariff on leather in Germany, which will in time prohibit certain kinds to be imported there. There are other kinds of leather which can not be produced there, and which will be sent from here no matter what their tariff is.

Mr. GEAR. Do we send a large number of hides to Germany?

Mr. WEBSTER. Not at present. Of domestic hides more are being produced in this country than can be consumed here in shoes; hence we can make the leather and export it; but we have to-day a very small margin, and any increase of the duty on degreas would end that trade. I have here copies of the petition which I would like to present to the committee in order to show the location of the different tanneries and shoe-shops that are represented by the signers.

Mr. BRECKINRIDGE. Did you state that we produce in this country a surplus of hides that we can not consume?

Mr. WEBSTER. We produce in this country a surplus of the hides of the kind that are made into upper leather. There is a kind of hide which is made into sole leather which is not produced in this country, but has to be imported from South America.

Mr. BRECKINRIDGE. We do not import here the kind of hide which we produce in this country?

Mr. WEBSTER. We do not.

Mr. BRECKINRIDGE. But, on the contrary, we produce a surplus of that kind?

Mr. WEBSTER. What would be a surplus of that kind if we depended solely on the home market.

Mr. BRECKINRIDGE. It is a surplus, is it not? I see that we export a good deal of hides and skins, do we not?

Mr. WEBSTER. Yes. We have exported in the last year or two a good many skins and a few hides, and there is danger that, instead of manufacturing the leather here, we will be exporters of the raw material, thereby taking away from the workmen all the advantage of finishing these goods into leather.

Mr. BRECKINRIDGE. That danger would only come from our putting hinderances on our finishing the hides here?

Mr. WEBSTER. Yes, sir. If we put no further hinderance on the leather trade we will doubtless be able to continue and increase our exports. That export business is growing very largely; it amounted last year to \$10,000,000, and that, too, at very low prices for leather.

The CHAIRMAN. It amounted to \$10,000,000 during the last ten months?

Mr. WEBSTER. Yes. I should have said ten months, not twelve months.

STATEMENT OF MR. GEORGE H. LEONARD.

Mr. GEORGE H. LEONARD, of Boston, said:

Mr. Chairman and gentlemen, I appear here at the request of the Oil Trade Association, of Boston, to protest against any increase of duty beyond the 10 per cent. that has been heretofore assessed against wool degreas, or brown grease, so known, and to recommend in the name of that association that the grease be admitted free. With your permission I would like to read the statement that the association has made.

Mr. CARLISLE. What is the name of this article?

Mr. LEONARD. The commercial name is brown grease. It is commonly called wool degreas. It is imported as grease—brown grease—and is made from wool washings.

Mr. LEONARD read the statement, as follows:

The Committee of Ways and Means of the National House of Representatives:

Whereas an imported wool degreas, received in considerable quantity, and sold to the manufacturers of leather for producing qualities which no other grease can do; and

Whereas it is proposed in the tariff bill, now under consideration, to raise the duty upon wool degreas for the supposed purpose of protecting makers of menhaden oil, an article inferior and unsuited for the purpose for which degreas is used for leather, and we hereby affirm that the consumption of menhaden oil is not displaced by the use of degreas; and

Whereas the quantity of degreas produced in this country is extremely small compared with the consumption, and can not be increased to any extent: Therefore

Resolved, That we, the Oil Trade Association of Boston, protest against any increase of duty on wool degreas beyond the 10 per cent. as heretofore assessed, and recommend it to be placed upon the free list.

Resolved, That a committee, consisting of Mr. George H. Leonard, vice-president, and Hon. Alden Speare, member of this association, be instructed to present a copy of these resolutions to the Committee on Ways and Means of the National House of Representatives at Washington, D. C.

Boston, January 4, 1890.

WM. JAMES GOULDING, *President*.

S. W. ANDREW, *Secretary*.

For the Executive Committee of Oil Trade Association of Boston.

Mr. LEONARD (continuing). The firm of which I am a member is a buyer and seller of this wool degreas, or brown grease; also of menhaden oil. We distribute it from the Atlantic coast to the Pacific coast. We come in contact with almost every producer or manufacturer of leather in this country, and we have their opinions. We know something in regard to the relative value of this wool degreas and menhaden oil. We know that menhaden oil can not produce the same class of leather that wool degreas produces. The sale of wool degreas for manufacturing finished leather amounts to \$300,000 a year, while the sale of menhaden oil for manufacturing leather, not wholly finished, amounts to only \$100,000. The price of degreas to-day, as compared with menhaden oil, is about 5 cents a gallon more (reducing the grease to gallons); and the demand for the grease is almost greater than the supply, while the demand for the oil is not greater than the supply.

Mr. BURROWS. Did you say that the oil costs 5 cents a gallon more than the grease?

Mr. LEONARD. No; 5 cents a gallon less.

Mr. BURROWS. And yet, with the difference in price, you say that the oil is not a competitor in trade?

Mr. LEONARD. Not for making finished leather.

Mr. BAYNE. There is a different use, I understand, for menhaden oil and for degreas?

Mr. LEONARD. Yes. I think there is very little menhaden oil used in connection with degreas. There may be a little menhaden oil used to reduce the consistency of

degras, but very little. There are other uses for menhaden oil outside of the leather trade. From our experience we know that menhaden oil will not produce the leather that degras does, and we know also that a good many finishers of leather have suffered very heavily from the use of menhaden oil. Before this degras was imported they used to use a considerable amount of menhaden oil, but they were only too glad to get out of the use of it, because it produces a leather of which a specimen has been presented here. They are getting out of the way of it. Some people used to try to use it, because they wanted to try to make a cheaper class of leather.

Mr. BURROWS. Explain how that portion of defaced surface in this specimen of leather [indicating] is brought about by the use of menhaden oil.

Mr. LEONARD. This leather is stuffed with an emulsion of grease and menhaden oil, and, for some reason or other, the gum in menhaden oil does not stay put in the leather.

Mr. BURROWS. It exudes.

Mr. LEONARD. It exudes and comes out.

Mr. LA FOLLETTE. And then the leather adheres, and in separating it defaces the surface and has again to be subjected to manipulation?

Mr. LEONARD. It spoils the surface, and that leather never can be restored to the same quality. For that reason curriers are getting very much out of the way of using menhaden oil in finished leather. I have not the least doubt that the gentlemen who presented the petition of the Menhaden Oil and Guano Company for an increased duty on degras, for the supposed purpose of protecting their product, were sincere. Their business is a hazardous business. It requires a large outlay to pursue it. That outlay has to be met; and, if the fish are not in the sea, they certainly can not get them. Some seasons they have been very successful and have taken a great many fish, and the oil has been put on the market at a very low price. Menhaden oil has taken the place of other oils, and the menhaden fishermen have sometimes accumulated large amounts of money.

Mr. BRECKINRIDGE. What is the principal use of menhaden oil?

Mr. LEONARD. Menhaden oil is used somewhat in leather. The class of leather is rough leather and sole-leather, where very little oil is used, and where it has not the same result as in curried leather. Another use for it is the refining of menhaden oil. The scarcity of whale oil requires a similar substitute that can be burned in the mines, where they require a very faint light and something that is very safe. The whale-oil supply is not sufficient for that purpose and the menhaden oil is refined to take its place. Then it is exported abroad, and is used very largely in rope-making and such industries. I do not think that more than one-fourth of the annual product of menhaden oil is used for leather.

Mr. BRECKINRIDGE. Is it used in the coarser grades of woolen manufactures?

Mr. LEONARD. I do not think so. I never knew of its being used in woolen manufactures.

Mr. BRECKINRIDGE. When was the manufacturing of degras begun?

Mr. LEONARD. It is manufactured in England and on the continent of Europe. I think we have imported it for about fifteen years.

Mr. BRECKINRIDGE. Is it manufactured in this country?

Mr. LEONARD. It is, to a very small extent.

Mr. BRECKINRIDGE. It is manufactured, principally, in England?

Mr. LEONARD. In England, France, and Germany.

Mr. BRECKINRIDGE. Is the grease from which it is manufactured there the product of the sheep of the country where it is manufactured?

Mr. LEONARD. This grease is from wool. It is manufactured from their own wool; and then they are receivers of wool from Australia, South America, and other countries.

Mr. BAYNE. As I understand it you have no objection to the duty on menhaden oil?

Mr. LEONARD. I did not know that there was any duty on menhaden oil.

Mr. BAYNE. There is no duty on menhaden oil?

Mr. LEONARD. No, sir.

Mr. BAYNE. Did the Senate bill put a duty on menhaden oil?

Mr. LEONARD. As I understand it, the Senate bill, as originally draughted, admitted degras free, and when it was under consideration a duty of 1 cent a pound (equivalent to 50 per cent. ad valorem) was put on degras. I do not know that the subject of menhaden oil came up, otherwise than that the producers of it presented a petition that a prohibitory duty (or equivalent to that) be put on degras.

Mr. BURROWS. To what extent is degras manufactured in this country?

Mr. LEONARD. I should think to the extent of \$10,000 or \$15,000 worth a year.

Mr. BURROWS. About what percentage would that be of the amount used?

Mr. LEONARD. A very small percentage—not more than 6 per cent. It is limited by the want of raw material from which to make it.

Mr. BURROWS. Do you know whether the manufacturers of degreas in this country have ever asked for an increase of this duty?

Mr. LEONARD. I never heard of their asking for it. They do not manufacture it for a business, as I understand. They simply make degreas as the best way of getting rid of the dirt is to turn it into grease.

I would like to call the attention of the committee to another matter—a recent ruling of the Treasury Department in regard to some degreas imported into Chicago. It is classed in this decision as “expressed oil” which is required, under the tariff law, to pay 25 per cent. duty. Why it has been so ruled now I can not understand. It is certainly a grease—a grease that has oozed through the pores of the sheep when living and has lodged in the wool. It is then washed out of the wool, and when it is separated from the water it becomes a solid grease. That is the recent ruling of the Treasury Department; and now I suppose that, until that decision is erased, the duty on degreas will be 25 per cent. as an “expressed oil.” We have been paying 10 per cent. and I can not see why there should be any duty at all on it, as it does not interfere with any American product.

I hold in my hand a memorial from the oil trade association in Boston with that suggestion. Also connected with that association are a number of large fish-houses. They have signed this paper. Understanding that these oil merchants are dealers and handlers of degreas as well as menhaden oil, the fish concerns know very well what the effect is, and that degreas does not conflict with any American product.

I may say one thing more: that with menhaden oil it would be impossible to produce the class of leather that is produced by degreas. That is our experience. In fact, if the duty on this grease should be raised to double its present rate, I think that the curriers would still use the degreas. They can not use the menhaden oil.

A gentleman came into my office yesterday who was very anxious about this matter, and who hoped that we would do everything we could to have degreas put on the free list. He said, “There is one thing I want you to fight for, and that is that Congress will allow it to land on our shores. We must have it.”

Mr. McMILLIN. You say that it does not compete at all with an American product?

Mr. LEONARD. Very slightly. The American product is about 6 per cent. of the consumption here, and the American producers do not take any interest in it at all.

TELEGRAM FROM F. M. BECKER.

Mr. La Follette submitted the following telegram received by him:

CHICAGO, ILL., *January 8, 1890.*

TO HON. ROBERT M. LA FOLLETTE,
Ways and Means Committee:

Use your influence against increase of duty on degreas. Wisconsin tanners will be hurt by its passage.

F. M. BECKER.

STATEMENT OF J. H. WALKER.

Mr. J. H. WALKER, of Worcester, Mass., said:

Mr. Chairman and gentlemen, I have a protest here from the Chicago and Wisconsin leather dealers. My business now is the manufacturing of leather in the city of Chicago, the firm name being Walker, Oakley & Co. All of the degreas that is manufactured in this country is a by-product, and is manufactured rather from necessity than otherwise. There is an objection to the dirt and grease flowing into the streams in some places where they clean wool; and it is quite as much in order to keep it out of the streams as to make any use of it that degreas is manufactured.

Mr. FLOWER. Is it that which affects the Calumet River, at Chicago?

Mr. WALKER. I can not tell you. I presume there would be no objection to anything that would purify that river. The leather manufactured by degreas is a far better product than the leather made before we began to use the degreas. It is very much more durable, more impervious to water, much softer and more pliable. In fact, the leather made from hides with the use of this degreas, stuffed as we do stuff it in using degreas, is now very nearly as soft as the old fashioned calf skin of twenty or thirty years ago. In fact, the calf skin trade has been very materially injured by it, and the exports of calf skin leather are not more than two-thirds of what they would be, if it were not for the use of degreas in making coarser leather; so that it has cheapened very materially to the people the price of boots and shoes. Furthermore, we know of no article that will take its place. There is no article known to the trade that will take the place of degreas.

In my judgment (and I have asked several leather men here who agree with me) not a dollar has been made in the export trade from the time we commenced to export leather to the present time, taking into account losses and gains. We have been fighting for a foreign market, and now we are beginning to get a little money out of the business; and there is a prospect that from this time on it will be more successful.

Mr. McMILLIN. The proposed increase of duty on degreas, you think, would tend to hamper you in your export trade?

Mr. WALKER. The trade is so small that it would very materially lessen the export of our material.

Mr. BRECKINRIDGE. Do you mean that the trade is so small or the margin of profits so small?

Mr. WALKER. The margin itself is small.

Mr. BRECKINRIDGE. The trade amounts to nine millions a year.

Mr. WALKER. Two leather manufactories in this country make leather to that amount.

Mr. BRECKINRIDGE. But you do not want to lose any of this export trade?

Mr. WALKER. No, sir; we do not want to lose any of the export trade; and I see that we would lose it if the price of degreas is increased. There is no reason in the world why, if anything whatever comes into the country free of duty, degreas should not. I wish to add that before we used degreas we were constantly subjected to more or less loss on account of the damage caused to the leather by "gum-fry," as it is known to the trade. Our loss in one year from that cause amounted to about \$40,000, and that too in a very damp summer. The loss to leather manufacturers from this cause was very heavy before degreas was used instead of oil.

PROTEST FROM CHICAGO AND WISCONSIN LEATHER DEALERS.

The following is the protest presented by Mr. Walker:

The Committee on Ways and Means:

We understand there is now before your honorable body, for consideration, a proposed increase of duty, amounting to 1 cent per pound or thereabouts, on degreas, a low-grade, imported grease, used almost exclusively by curriers of leather.

We respectfully protest against such increase, and submit for your consideration the following facts connected therewith.

First. This increase in the duty on degreas will go to the Treasury without benefit to any manufacturers of degreas, as this product is not manufactured, nor is it likely to be, in this country.

Second. Such increase of duty would mean an increased cost of product to the leather manufacturer, who would seek to re-imburse himself for this extra cost. To do so he would have two directions to look; first, to the American consumer of leather, who would refuse to pay for such increased cost; or, second, he would be obliged to demand an increased price from leather exported. This is a very important matter, as the following brief account will show.

Following the repeal of the duty on hides in 1872, American exports of sole-leather increased rapidly. For many years the exports consisted of sole-leather. During the last five years, however, American manufactured upper leather has been exported in quantities, and is now a very important item in American exports.

As large quantities of degreas are used in the exported leather, any increase in the price of degreas would have a marked result upon the manufacture of leather intended for export. The American leather trade to-day dominates the leather markets of the world both in sole and upper leather, and governmental imposts, however slight, which might be levied upon any of the materials entering into the manufacture of leather would have a twofold effect; first, to limit the export of American leather; and second, to throw into our home market the large amounts which the present capacity of our American tanneries enables it to produce, thereby causing a glut which would result in disaster to the leather industry and crowding down the price of hides and other raw material entering into the production of the same. American tanners are able to-day to pay the highest wages to their operatives, and with their raw materials free from duty they are able to sell their products in the markets of the world and are to-day furnishing their home trade with leather at lower prices than the records of the trade for twenty-five years are able to parallel.

We therefore petition your honorable body that all mention of degreas in the question of revision of the tariff now pending before you be stricken out, and that the consideration of this matter be based upon the following clause to be inserted in such revision, to wit: That the grease now known as "degreas," under which name it is now imported into these United States, be admitted free of duty.

In referring to the duty on degreas we can imagine no one in this country who

desires any increase, or in fact any duty at all, unless it be those interested in the Menhaden fisheries, from which the ordinary fish oil is derived. We think the fish oil interest are working under a misapprehension, for from the practical standpoint of tanners who are using degreas it will be used without regard to the price of fish oil. To illustrate: Pressed fish oil is now selling at 24 cents a gallon; degreas on seaboard $3\frac{1}{2}$ cents a pound. Three years ago fish oil 27 to 28 cents per gallon; degreas 2, 3, and 4 cents per pound. To-day degreas is firmer at increased price than fish oil.

The intrinsic merit of degreas in forming certain combinations in stuffing leather is such that the tanners will use degreas even if fish oil goes lower and degreas higher. There is at this time in the department of customs a misconception of the article of degreas. The name does not represent the true article. It is made entirely in Europe from the residue of very fine wools and is not expressed grease. This was tried before the United States courts several years ago by A. L. Knight, of New York, and decision rendered that it was not an expressed grease. For further information on this point refer to Welles & Knight, New York.

THARP, CLARKE & Co.
GREY, CLARK & ENGLE.
JOHN B. MILLER.
WALKER, OAKLEY & Co.
W. N. EISENDRATH & Co.
AMERICAN OAK LEATHER CO.
C. C. WALLIN & SONS.

CHICAGO, December 24, 1889.

STATEMENT OF J. R. LEESON.

Mr. J. R. LEESON, of Boston, Mass., said :

Mr. Chairman and gentlemen, I appear before you, not as an expert on this question. I know nothing about it. I appear before you as the vice-president of the Boston Merchants' Association, a mercantile organization that represents a capital of some \$300,000,000 or \$400,000,000 invested in New England industries. The directors of that association adopted unanimously, the day before yesterday, a resolution, and I am here to read it, and to indorse the character and standing of the dealers who appear before you to-day as experts:

The resolution is as follows:

Resolved, That wool degreas, or brown grease, being a material necessary for tanning leather, for which no known substitute exists; that the domestic production of degreas being so limited as to necessitate the importation of the grease; that as such importations do not injure or conflict with any domestic industry, that therefore this board is in favor of the admission of degreas, or brown grease, for tanning, free of duty.

STATEMENT OF FRANCIS W. BREED.

Mr. FRANCIS W. BREED, of Massachusetts, said :

Mr. Chairman and gentlemen, I represent here to-day the New England Shoe and Leather Association. That association, I believe, stands third on the list of all the manufacturers of the country. It has adopted the following resolution, which I beg leave to present:

BOSTON, January 6, 1890.

The Committee on Ways and Means :

GENTLEMEN: At a meeting of the executive committee of this association, held on Saturday the 4th instant, the following preamble and resolutions were authorized:

Whereas in the tariff bill now under consideration it is proposed to increase the duty on wool degreas, a grease largely used in manufacturing leather for home and export trade, from 10 per cent. ad valorem (equaling about one-fifth of 1 cent per pound) to a specific duty of 1 cent per pound, which change would be very detrimental to the boot, shoe, and leather interest of this country, because wool degreas is found to be necessary in producing certain most desirable effects in making modern leather, and no oil or other grease is known to the trade that will produce the same or similar results; and

Whereas the quantity of wool degreas produced in this country amounts to but a very small portion of the quantity consumed here: Therefore

Resolved, That unless it is decided to place this article upon the free list, we recommend a specific duty of not over one-fifth of 1 cent per pound on wool degreas in place of and equal to the ad valorem duty of 10 per cent. as heretofore assessed and collected.

NEW ENGLAND SHOE AND LEATHER ASSOCIATION.
WILLIAM CLAPLIN, *President*.
CHAS. S. INGALLS, *Clerk*.

Mr. BRECKINRIDGE. Why do you want a specific duty instead of an ad valorem one?

Mr. BREED. I will ask Mr. Webster to answer the question.

Mr. WEBSTER (former witness). The duty on degreas has been assessed on the value of the product at the place of its manufacture, excluding the cost of packages and of the inland cartage to the sea-port. Just before I left home I had a clerk go over these imports of degreas, taking them back to where we had paid about \$600; and I was surprised to find that if we had paid about one-fifth of a cent per pound duty we would have paid \$200 more than we did pay. In other words we made the mistake of saying to the New England Shoe and Leather Association that the ad valorem duty of 10 per cent. on degreas was equal to one-fifth of a cent per pound, when practically it averaged three-twentieths of a cent or one-twentieth less than one-fifth.

At the present time, on the very last invoice that we had of this stuff, the duty was \$44. At one-fifth of a cent per pound the duty would have been \$46.20; so that a rather unusual advance in the price of the article abroad has brought the duty up to almost one-fifth of a cent per pound. But until within a few months past it has not been so; and in no case during the three years of which I have a record here has the duty equaled one-fifth of a cent per pound. The smallest duty that I have a record of here is one-eighth cent per pound; and the largest one-fifth cent. Practically there is but one quality of this degreas; and it simplifies entries at the custom-house to have a specific instead of an ad valorem duty. But we would much prefer to have the stuff on the free list; and none of us can see any good reason for its not being there.

Mr. BRECKINRIDGE. Suppose it is kept at 10 per cent. ad valorem, but with the package clause restored?

Mr. WEBSTER. That would increase the duty about 25 per cent. But with the price of degreas where it has been during the last three years the duty would amount to just about one-fifth cent per pound on that basis.

Mr. BRECKINRIDGE. It would make the duty about 12½ per cent. to restore the package clause.

Mr. WEBSTER. Yes, to-day; but if you take the average for the last three years, it would leave the duty one-fifth cent a pound even with the packages.

Mr. BRECKINRIDGE. So that you want the duty made specific?

Mr. WEBSTER. We want it made specific, because in that case there is no chance of any Treasury ruling putting it anywhere except under "other greases, 10 per centum."

Mr. BRECKINRIDGE. Leaving it where it is?

Mr. WEBSTER. Yes; we do not want it where it is. We would have it on the free list if we could.

Mr. BREED. The New England Shoe and Leather Association is non-partisan, and we would like to have degreas put upon the free list.

STATEMENT OF MR. ALDEN SPEARE.

Mr. ALDEN SPEARE, of Boston, said:

Mr. Chairman and gentlemen, I appear before the committee on behalf of the Boston Chamber of Commerce, of which I am President, and desire to present the following resolutions, adopted on the 6th instant:

The Committee on Ways and Means:

Whereas the manufacture of leather and shoes is one of the most important industries in this part of the United States—leather being one of the staple products of this country that is largely exported to foreign countries, giving employment to a large class of industrious and frugal workmen; and

Whereas it is proposed in the tariff bill now under consideration to raise the duty upon wool degreas, one of the important greases entering into the manufacture of leather, to several times the amount that has heretofore been collected upon it; and

Whereas the quantity of degreas produced in this country is very small and limited, as there is but little raw material from which to produce it, amounting to only a small percentage of the quantity consumed here; and

Whereas certain parties interested in Menhaden oil, an article in every way inferior for the purpose for which degreas is used in leather, are endeavoring to have the proposed increase of duty become a law: Therefore

Resolved, That the Boston Chamber of Commerce believe that such an increase of duty would be a hardship and burden upon the leather and shoe trade; that it would not be effective in bringing leather manufacturers to using oils or other greases as substitutes for degreas, but would simply serve to make the cost of leather greater, thereby endangering a large and increasing export trade with no beneficial results to any class of producers in this country.

Resolved, That we, the Boston Chamber of Commerce, protest against any increase of duty on wool degreas beyond the 10 per cent. as heretofore assessed, and recommend that it be placed upon the free list.

Resolved, That a committee, consisting of Hon. Alden Speare, president, and Hon. William Claflin and Mr. William B. Rice, members of the association, be instructed to present a copy of these resolutions to the Committee on Ways and Means of the national House of Representatives, at Washington, D. C.

Attest.

ALDEN SPEARE,

President Boston Chamber of Commerce.

BOSTON, *January 6, 1890.*

MR. BRECKINRIDGE. What does the Senate bill propose in the way of a tax on degreas?
MR. SPEARE. One cent a pound.

MR. BRECKINRIDGE. What effect would that have on the leather export trade?

MR. SPEARE. It would simply have the effect of increasing the cost of leather to that extent, and I would take from the profits, or it would decrease the exports.

MR. BRECKINRIDGE. Is the margin of profit so small as that the increase of duty on degreas would injure the leather export trade?

MR. SPEARE. My best opinion is that, up to this time, the exports of leather from the United States have paid little or no profit whatever—simply getting rid of the surplus.

MR. BRECKINRIDGE. It could not stand any extra loading?

MR. SPEARE. It could not.

MR. BRECKINRIDGE. One cent a pound on degreas would add how much?

MR. SPEARE. It would amount to about \$100,000 a year on that industry.

MR. GEAR. That goes to all the leather manufactured in the country?

MR. SPEARE. Yes.

MR. GEAR. What is the whole amount?

MR. SPEARE. About \$200,000,000 a year.

MR. BRECKINRIDGE. And in advancing the art of finishing leather do you find that the use of this degreas is more and more a necessity?

MR. SPEARE. Of that you have the evidence of these experts. We import the degreas and we handle very largely menhaden oil. We do not handle menhaden oil at all for leather purposes. The main use of menhaden oil is for illuminating purposes. It is in very large use in mines, where they must have whale oil, or lard oil, or menhaden oil. It is also used in connection with other materials for lubricating purposes.

In some years the menhaden do not run, and therefore if leather dealers were thrown directly on menhaden oil there would be years when they could not have it. It would be absolutely unjust, in my opinion, to force them to use it. It should be put on the free list. The amount collected from it is so very small that it is of no earthly account, as the Government has all the revenues it wants, and it is unwise and impolitic to tax an industry in that way. We never save the degreas in this country except where we are obliged to. For instance, I own a woolen mill, and there is an emery mill just below us. The grease from my mill would ruin the emery, and therefore we are compelled to take care of that grease. No man in this country would manufacture degreas unless he was obliged to.

MR. McMILLIN. You mentioned the uncertainties of the menhaden fisheries. Is it not a fact that the supply of menhaden on the coast is diminishing and that, year by year, it is more and more difficult to obtain menhaden?

MR. SPEARE. Like mackerel and other fish, the supply of menhaden is most uncertain.

MR. McMILLIN. They are leaving parts of the coast?

MR. SPEARE. Yes.

MR. McMILLIN. I recollect that that was developed in an investigation in which I assisted.

MR. SPEARE. You are quite right; there are not as many taken as formerly.

ARGUMENT BY D. T. CHURCH.

The Committee of Ways and Means :

GENTLEMEN: Your petitioners beg leave to submit the following statement relating to the importation of degreas. Your petitioners, representing the entire fish-oil producing industry of this country, which has within the past twenty years grown to very large proportions, and being to-day one of the largest branches of our Atlantic fisheries, employing five thousand men and \$3,000,000 capital, feel that we are entitled to protection against the importation of foreign greases which are produced by the employment of cheap labor in foreign countries.

The most important of these greases which come in competition with American

fish-oils is known as French and English degreas. It is a product arising from the washing of wool, and is collected and shipped to this market and used in the currying of leather. The result upon the fish-oil market, which is largely attributable to the free importation of this special grease, has been to reduce the price of fish-oil so materially that many have abandoned the business, and all are suffering from the effects of this foreign competitor. This statement was made to the Senate committee at a hearing on this subject at the last session of Congress, and in view of all the facts then adduced it seemed just to them that a duty of $1\frac{1}{2}$ cents per pound be imposed upon foreign degreas.

Aside from the injury which this foreign competitor has inflicted upon the American fisheries may be cited some other reasons which we beg to submit for your consideration:

1. Because degreas is a manufactured article and a uniform specific duty on all grades of degreas would prevent all undervaluation and encourage the manufacture of a good article, as the good bringing a higher price would pay no more duty than the poor.

2. Because the Government could control its manufacture and it could be made here. No matter what the price of degreas, tallow, oil, or grease is here, the price is regulated by the price it is in Liverpool, governed by the law of supply and demand there and by manipulation.

3. Because grease used for soap-stock is free and has been since the present tariff bill was formed in 1848.

4. Because a specific duty is right on any manufactured article.

5. Because tallow, grease, and oil have been lower a few years back than they have been for two hundred and fifty years.

This degreas has to be mechanically extracted in England and on the Continent, and from trustworthy sources and from Americans who have been there we learn they would send it over here at from \$5 to \$10 a ton if they could not get more. Nineteenths of the leather exported is sole-leather on which no degreas is used.

Take off the duty from degreas and the Government would be at sea on castor-oil, fish-oil, and other grease emulsions. The home consumption of this article in Philadelphia from 1860 to 1870 equaled our exports. Encourage home consumption of our American products which can be manufactured here. The average duty on degreas for the past twenty years has been three-fourths to 1 cent per pound. The duty on fish-oil coming from the provinces was, until the duty ended, 10 per cent., since then 25 per cent., yet fish-oil is imported from there and the price is lower since the duty was 25 per cent.

This manufactured degreas being the cheapest stuffing for leather undermines all other greases, fish-oil, and tallow, because it is mechanically prepared and put up like condensed milk.

Degreas can be manufactured in this country but it requires a large amount of time, labor, room, and patience.

We are a grease-producing country, and can save and manufacture every pound of grease used here.

Fear is a great magnifier, and the Government in placing an increased duty on degreas in dealing with the substance, not the shadow.

These and many other general reasons can be given to sustain our position, but the reason which is most important to us as a nation is the fostering of home industries, and maintaining a naval school in which to educate our young men, that they may be available in time of war to render efficient service to the country in the future as they have done in the past, for it is well known to your committee that all countries encourage by bounty or subsidy every branch of their fisheries, and by such a policy they have built up a large marine force of which they boast and are justly proud, while on the other hand our Government has neglected to follow the example of foreign governments and are beginning to realize the serious effect which is shown us as a result of such neglect and lack of encouragement; for it is within our remembrance that we controlled 75 per cent. of the tonnage of the world and to-day we represent only 13 per cent. as well as a decrease of 50 per cent. of the Atlantic fisheries since the withdrawal of the bounty and free admission of Canadian fish to our markets. The question may arise in your minds why the fish-oil producing industry of the Atlantic coast fisheries can claim the attention of our Government on this particular point.

We beg leave to state that there is no branch of the American fisheries which is educating so many young fisherman as the fish-oil industry is. Not only are they making proficient seamen, but they are educating hundreds of engineers and firemen who are employed upon their steamers, which are used almost universally in this special branch of the fisheries. Aside from the importance of the fact before recited it should be remembered that the fish-oil produced by this industry enters largely into the manufacture of many of our home products, and the fertilizer produced is the stimulant which is used in nearly all of the superphos-

plate manufactures, and finds its way to every cotton-field in the South, as well as to all other sections of our country where fertilizers are used. While it can not be claimed as a food-producing industry directly, it has more influence upon the crops of our country than any other branch of the fishing business, and as we are taxed on every hand both by State and Government, and are entirely a home enterprise, and all beneficial effects of our business are local in their nature, therefore we claim at the hands of our representatives in Congress their consideration, and fully believe that when they understand the facts in relation to this matter they will deem it just that a protection of 1½ cents per pound on foreign degrass should be allowed to remain in the Senate tariff bill and become a law.

Yours respectfully,

D. T. CHURCH,
President United States Menhaden Oil and Guano Association.

IEWS OF THE LORRAINE MANUFACTURING COMPANY.

SAYLESVILLE, R. I., January 23, 1890.

The Committee of Ways and Means :

GENTLEMEN: Had we known that the subject of degrass was to have been considered by you in your hearings upon the tariff, we should have personally appeared before you in opposition to any reduction of duty on this article. The present would be a very inopportune time to do this. You doubtless are aware that this article called degrass is a product of grease reclaimed from the washings of wool. For many years this business has been carried on in Europe, and thus this waste, which formerly was turned into the rivers, has been found to have a value for certain purposes, and has commanded a price which has encouraged the woolen manufacturers to set up plants for its manufacture.

Five years ago we put in a plant, which we imported from England with the necessary skill to operate it, to make degrass. We believe we are the pioneers in this business in this country. Since then a few others have followed suit, and much attention is now being directed to the subject. It is felt that as our manufacturing industries are increasing in this country and tending to constantly more and more defile our rivers with filth, and as probably the worst source of this defilement is the washings from our woolen mills, that this subject should be encouraged to the fullest extent, to the end that our rivers should be rendered free, as far as possible, from everything which enters into them which is deleterious to health. At present the margin of profit is barely sufficient to pay the expense, and it is quite a question whether, when more mills engage in its manufacture, the quantity produced will not be so large as to reduce the selling price to a point below its cost of manufacture. The duty should rather be increased than reduced.

Respectfully yours,

W. F. & F. C. SAYLES.

IEWS OF THOMAS M. WARE.

BOSTON, January 8, 1890.

Fish Association, Washington, D. C.:

DEAR SIR: Received a telegram from D. T. Church, saying the Fish Association had appointed me to represent their interest before the Ways and Means Committee.

I am unable to go on account of the grippe, but would say as a dealer in grease and oil, buying and selling for gain, it would not be my object to represent any interest, only what was for the best interest of the country as a whole. It would not advance the price of degrass in the end to put a tax of 1 cent per pound, because it is a manufactured article like castor-oil on which is a duty of 8 cents per pound. They could still import grease at 10 per cent. duty, but grease must have 93 to 100 per cent of saponifiable matter.

Degrass must come to this country to be sold; it is not used in England. They are compelled to save it and put it together as a soap or dubbing. It will not be long after a duty is put on degrass before they save the grease from sewers, wool-washings, and all places where they can, and then put different ingredients in the emulsion to give the effect to leather. Some parties never use a pound of this common degrass, but use olive-oil, castor-oil, linseed-oil, etc.

The trouble is, brown grease is imported as brown grease and is sold as degrass simply because it is not a pure grease, but is a manufactured paste especially prepared like axle-grease or compounds for a special purpose.

If they were exported to any foreign country they would be rejected at once if sold as grease, and any one would sustain them that it was not a pure grease. Let them im-

port grease and manufacture it into degrass here; if they do not do that, let degrass pay a duty of 1 cent per pound specific duty. The price would be no higher after the first year, any more than it is on tallow of 1 per cent. Be honest and square about it. Grease must have 95 per cent. saponifiable matter. If wool-washers would save their grease they could wash wool for less.

Yours,

THOMAS M. WARE.

ANALYSIS OF DEGRAS.

NEW YORK, *January 13, 1888.*

Certificate of analysis of a sample of brown grease, marked degrass, received from Messrs. T. M. Ware & Co., January 8, 1888, drawn by our agent:

	Per cent.
Water	0.34
Unsaponifiable matter	40.00
Saponifiable fat (neutral fat)	45.66
Free fatty acid	14.00
	<hr/> 100.00

This grease leaves no residue on ignition. We find no lime nor mineral acids. But we are unacquainted with any natural fat containing free fatty acids and unsaponifiable matter like the above. We believe the above fat has been subjected to some form of manufacturing process. The unsaponifiable matter is not mineral oil, but appears to be a fatty alcohol.

Very respectfully,

STILLWELL & GLADDING,
Chemists to the New York Produce Exchange.

Messrs. CHURCH & Co.,
Tiverton, R. I.

AGAINST DUTY ON DEGRAS.

The Ways and Means Committee:

The undersigned, tanners and curriers, and others interested in leather and shoes manufactured therefrom, understanding that an effort is being made to increase the duty upon brown wool grease, commercially known as degrass in the tariff bill now under consideration, respectfully request that no increase be made in the duty upon this article, but that 10 per cent. as heretofore assessed be the duty put upon it in the proposed bill, unless it should be thought best to place it upon the free list.

This article is not one of the products of the United States, except to a very limited extent, and it is indispensable in the manufacture of modern leather of desirable quality.

BOSTON, *December 24, 1889.*

[Number of signatures to this memorial about two hundred, representing over \$100,000,000 annual production.]

GLASS AND GLASSWARE.

STATEMENT OF MR. F. L. BODINE.

MR. F. L. BODINE, president of the American Window Glass Manufacturers' Association, next appeared before the committee. He said:

MR. CHAIRMAN and gentlemen of the committee, I ask your consideration of a revision of the tariff upon glass, particularly cylinder window-glass unpolished, as well as bottle glass, both green and flint. The manufacture of cylinder window-glass is an industry natural to the country. It is thoroughly established in about half of the States of the Union, employing a large amount of capital and a large number of workmen. Cylinder window-glass has been presented so completely heretofore that very little new can be said upon the subject. We ask a restoration of the duty to what it was prior to the passage of the act of 1883 instead of the present duty, which is a reduction of one-eighth of a cent per pound, besides establishing arbitrary weights. Since the reduction of the duty in 1883 there has been an increased amount of imports and a great increase in the revenue, accompanied by a great decrease in the time worked by American furnaces. Statistics made prior to 1888, but which will be found substantially correct to-day, show that four years before the reduction of the duties of 1883 the total imports of cylinder window-glass had amounted to 190,000,000 pounds in round numbers, and for four years immediately succeeding that reduction the imports amounted to 254,000,000 pounds, an increase, as compared with the previous four years, of 64,000,000 pounds. During the same periods the revenue increased from \$4,233,000 to \$5,450,000, an increase of \$1,247,000. We have a natural and a developed industry. We have a capacity equal to the wants of the country.

MR. McMILLIN. What is the present rate of duty—what per cent.?

MR. BODINE. The present rate of duty is from $1\frac{1}{8}$ to $2\frac{1}{4}$ cents per pound. I think the average ad valorem rate would be about 65 per cent.; 60 to 70, according to the Treasury statistics, varying with the cost of glass.

MR. McMILLIN. What figures do you propose to raise it to?

MR. BODINE. The restoration of one eighth of a cent a pound, which was taken off. I have here tables of the Manufacturers' National Association, printed for their information, which show these facts, that up to July, 1883, the imports never exceeded 915,000 boxes, while in 1889, the past year, the imports were 1,249,000 boxes. These figures are from the Bureau of Statistics. They are made up there every month for the manufacturers.

THE CHAIRMAN. Have you any statement about wages?

MR. BODINE. Yes, sir; I am coming to that directly. At the same time we have had another thing to compete with that never existed before. In 1883 the average cost of the imported glass per custom-house invoice was 3.16 cents per pound, and in 1889 it was 1.9 cents per pound. The cost each year was lower than the previous year. That arose from two causes. One was the determination of the foreign manufacturers to hold this market. They have constantly struggled by lower prices to hold this market during the last ten years. Another element has arisen which makes an additional reason for a restoration of the duty which was taken off. The manufacture of window-glass in Europe has been revolutionized by the introduction of tanks under the general system of Siemens' patents. The cost of glass has thereby been very much reduced. The constantly decreasing price for window-glass of foreign manufacturers has been demonstrated by the low prices which have been sustained for so many years. I have an official list of Belgian manufacturers which shows that 60 per cent. of the pot furnaces running last February have since been compelled to stop.

MR. GEAR. Do you mean the Siemens system applying to a furnace?

MR. BODINE. I mean the Siemens continuous tank furnace taking the place of the old melting in pots.

THE CHAIRMAN. Explain the tank system.

MR. BODINE. The old system used furnaces in which pots were placed; the material being put in the pots each day and melted at night and worked out the following day. The new system, instead of separate furnaces and pots, uses a large fur-

nace built as a tank, and generally with separate compartments for refining the glass. It generally occupies a space of 75 feet long by about 25 feet in width; the glass being about 3 or 4 feet in depth. At one end of the tank material is put in every few minutes continuously. As it is melted, it sinks, and then rises to the compartment beyond, from which it is separated by a bridge of fire clay which floats on top. After further refining it goes on by specific gravity to the end of the tank, being fed and melted continuously at one end, and continuously blown into cylinders at the other end. The result is a better application of heat, resulting in great economy. This continuous process is going on all the time; instead of the old way of melting first, and afterwards blowing. The blowers have better opportunities for work. They also have better hours and get better results. It is the greatest advance in the manufacture of window-glass that has been made in the last hundred years, unless we except when natural gas was introduced. Two of these large tanks which I have described are now operating at Jeannette, Pa., and another building by the Cohansey Glass Manufacturing Company at Bridgetown, N. J., will be under way next month. This tank system is of very expensive construction, each having the capacity of about six furnaces of the old style, and costs for plant ten times that of the old methods. Manufacturers need to be protected to develop this expensive plant, and because of a large proportion of labor entering into the manufacture of their goods.

Now, as to the question of labor and the difference in wages. Our goods are the product of labor exclusively; about 40 per cent. of the total cost being skilled labor, 25 per cent. additional being paid at furnaces for unskilled work, and 20 per cent. in preparing and carrying materials to the furnaces; making fully 80, and I think 85, per cent. actually paid for labor in the manufacture of window-glass. The difference in the rate of wages here and abroad has been often discussed, but it may not be amiss to repeat it.

In this country we pay \$1.25 a day for unskilled hands. We have to compete with similar labor in Belgium which costs not more than 60 cents a day. The skilled labor required is of high order and is high priced. Blowers in this country, compared with Belgium, are paid fully double, and for the better class of blowers we pay three times the price paid in Belgium. For all the skilled part of our labor we pay an average of between 100 and 200 per cent. higher than prices in Belgium. We have to pay such high wages, because the skill is very difficult to acquire; the number of months that can be worked is only about nine. It is an onerous occupation, and men soon wear out. When a man is fifty years of age he is no longer a desirable workman. These are the things which make necessary a tariff in order to enable us to compete with foreigners.

Our country is capable of supplying the whole consumptive demand, and there is no reason why one box of glass should be imported, except for the difference in the price of labor. The rate of duty that we ask is an increase of one-eighth of a cent per pound above the present rates. In other words, that it be restored to what it was before the reduction, except as to the administrative feature of an arbitrary weight per box, which can be left as it stands now, as we are anxious to do all we can to promote easy and fair administration. We acquiesced in the reduction in 1883 although it took off about 8 per cent. from the actual average weight, so that by the reduction of 1883 besides the one-eighth of a cent a pound, less rate, was also a reduction of one-twelfth of the total duty by weight. This weight reduction may stand if the one-eighth cent per pound is restored.

That is necessary to stimulate the building of tanks, which is the only possible way to continue the manufacture in this country. They require a nice adjustment and a large outlay of capital. We are obliged to use them because the foreign cost is greatly reduced thereby, having in two or three years driven out of business 80 per cent. of the old style furnaces.

I have here a statement of the total imports and revenue for four years prior to June 30, 1883, under the old tariff, compared with four years subsequent to June 30, 1883, which I referred to, and I will hand it to the stenographer.

These statements are based on official data, any I will verify if any question them. I hope that I have not failed through lack of fresh preparation, for reasons explained, to make myself clear.

MR. GEAR (to Mr. Chambers). What is the price of glass at present—8 by 10 glass?

MR. CHAMBERS. The list price is about \$6 or \$7. The discount is about 50 and 85 off.

MR. GEAR. How does that compare with the price in 1856 and 1857?

MR. CHAMBERS. I could not tell.

MR. GEAR. Could you furnish that information?

MR. CHAMBERS. We have it back to 1860.

MR. GEAR. I would like to have it back to 1854.

MR. CHAMBERS. I could get you the prices. The prices are lower to-day than they were then.

Copy of statement by W. F. Switzler, Chief of Bureau of Statistics, Washington, D. C., January 4, 1888, showing the quantity, value, and amount of duty collected on imports of cylinder window glass, unpolished (entered for consumption in the United States), during each year ending June 30, from 1880 to 1887.

Cylinder window glass, unpolished.	1880.			1881.		
	Quantity.	Value.	Duty.	Quantity.	Value.	Duty.
Window glass, cylinder, crown, and common, unpolished—						
Not above 10 by 15 inches ($1\frac{1}{2}$ cents per pound).....	<i>Pounds.</i> 12, 041, 215	\$308, 978	\$180, 618	<i>Pounds.</i> 12, 700, 930	\$333, 712	\$190, 514
Above 10 by 15 and not above 16 by 24 inches (2 cents per pound).....	11, 077, 758	333, 063	221, 555	12, 253, 212	366, 840	245, 064
Above 16 by 24 and not above 24 by 30 inches ($2\frac{1}{2}$ cents per pound).....	10, 693, 808	351, 464	267, 345	10, 953, 733	363, 541	273, 843
Above 24 by 30 inches (3 cents per pound).....	10, 137, 070	412, 472	304, 112	9, 654, 822	361, 268	289, 645
Total	43, 949, 851	1, 405, 977	973, 630	45, 562, 697	1, 425, 361	999, 066

Cylinder window glass, unpolished.	1882.			1883.		
	Quantity.	Value.	Duty.	Quantity.	Value.	Duty.
Window glass, cylinder, crown, and common, unpolished—						
Not above 10 by 15 inches ($1\frac{1}{2}$ cents per pound).....	<i>Pounds.</i> 11, 520, 220	\$289, 335	\$172, 803	<i>Pounds.</i> 12, 141, 858	\$312, 633	\$182, 128
Above 10 by 15 and not above 16 by 24 inches (2 cents per pound).....	13, 176, 799	355, 378	263, 536	13, 439, 103	382, 340	268, 782
Above 16 by 24 and not above 24 by 30 inches ($2\frac{1}{2}$ cents per pound).....	12, 062, 663	366, 300	301, 567	13, 049, 852	407, 805	326, 246
Above 24 by 30 inches (3 cents per pound).....	12, 541, 991	443, 820	376, 260	12, 317, 077	479, 691	369, 512
Total	49, 301, 673	1, 454, 833	1, 114, 166	50, 947, 890	1, 582, 469	1, 146, 668

Cylinder window-glass, unpolished.	1884.			1885.		
	Quantity.	Value.	Duty.	Quantity.	Value.	Duty.
Window-glass, cylinder, crown, and common, unpolished—						
Not above 10 by 15 inches ($1\frac{1}{2}$ cents per pound).....	<i>Pounds.</i> 19, 213, 741	\$504, 501	\$264, 189	<i>Pounds.</i> 13, 396, 899	\$341, 740	\$184, 207
Above 10 by 15 and not above 16 by 24 inches ($1\frac{1}{2}$ cents per pound).....	18, 541, 511	529, 245	347, 653	14, 820, 548	393, 641	277, 885
Above 16 by 24 and not above 24 by 30 inches ($2\frac{1}{2}$ cents per pound).....	19, 432, 932	622, 600	461, 532	16, 024, 772	451, 487	380, 588
Above 24 by 30 inches ($2\frac{1}{2}$ cents per pound).....	20, 736, 483	701, 381	596, 174	15, 693, 788	514, 469	451, 196
Total	77, 924, 667	2, 417, 727	1, 669, 548	59, 936, 007	1, 701, 337	1, 293, 876

Copy of statement by W. F. Switzler, Chief of Bureau of Statistics, etc.—Continued.

Cylinder window-glass, unpolished.	1886.			1887.		
	Quantity.	Value.	Duty.	Quantity.	Value.	Duty.
Window-glass, cylinder, crown, and common, unpolished—						
Not above 10 by 15 inches (1½ cents per pound).....	<i>Pounds.</i> 12, 616, 385	\$280, 796	\$173, 888	<i>Pounds.</i> 14, 117, 875	\$319, 729	\$194, 121
Above 10 by 15 and not above 16 by 24 inches (1½ cents per pound).....	12, 879, 413	299, 251	241, 489	13, 481, 668	271, 485	152, 781
Above 16 by 24 and not above 24 by 30 inches (2½ cents per pound).....	15, 212, 878	388, 978	361, 306	16, 419, 970	367, 146	389, 974
Above 24 by 30 inches (2½ cents per pound).....	13, 831, 579	394, 398	397, 658	17, 608, 435	466, 604	506, 243
Total	54, 570, 255	1, 363, 423	1, 174, 341	61, 627, 948	1, 424, 964	1, 343, 119
				Quantity.	Duty.	
				<i>Pounds.</i>		
Total four years, 1880-1883				189, 763, 111	\$4, 233, 530	
Total four years, 1884-1887				254, 058, 877	5, 480, 884	
Increase since reduction of duty				64, 296, 766	1, 247, 354	

PROPOSED TARIFF BILL.

Flint and lime pressed glassware, not cut, engraved, painted, etched, decorated, colored, printed, stained, silvered, or gilded, 10 cents per dozen and 35 per centum ad valorem.

All articles of glass, cut, engraved, painted, colored, printed, stained, decorated, silvered, or gilded, not including plate glass, silvered, or looking glass plates, 10 cents per pound and 50 per centum ad valorem.

Chemical glassware: Thin blown glass, blown with or without a mold, and all other manufactures of glass, or of which glass shall be the component material of chief value, not especially enumerated or provided for in this act, 25 cents per dozen and 50 per centum ad valorem.

Heavy blown glass, blown with or without a mold, not cut or decorated, finished or unfinished, 10 cents per pound and 45 per centum ad valorem.

Porcelain or opal glassware, 7 inches either diameter or height, or less, 25 cents per dozen. More than 7 inches, including 10 inches, 50 cents per dozen. All over 10 inches 75 cents per dozen, and 50 per centum ad valorem on all sizes.

Proposed rates to cover importations of ground, obscured and enamelled window-glass, either like Senate bill, paragraph 117, to read:

"Plate glass, silvered or unsilvered, and cylinder, crown, or common window-glass, when beveled, etched, engraved, stained, colored, ground, obscured, enameled, or otherwise ornamented or decorated, shall be subject to a duty of 10 per cent. ad valorem, in addition to the rates otherwise chargeable thereon."

We suppose that this reading would be certain to assess the duties as provided on cylinder window-glass, unpolished, and 10 per cent. ad valorem in addition.

If a separate clause as provided in above paragraph is not included in any tariff bill, then we suggest paragraph 111 to be made to read:

"Unpolished cylinder, crown, and common window-glass, plain, ground, enameled, or obscured, not exceeding 10 by 15 inches square, 1½ cents per pound; above that, and not exceeding 16 by 24 inches square, 1½ cents per pound; above that, and not exceeding 24 by 30 inches square, 2½ cents per pound; all above that, 2½ cents per pound.

"Unpolished cylinder, crown, and common window-glass, plain, ground, enameled, or obscured, not exceeding 10 by 15 inches square, 1½ cents per pound; above that, and not exceeding 16 by 24 inches square, 1½ cents per pound; above that, and not exceeding 24 by 30 inches square, 2½ cents per pound; above 24 by 30 inches, and not exceeding 24 by 36, 2½ cents per pound; above that, and not exceeding 40 by 60, 3½ cents per pound; above 40 by 60, 3½ cents per pound."

STATEMENT OF GEORGE A. MACBETH.

Mr. GEORGE A. MACBETH came forward and addressed the committee.

The CHAIRMAN. Please state your name, address, and place of business.

Mr. MACBETH. George A. Macbeth, Pittsburgh. I am a manufacturer of glass, and produce the article of lamp glasses, globes, and everything under the name of chimney. I have examined this matter from time to time, not only in this country but in Europe, as to the price of labor, price of material, and the price of the product, and the more I examine it, the more I am satisfied that the only proper method is to consider the whole tariff question in its entirety, also in connection with labor. It has always been an argument of the protectionist that protection is for the benefit of labor. I claim it is not. I claim to represent as thoroughly as can be represented, the exact status of the glass industry in the United States, leaving out bottles and window-glass and plate-glass.

The CHAIRMAN. How many other factories are there of the kind in which you are engaged?

Mr. MACBETH. I have forgotten, but, if I remember correctly, at one time there were thirty-one, who made chimneys of various qualities, and I think there are more now.

Another reason why I think I thoroughly represent this industry is, that I believe I make as many articles which come in competition with foreign articles of the same character as any manufacturer in the United States. How many do you suppose that is? I make two hundred kinds of what are termed glass lamp-chimneys; only 10 per cent. of that class of goods are made abroad. There is, to my mind, a most singular misapprehension of what the gentlemen are pleased to call competition.

Mr. BRECKINRIDGE. You say 10 per cent. of the class of goods that you make are made abroad?

Mr. MACBETH. About twenty different kinds are made abroad. I make two hundred kinds, and of these two hundred kinds only twenty kinds are made abroad.

Mr. BRECKINRIDGE. But they could be made abroad?

Mr. MACBETH. I doubt it.

The CHAIRMAN. You have no competition in the one hundred and eighty kinds of goods?

Mr. MACBETH. That is it exactly, so far as importation is concerned. Now, as to the material that we use, and to begin right I will give you a history of the matter so as to show the singular attitude that these gentlemen occupy who are here asking for an increase of duty.

Mr. BRECKINRIDGE. Will you please enlarge a little on that and state why there is no foreign competition upon that part of your product, and why there is not likely to be?

Mr. MACBETH. I believe that one reason why they do not make them is, that they do not know how, and they have not that use for them that we have in this country. We use in the manufacture of these goods soda ash. According to Spofford's almanac for the fiscal year ending June 30, 1887, the average duty was 23 per cent. Now there is only one manufacture of that in this country. The gentleman was here, I believe, the other day. I would like to call attention to a figure or two in Spofford's. The amount of soda ash imported in the fiscal year ending June 30, 1887, was 263,000,000 pounds. The duty is one-fourth of a cent a pound, and the duty on the amount just mentioned was \$658,000. What is soda ash used for besides glass? It enters into the composition of every pound of glass except window glass, but soda ash is used by every washerwoman. It is used in every cake of soap in the country, making paper and washing wool. I am thinking seriously of going into it and expect to do so as soon as I find a favorable location, and I will do so in the full expectation that there will be no tariff on it, and I expect to make it for \$12 a ton and make a profit.

Mr. GEAR. What does it cost to import it now?

Mr. MACBETH. We are talking about competition now. I do not look at competition like most of these gentlemen look at it. I bought some soda ash the other day at \$1.55 per hundred. I could have bought the home made, also other English make, for less. The gentleman is not competing with the foreign article. He is selling it for less now. Let him make the same quality and I will buy of him to-day.

Mr. GEAR. You were speaking of location. What kind of a location do you want?

Mr. MACBETH. It is utterly impossible to make this material, to advantage, without a proper location. It must be near a deposit of rock salt. So far as I know now, there are only two deposits of rock salt in the United States. It is necessary to have that. One of these deposits is in Michigan, and the other at Warsaw, N. Y.

Mr. FLOWER. There is still another in Hutchinson, Kans.

Mr. GEAR. And still another in Louisiana and another at Salt Lake.

Mr. MACBETH. They are not eligible places.

Mr. BRECKINRIDGE. Why are they not favorable locations?

Mr. MACBETH. They should be near limestone and coal. It would be very singular for a man having a deposit of rock salt in Utah, to ask the United States Government to raise the tariff so that he might be able to make soda ash in Utah. Who pays for this soda ash but the people. I can take this \$658,000, the amount of the duty collected that year, and buy out that concern in New York. I would not give him \$300,000 for his plant. If he can not make it, under existing circumstances, it is his own fault.

Mr. GEAR. Would you apply that principle to every other industry?

Mr. MACBETH. To quite a number I would.

Mr. GEAR. Would you in general?

Mr. MACBETH. I am speaking of this industry.

Mr. GEAR. Would you apply that principle and policy to other industries?

Mr. MACBETH. If the policy is that to those who are badly located we should give a tariff to enable them to manufacture, I would not do that.

Mr. PAYNE. What is the trouble with the location at Syracuse?

Mr. MACBETH. I do not like to state too much about it. He is manufacturing it under an English patent. That is all well enough; he is all right. But he is not well enough located to get a sufficient quality of brine to make it to the best advantage. I think, however, he could get along first rate under no tariff. I am satisfied of that.

Mr. PAYNE. He stated yesterday that they had found a bed of rock salt there.

Mr. MACBETH. Then he should be able to make it very low.

The CHAIRMAN. What is soda ash selling at now?

Mr. MACBETH. One quality is \$1.55; another quality is \$1.45, both English make.

The CHAIRMAN. Do you think you could make at a profit for half a cent a pound?

Mr. MACBETH. I could make it at \$1.2 a ton.

The CHAIRMAN. That would be a pretty profitable business. The price you say is \$1.45 a hundred, and you would make it for \$1.2 a ton.

Mr. MACBETH. Yes, sir.

The CHAIRMAN. That would be a profit of 60 cents a hundred.

Mr. MACBETH. That is it.

The CHAIRMAN. You say you were thinking of going into the business?

Mr. MACBETH. Yes, sir.

The CHAIRMAN. Where do you intend to locate?

Mr. MACBETH. That is the trouble. I have been looking into it for two years.

Mr. PAYNE. You could not find a location where you can make it at that price.

Mr. MACBETH. So far we have not discovered a bed of rock salt.

Mr. PAYNE. There is one at Warsaw, N. Y.

The CHAIRMAN. Then you have to get something that you have not yet found before you can make it at that price?

Mr. MACBETH. Yes, sir. I can not see how you can help the glass business by putting a duty on soda ash.

Mr. BURROWS. You think it does not help the glass industry nor reduce its costs?

Mr. MACBETH. Most assuredly not. The lower the raw material the better. There is another chemical product that goes into glass. There is a duty on carbonate of potash of 20 per cent. I do not think there is enough of it made in this country altogether to supply me alone, and why? It was formerly made of wood ashes in this country. The last I bought was in 1882. The gentleman told me he was getting old and wanted to retire from the business; that he had made some money, and his material had run short on the disappearance of timber. He said, "We have nothing from which to make pearl ash." It is made in Germany, but it is of an inferior quality compared with that made in France. The French quality is used in the finer grades of glassware. This 20 per cent. on it is all revenue. I have been in the market for it for years, and I think if there had been any in the market I would have heard of it or been offered some.

The CHAIRMAN. This is a revenue duty and not a protective duty?

Mr. MACBETH. Yes, sir.

Mr. McKENNA. You have said that this little soda-ash factory at Syracuse did not compete with the European soda-ash. How would a reduction help you?

Mr. MACBETH. There is a misapprehension about the matter of competition, and the element of quality has been left out of consideration.

Mr. McKENNA. You have said that he did not compete at all with you, and that if he made a good enough article you would buy of him?

Mr. MACBETH. I am not finding fault with the quality of his goods. His goods are pure. I prefer another brand, which costs more, for my own reasons.

Mr. McKENNA. Would you get that brand cheaper than his brand if the tariff were taken off?

Mr. MACBETH. Certainly, the brand would be 23 per cent. cheaper.

Mr. McKENNA. Then they do compete?

Mr. MACBETH. There are different brands of soda-ash. The next item that is expensive to me is lead. Many of these glass manufacturers do not use it, but quite a number do. The duty is 2 cents a pound. Now, the situation in the lead business is peculiar. We have examined it from time to time for several years. I am not prepared to state how much the duty increases the price of domestic precisely, or how much of this duty we have to pay if we use domestic lead, but we usually pay \$1.80 or \$1.90 a hundred more than the price of English lead. I think it will net just about that. This, in our examination of the matter, we have found to be about correct.

Mr. CARLISLE. One dollar and ninety cents a hundred pounds.

Mr. MACBETH. I have had oxidized lead quoted this month from Liverpool at 3 cents. The duty is 3 cents. The Americans ask \$6.25 a hundred for the same kind. We can not get it for much less. We pay 2 cents a pound duty for pig-lead. There is another item. It is German clay, used in making pots. There is one spot in Germany which supplies the world with that clay. If I remember aright, the duty is 30 per cent. That is all well enough if this Government is hard-up for money. I can not see how it helps the pot manufacturer. The exact figures we have obtained on this soda-ash, potash, and lead, which go into the manufacture of the finer grades of glass, compared with the prices in Germany, are these—for that which Germany pays \$40 we pay \$79.63 for our material. We could get the same thing in Germany for \$40 that costs us here \$79.63. This is the practical effect of the tariff. You have heard the statement of gentlemen who have spoken as to the application of the package clause. How it can be obviated I am not prepared to say. For instance, here is a mixed lot of chimneys imported, the duty on which is \$122. The ocean freight is \$112. The goods cost \$248. Now, the duty amounted in that mixed lot of chimneys to 5½ cents per dozen. I was told that I made a mistake, and that I did not know how to import. They told me they could have changed this bill so that I should have paid only 3 cents duty on that lot of chimneys. In a protective respect the Mills bill was more favorable than the present tariff; it would have increased the duty on this ware. When the goods are sold, the German exporter says: "I quote you these goods including packages. I will deduct 40 or 50 per cent. from the invoice, so you may pay the duty on the goods only." I do not know that he is liable for this; if you leave it to him to charge what he chooses for packages, I do not know but that it is right. He can say, "My goods are 10 cents, including package." I do not know but that he has a right to do it.

The CHAIRMAN. They were benefited then by the Mills bill in the restoration of the package clause?

Mr. MACBETH. Yes, sir; that is, it would have increased the duty. If I am right as I understand it, the Senate bill put the duty at 1 cent a pound. If that is true, I should say that is another misapprehension of the facts of the case. I know some articles which are worth \$5 a piece, and they would not weigh more than a pound. There would be one cent on them. Another article very heavy and very cheap would be \$1. This method is impracticable in any way that it can be taken.

Mr. CARLISLE. Did it not graduate articles in weight according to value?

Mr. MACBETH. This whole matter seems like a strange situation after all. I was shipping yesterday to Australia, last week I was shipping to Copenhagen, and shortly before to England. Not long ago I shipped to China and Japan. How can that be done? We make a great mistake sometimes in calling a thing competition that is not competition, leaving out entirely the element "quality." Some of these things made savor a good deal of the milliner shop; what is fashionable one spring is not fashionable next spring. Many things depend on the caprice of fashion. This is not the fault of the tariff. New goods come on and are more profitable. These things, however, in their turn become old and go down. We often find a merchant selling off the odds and ends of a thing below cost. It is not how much can I make on it, it is what can I get for it? I will give you an instance in goblets. I asked a dealer the other day about this ware. He said: "We have here two kinds of goblets. We have this fine French make at \$2.25, and another, the German, at \$1.50. The American is still cheaper." I said: "Which sells most and how do you calculate on sales?" He said: "The chances are a person will come in and prefer the fine goods and pay \$2.25 for the quality." "But they are out of fashion and American are very low, and they do not want them at all." You leave out the elements of quality and fashion all the time. So it is in my goods. I do not care what the German sells his chimneys for. In Japan for the same thing that goes on the same lamp they sell for 5 cents we sell for 25 cents; but I am too high, too much difference.

The CHAIRMAN. Is there any trouble in their getting your shapes?

Mr. MACBETH. I do not know. Their goods are very poor in quality. We make a chimney that they make over there very cheap, but I sell them for 38 cents. They can be imported from Germany at 16 cents. I export them at 38 cents. I claim it costs me too much for material—more than it does to bring in the chimneys. I am not competing with the German, but excel him in quality. This is business. What

is the matter with the white crockery ware? Is it not out of fashion? I was in Chicago the other day, and I found out about American and English goods, and saw this, that, and the other kind of ware. I paid \$34 for a set of ware. I saw one for \$60, one for \$30, and one for \$40. I bought one for \$84 because I wanted that kind. I paid \$22 for an English lamp. American lamps, perhaps just as good, are sold in London for \$8; that is, they are lamps that will give just as much light. They are sold here for \$8, or perhaps \$5, that will give just as much light. This English lamp did not compete with the American lamp at all. I wanted that \$22 lamp. They are exported and imported both. I think it is a perfectly proper thing.

Europe is being scoured by American agents going over there to pick up new ideas and new devices. We have been constructing a tariff without taking into consideration the wants, habits, and customs of the people. I do not think you will cut off the importations of foreign glassware, nor of foreign crockery ware by an increase in the duty. You will make people who wish to buy that kind pay more, but do you suppose you will increase the price of American manufacturers' goods by a tariff? I can not see that that you do. Does not he compete with his neighbors? The only thing you do accomplish is to increase the cost of his product. We want to export. I predict that before long there will be a stringency or shut down in the glass business. There are larger stocks on hand than have been known in a long time. What concerns me is this: that of the two hundred kinds of articles that are made, in order to what is called protecting twenty kinds you increase the cost of one hundred and eighty kinds not imported. That is all you do by this increase of the present duty on material. I want to export. I have no idea at all that I can stop importation. I do not compete with chimneys that are sold for 16 cents; I do not make 16-cent goods. By this process you increase the cost of my product so as to curtail and embarrass export of it, and decrease the use of it at home. You are building up a Chinese wall, out of which I want to get. I say competition is misunderstood, and so far it has been the policy of this Government, in effect, to increase the cost of the product of the manufacturer only.

Mr. BAYNE. In your manufacture and use of soda-ash, pearl-ash, German clay, and lead, would you have the duties remitted on all those articles?

Mr. MACBETH. Yes, sir.

Mr. BAYNE. Would you get them free?

Mr. MACBETH. Yes, sir.

Mr. BAYNE. American oxide is selling at what?

Mr. MACBETH. I think 6½ cents.

Mr. BAYNE. I think it is not much more than 5 cents.

Mr. MACBETH. I may be wrong.

Mr. BAYNE. I am not sure, but I think \$5 is the price, and if you pay \$7.55 for the English, duty paid, it is rather high. The American oxide is just as good as the English.

Mr. MACBETH. Yes, sir.

Mr. BAYNE. What is pig-lead selling at now in Pittsburgh?

Mr. MACBETH. About \$3.75.

Mr. BAYNE. The English is selling in England at \$3.50.

Mr. MACBETH. I am not posted on recent quotations of English pig-lead, but English oxide was quoted us in December at 3 cents, and pig-lead would be less.

Mr. BAYNE. It is selling at \$3.50 in England. You buy American pig-lead at about \$3.75. If that be true, the tariff duty of 2 cents a pound has not increased the price very much to the American consumer.

Mr. MACBETH. If I had had time I would have compiled a statement. I know I should not come before the committee and make these statements without having definite proof, but it has been my experience in the past four or five years that American lead was nearly as much higher than English as the duty.

Mr. BAYNE. I want to say that you have given the impression to the committee that because of a high duty on these articles you use that the present price of the product you use is an increased one. I am trying to show you now that English lead can not be laid down nor bought for 2 cents less than the American.

Mr. GEAR. I think he said the English was imported at \$1.00 a hundred.

Mr. MACBETH. No, sir. If English pig-lead was \$15, the American would be \$14.90.

Mr. BAYNE. I am speaking now of the present price you would have to pay. Three dollars and fifty cents for English without considering the duty at all, and you get American for \$3.75.

Mr. MACBETH. Well.

Mr. BAYNE. What is pearl ash worth now?

Mr. MACBETH. Five dollars and twenty-five cents, duty paid.

Mr. BAYNE. Is there an American product of that kind?

Mr. MACBETH. No, sir.

Mr. BAYNE. None whatever?

Mr. MACBETH. None that I can find.

Mr. BAYNE. Is there a substitute for it?

Mr. MACBETH. No, sir.

Mr. BAYNE. How much German clay do you use?

Mr. MACBETH. I do not know exactly the percentage that goes into pots.

Mr. BAYNE. We have what is used as a substitute for German clay, have we not?

Mr. MACBETH. Nothing for use in pots. We have nothing that will take the place of it.

Mr. BAYNE. I want to ask you about lamp chimneys. Is it true that there are a great many inventions in lamp chimneys in this country?

Mr. MACBETH. Most assuredly.

Mr. BAYNE. Are you able by reason of your nearness to the inventors to supply the manufacturers with exactly the kind they want?

Mr. MACBETH. Yes, sir.

Mr. BAYNE. Is it not true that the use of lamps is infinitely greater in this country than in Europe or in any part of the old world?

Mr. MACBETH. I am not prepared to answer that. They are used largely in Germany.

Mr. BAYNE. What is the average to a family?

Mr. MACBETH. They may average three to a family.

Mr. BAYNE. Is it not true that European hotels still use the old tallow dip candles?

Mr. MACBETH. I believe in Germany they keep that up.

Mr. BAYNE. I think they use tallow dip candles in the best hotels in England and France. I found them in both England and France.

Mr. MACBETH. We are sending our lamps over there to "enlighten" them on that subject.

Mr. BAYNE. I suppose the Germans, for instance, are capable of manufacturing for importation, such chimneys as you manufacture?

Mr. MACBETH. It is rather a difficult question for me to estimate the capacity of the German people.

Mr. BAYNE. It has been shown by gentlemen who have appeared before us that we had, to a certain extent, a monopoly of the decorated china-ware business, because we are able to produce the finer class of decorated table ware, but the German article has now come into competition with that product by imitating our patterns, and they have sent men here to get a knowledge of the art so they can manufacture them, and is it not altogether probable that they may imitate your ware and manufacture the one hundred and eighty kinds of lamp chimneys that they do not manufacture now?

Mr. MACBETH. Suppose they do?

Mr. BAYNE. But do you pretend to say that if the Germans who come in competition with you with their lower wages and with cheaper articles of every kind entering into the manufacture, that under those conditions you could compete with the Germans in the markets of the world?

Mr. MACBETH. I will make a strong proposition. Give me free material; give me free trade, if you choose to call it so, say, as free as England has; give me the proper product of my labor, and I defy any competition on the face of the earth, or to make the same quality of goods for lower money.

Mr. BAYNE. And pay the wages you now pay?

Mr. MACBETH. I will pay more.

Mr. BAYNE. How much do you pay your workmen on an average? What can one make per day?

Mr. MACBETH. They work two turns and make, on an average, \$4.50 per day, and work five and a half days a week.

Mr. BAYNE. Do you pretend to claim that you, paying \$4.50 a day to your workmen, making, for instance, this one hundred and eighty kinds of chimneys, can compete with the German manufacturer of the same kind of chimneys, employing the same kind of labor, and paying \$2.25 a day?

Mr. MACBETH. Yes, sir.

Mr. BAYNE. You say you can?

Mr. MACBETH. Yes, sir.

Mr. BAYNE. You can, under those conditions, compete with the Germans?

Mr. MACBETH. Yes, sir; I will not restrict it to glass; I will take the iron trade also.

Mr. BAYNE. I would prefer that you stick to your business.

Mr. MACBETH. At one time, in what is called "a shop," we employed four hands. One was a boy at 35 cents, another was a boy at 50 cents, another a man at \$1, another was a blower at \$2. Figure that up and it is \$3.85. We did away with the 50-cent boy. He did not starve. We kept the 35-cent boy and paid him 15 cents more. We increased the \$1-man to \$1.15. We decreased the time of working, and for the \$3.65 got the same work.

Mr. BAYNE. What are the hours now?

Mr. MACBETH. Our workmen have limited their hours to forty-four a week. They

can do that work in thirty-five hours. He can work eight hours and make forty-eight hours a week. Let him give me half an hour a day more, or, say, nine hours. Let him give me four and a half, and himself four and a half hours a day, and what a tremendous change that would make.

Mr. BAYNE. What proportion of your manufactured product is represented by labor?

Mr. MACBETH. About 58 per cent.

The CHAIRMAN. I understood you to say you increased the number of hours?

Mr. MACBETH. No, sir, no increase. What is actually in practice is forty-four hours a week to do what should be done in thirty-five hours.

The CHAIRMAN. Is that the practice?

Mr. MACBETH. There is at the present time a tremendous kicking, and they talk about not doing it, and I am perfectly satisfied from all accounts that they can do their work in thirty hours. We have carefully looked into that, and there is a great waste of time. I am satisfied of that.

Mr. MCKENNA. The question was, do you pay twice as much wages as the Germans?

Mr. MACBETH. I think you have a wrong idea of production and of values. You leave entirely the element of quality out of the case. In the case of labor you leave that element out altogether.

Mr. MCKENNA. Answer the question directly.

Mr. MACBETH. That would involve considerable debate.

Mr. BAYNE. What proposition?

Mr. MACBETH. Will you let me state the relative value of this labor? We find after diligent inquiry that the relative wages of the German workman is 8 when the English is 12 and American 16. That German is dear. He is doing the work of a boy part of the time; that is, he insists on going into each of the branches of the operation. We have seven men and boys to do the same kind of work. In that we have economy of labor. That German half the time is doing the work of a boy at a very low price. We have a boy to do that. You see it is everything in the quality and organization.

Mr. BAYNE. What proportion of your product is represented by labor?

Mr. MACBETH. I think about 57 or 58 per cent. of the selling price of the goods.

Mr. BAYNE. If the foreign workmen could work to the same advantage that yours do, supposing he could do that, could you then undersell the foreigner in the markets of the world if you paid \$16 for what the German paid but \$8?

Mr. MACBETH. There is a very large "if" there.

Mr. BAYNE. No "if" except upon the German. Upon the assumption that the German acquired the skill and efficiency of the American workman, and he works for 8 and you pay 16.

Mr. MACBETH. On that assumption, most assuredly.

Mr. BAYNE. Your theory is that with free trade you could compete with the world upon the hypothesis that the American workman is so much better organized and skilled than the foreigner?

Mr. MACBETH. Yes, sir.

Mr. BAYNE. Did you contemplate at any time the project of moving your works to Germany?

Mr. MACBETH. Yes, sir.

Mr. BAYNE. Did you know at the time of the inefficiency and unskillfulness of the German labor?

Mr. MACBETH. I sent to see what could be done.

Mr. BAYNE. After examining, did you still contemplate moving your works to that country?

Mr. MACBETH. Yes, sir.

Mr. BAYNE. What wages would you have paid?

Mr. MACBETH. What I could have got them for.

Mr. BAYNE. Do you suppose you could get a man to go from here to Germany and work for \$8, when he was getting \$16 here?

Mr. MACBETH. There comes in another question.

Mr. BAYNE. That raises another idea—your proposition that if some skillful men like yourself, well informed in the manufacture of these products, should go to Germany and instruct their labor and bring them up to perhaps the standard of the American labor and pay the German price, do you think that practical?

Mr. MACBETH. I do not know.

Mr. BAYNE. So that your idea was that you should go there and get more efficient service out of the workmen than the Germans now get?

Mr. MACBETH. The leading idea was the cheapness of the material and the cheapness of the whole plant.

Mr. BAYNE. Was labor an element?

Mr. MACBETH. It was, of course, an element.

Mr. BAYNE. You expected to get cheaper labor?

Mr. MACBETH. I expected to get the bulk of it out of the material.

Mr. BAYNE. Why was 58 per cent. represented by labor? You have said that the finished product of your establishment at Pittsburgh represented about 58 per cent. labor.

Mr. MACBETH. I said on the selling price.

Mr. BAYNE. Now, if you had gone to Germany, would not 58 per cent. possibly represent the labor still?

Mr. MACBETH. In the price of the goods.

Mr. BAYNE. Would it not be a fact that you would get materials much cheaper?

Mr. MACBETH. About one-half, and everything else in proportion.

Mr. BAYNE. If you maintain wages, maintain the product, could not you produce as cheaply as the German produces his product?

Mr. MACBETH. I do not know what the German can make it for.

Mr. BAYNE. Your lamp chimneys are very much like the decorated table ware; it is an invention and changes with fashion. Improvements are going on all the time, so it is not like iron, window-glass, plate-glass, and a multitude of other things in which changes are not frequent, but they are standard articles substantially uniform?

Mr. MACBETH. I believe window-glass has changed considerably.

Mr. BAYNE. We still have the green window-glass?

Mr. MACBETH. We still have many things, but it is not used as much.

Mr. BAYNE. But the great bulk of the industries of this country do not depend upon the varieties of taste?

Mr. MACBETH. I would not admit that at all.

Mr. BAYNE. Railroad bars have not changed.

Mr. MACBETH. Let us stick to the business, Mr. Bayne. I was going to illustrate. Look at the enormous use of plate-glass, or take the matter of bottles. At one time there was an enormous quantity used in this country of what we called pop bottles. You may know that has all changed. I know some green-glass makers have gone out of the business of making them.

Mr. BAYNE. My idea was this, that window-glass, bottles, tumblers, railroad bars, iron, and other standard products of manufacture which have been used for a great many years, continue to be used substantially in the same form, while your business is one which depends upon the fickleness of taste, and is not to be regarded as a standard business.

Mr. MACBETH. I would not admit all of your premises by any means.

Mr. CARLISLE. You said awhile ago that if you had gone to Germany you would have paid your labor what you could have got it for.

Mr. MACBETH. Yes, sir.

Mr. CARLISLE. Is it not a fact that that is what manufacturers are doing here in the United States? Are they paying more than they can get it for?

Mr. MACBETH. There is a curious history in this matter.

Mr. CARLISLE. Is anybody paying a laborer any more than he can get him for?

Mr. MACBETH. I do not know a man, woman, or child in the United States that does it.

Mr. CARLISLE. That is business.

Mr. MACBETH. I claim unions may be a substantial benefit. I would rather have unions than not; but the union sets its own limit on its own wages. I have men who are able to earn \$7.50, and \$6, and \$5. The union prohibits them. A limit is placed on the earning capacity of the workmen by themselves. They limit the time they work and close up when they please. This state of affairs is wretched. At the same time I do not wish to deride the union. I believe it is improving, and that it will improve until they realize that they and the employer are only different parts of one organization.

Mr. CARLISLE. Will you prepare a statement or schedule of the prices of labor in the glass business here and abroad of the articles which you have mentioned in your testimony?

Mr. MACBETH. Yes, sir; I will do so.

Mr. CARLISLE. And the labor cost as far as you know it?

Mr. MACBETH. I have only known in the last three or four days that I would be here, and I have trusted to the impulse of the moment to supply any deficiency in preparation.

Mr. CARLISLE. How long have you been engaged in this business?

Mr. MACBETH. About seventeen years. I started awhile ago to speak of pig lead, and I would like to explain a little more about that.

Mr. GEAR. You stated you made one hundred and eighty different kinds of chimneys?

Mr. MACBETH. Yes, sir; we make nothing but chimneys.

Mr. BRECKINRIDGE. You were interrogated about the reason why you contemplated going to Germany. I would be glad if you would state to the committee the

reason and full information of the matter why you concluded not to go to Germany. It seems you rendered a decision against that conclusion.

Mr. MACBETH. Under the tariff, admitting such materials as this free, it would not pay.

Mr. CARLISLE. What tariff?

Mr. MACBETH. The free admission of these articles.

The CHAIRMAN. You mean you would go if we had free trade?

Mr. MACBETH. I would not. You think I am protected. I am not. The material in a dozen chimneys pays more duty than a dozen chimneys pay.

The CHAIRMAN. If you had free raw material you would not pay what you now pay?

Mr. MACBETH. That is it.

The CHAIRMAN. If you had free trade in raw material, you would be willing to have free trade in chimneys?

Mr. MACBETH. Precisely.

The CHAIRMAN. Then you visited Germany and examined into the whole question and all the elements in the case, and you came to the conclusion that in the long run it would be better for you to stay in America if you got free raw material and not have a duty on your finished product and paying American labor higher wages?

Mr. MACBETH. Yes, sir; that is it exactly.

Mr. BAYNE. I understood you to say that the cost of your labor is 58 per cent. The cost of the material is 42 per cent. Say the tariff is one-half, which would be 21. The tariff on these chimneys is 45. Why do you say you are not protected?

Mr. MACBETH. I am practically worse than that. I could bring in the same goods which I make at 3 cents a dozen duty. The material going into a dozen of the same chimneys will cost me 5 cents.

Mr. BAYNE. I am taking it on the general business. You say the general business on the articles you use, the raw material, pay 21 per cent., while you are protected about 45 per cent., and still you say you are not protected. Why?

Mr. MACBETH. You do not seem—

Mr. BAYNE. I am taking the general result of your business as you have stated it here.

Mr. MACBETH. How can you protect me when you increase the cost on the product which I make which is not imported?

Mr. BAYNE. You say the cost of importing the material is 21 per cent., while you get a protection of 45 per cent., and still you say you are not protected. I am taking the whole business.

Mr. MACBETH. I will not admit your premises that I am protected 45 per cent. on what I make.

The CHAIRMAN. He says he does not get any protection.

Mr. BAYNE. What proportion of your product is sold in the United States, and what proportion is exported?

Mr. MACBETH. I can not answer that.

Mr. BAYNE. Can you approximate it?

Mr. MACBETH. I can not.

Mr. BAYNE. Is it one-tenth of it? When you prepare that paper for Mr. Carlisle I am especially anxious that you include this as one of the facts.

Mr. MACBETH. I do not think it would be fair to make an estimate for you on the basis you mention. I will explain why. Any man who wished to introduce his goods in Texas, or Kalamazoo, or Australia, or England will find it costs money to do it. He may have much cost at the commencement of his business, and it takes a long time to establish a trade.

Mr. BAYNE. Do you export at a loss?

Mr. MACBETH. I would not do anything at a loss.

Mr. BAYNE. I understand you to say you are at considerable expense?

Mr. MACBETH. I would be sometimes. That is a necessary element in the case.

Mr. BAYNE. Will you give it to us in round numbers the proportion of export and proportion sold in the United States?

Mr. MACBETH. I can do so from the books.

Mr. BAYNE. Do you export as much as 5 per cent.?

Mr. MACBETH. Would it be fair to ask me to state if I did know? It takes some time to get started.

Mr. BAYNE. From our standpoint the greatest market is here, and the man who throws it away to my mind has little business judgment. What I want to know is whether you export five or ten or fifteen, or whatever it may be, and if whether in seeking a foreign market you are doing the country a service or an injury?

Mr. MACBETH. When a man is selling goods in foreign parts is he doing the country an injury?

Mr. BAYNE. I want to know what proportion of your product is sold here and what proportion is sold in foreign markets? If you sell three-fourths it is good, but if you

only sell one-twentieth or less than that I should say that the conclusion is not so good.

Mr. MACBETH. It is a continually growing trade. I would not like to have you take the estimate on the beginning of a foreign trade and say that there is a loss in it.

Mr. GEAR. How long have you been shipping goods to Australia and England?

Mr. MACBETH. It is less than two years.

Mr. GEAR. Are you establishing agencies there?

Mr. MACBETH. Yes, sir.

Mr. GEAR. Do you send out samples with a commercial traveler?

Mr. MACBETH. Not exactly in that way. To some places in England we have been selling goods for seven years.

Mr. GEAR. How about Australia?

Mr. MACBETH. Australia is doing very well. [Laughter.]

Mr. GEAR. Are you doing business as a shipping merchant, or do you ship a few samples out only?

Mr. MACBETH. I am endeavoring to do a general business.

Mr. GEAR. You have already stated that we invented a great many of these chimneys in this country?

Mr. MACBETH. Yes, sir.

Mr. GEAR. I want to know whether your exportation is not largely for lamps on which it is necessary to use your chimney?

Mr. MACBETH. Not by a jugful.

Mr. GEAR. Are your chimneys used on European lamps?

Mr. MACBETH. I am unable to say, but I think so. It must be so.

Mr. MCKENNA. Can you tell now what proportion of your product you ship abroad?

Mr. MACBETH. I do not want to.

Mr. MCKENNA. Do you mean to tell us you do not know how much you sell out of the country?

Mr. MACBETH. I will stand here and say I have not added it up at all.

Mr. MCKENNA. Is it not a fact that the reason why you refrained from transferring yourself to Germany is that you were afraid you would lose the American market?

Mr. MACBETH. I think I would have had an advantage in the American market. There is a great deal involved in why I did not go to Germany.

Mr. MCKENNA. Then there are other reasons.

Mr. MACBETH. I do not think that whether I wanted to go to Germany or not is any argument at all. You do not dispute the statement; you are only missing the question.

Mr. MCKENNA. I am trying to get your information on the subject so as to help me. I am not willing to put it in the form of an argument at all; I am simply asking the question. You said the reason you did not go to Germany was because labor in the United States was more efficient.

Mr. MACBETH. The reasons why I did not go are private and economic reasons.

Mr. MCKENNA. Then that is not the sole reason you did not go?

Mr. MACBETH. I stated the principal thing. It was that if you had a decreased cost of material here we could not make goods over there and bring them here.

Mr. LAFOLLETTE. The result of your investigation in Germany, if I understand you rightly, was that labor was less efficient there than in this country. Was that lack of efficiency there due to want of art or want of organization in the factory?

Mr. MACBETH. Mostly want of organization.

Mr. LAFOLLETTE. That would be something that could be changed more rapidly than to acquire skill, if it was a lack of skill?

Mr. MACBETH. Yes, sir.

Mr. LAFOLLETTE. Why is labor in Germany less efficient than it is here?

Mr. MACBETH. I think to answer that question I should have to go into the whole history of the German people. I do not know how else to do it.

Mr. LAFOLLETTE. Well, please do not do that.

Mr. MACBETH. I did not quite finish my remark on pig-lead. On that question I think I should be entitled to have some kind of a say, because we are affected by it. I see by Spofford that the duty was an average one of 68 per cent. The situation of the lead business is about this. We have a lead trust. It is not my purpose to abuse trusts. I believe a man has a right to go into business. That trust to-day has control of most all the lead business of the United States, and what it does not own it controls. That trust may control the price of pig-lead. It would not be remarkable if half a dozen smelters did not make money out of the deal. That would present the peculiar situation of the Government being in partnership with the lead trust, to increase a product 68 per cent. on which a very large number of people depend for a livelihood.

Mr. BAYNE. Would you say the same of the sugar trust?

Mr. MACBETH. Yes, sir.

Mr. GEAR. You believe combinations tend to increase the price?

Mr. MACBETH. Most emphatically.

Mr. FLOWER. You say the trust tends to increase the price of the article. Do you think it tends to increase the price more than a corporation does?

Mr. MACBETH. That depends.

Mr. GEAR. Are not these trusts, like the sugar trust, composed of a number of corporations? Is that the rule?

Mr. MACBETH. I do not know that I understand your question clearly. A trust—I do not care what you call it, it may be an aggregation of manufacturers or an aggregation of labor—the prime and first object is to get the cost of the article down. Lead, for instance, is in this country a byproduct from smelting silver ore. If the lead trust should succeed, and it is a most reasonable and natural supposition, they will try to control the product and price of pig-lead. It can be easily done. I say if this Congress keeps a tariff of 2 cents on it, that enables them better to corner the market, and it will take only about \$1,000,000 to do it.

Mr. GEAR. That trust could combine and put up the prices?

Mr. MACBETH. Yes, sir.

Mr. GEAR. And you said that that was all right?

Mr. MACBETH. I said I believed a man had a right to go into business.

Mr. GEAR. You believe a lead trust is a good thing to go into?

Mr. MACBETH. Very good, under the circumstances, for money making.

Mr. GEAR. Would \$1,000,000 control the lead business of this country?

Mr. MACBETH. A million dollars would control the price of pig-lead in the United States.

Mr. BRECKINRIDGE. You do not think it is proper for the Government to help keep up the price?

Mr. MACBETH. No, sir; and that is the effect of the tariff.

The CHAIRMAN. If we remove the duty on what you call raw material, and then remove the duty from the finished articles, would the consumer get his chimneys any cheaper?

Mr. MACBETH. Yes, sir.

The CHAIRMAN. How much?

Mr. MACBETH. As near as I can figure it out, it would be \$650 a week on my product.

The CHAIRMAN. Six hundred and fifty dollars a week would represent how much on each chimney?

Mr. MACBETH. I do not know exactly.

The CHAIRMAN. Suppose we took the duty off the raw material, 45 per cent., how much would the consumer be benefited? Would he be benefited to the amount of the duty, by less or by more?

Mr. MACBETH. I could not state exactly.

The CHAIRMAN. You are here asking for free raw material. If we take the duty off all raw material and then the duty off the finished product, what I want to know is what benefit the American consumer would get in the reduced price of the finished product?

Mr. MACBETH. He would get just about the amount I stated.

The CHAIRMAN. How much would that be? How much off the present price of the chimney?

Mr. MACBETH. I do not know that I could state the exact amount per dozen.

The CHAIRMAN. I am not talking about a week's product. You understand the business. You have visited Germany and other points for the purpose of investigating these matters, and you are here asking us to give you free raw material, and I want to know what would be the reduced cost to the consumer on your goods if we took off the duty.

Mr. MACBETH. In dollars and cents it is \$650 a week.

The CHAIRMAN. What I want to know is what chimneys would cost the consumer?

Mr. MACBETH. Chimneys now costing say 25 cents by the dozen?

Mr. BAYNE. Take the dozen chimneys now sold at 25 cents, how much would the consumer get a dozen chimneys for if the duties were taken off?

Mr. MACBETH. You ask me to make figures. [After figuring.] The reduced cost would be about 3 or 4 cents a dozen on that kind.

Mr. BAYNE. Only 3 or 4 cents a dozen?

The CHAIRMAN. Would you maintain the present rate of wages?

Mr. MACBETH. Yes, sir.

Mr. GEAR. When a man or woman would go to a retailer and buy a chimney for a lamp would he or she get the benefit of that?

Mr. MACBETH. My individual opinion is he might not.

The CHAIRMAN. In your judgment, if you had free raw material the consumer of your product would not get the benefit of it?

Mr. MACBETH. No, sir. [Misapprehension.] I can not say.

The CHAIRMAN. You do not think the consumer would get the benefit by wiping out these duties, and the \$650 that the Government collects would be divided between the manufacturer and the middle-man and the consumer would not get any benefit at all?

Mr. MACBETH. No, sir. [Misapprehension.] I can not follow the question so far.

Mr. BRECKINRIDGE. You have stated the reduction on your line of chimneys would be how many cents on each?

Mr. MACBETH. Three or 4 cents a dozen.

Mr. BRECKINRIDGE. Taking chimneys at 26 cents or 27 cents, it would diminish the price paid at present something like 12 per cent.?

Mr. MACBETH. Yes, sir.

Mr. McMILLIN. It would enable the retailer to sell them cheaper than he does now?

Mr. MACBETH. Yes, sir.

The CHAIRMAN. What is the price of the retailer?

Mr. MACBETH. I do not know.

Mr. BRECKINRIDGE. Do not people generally buy half a dozen at a time?

Mr. MACBETH. Some more, some less.

The CHAIRMAN. Would they sell at 5 cents apiece?

Mr. MACBETH. I do not know. I would say 10 cents as the retail price, according to location or distance.

The CHAIRMAN. How do they sell in Pittsburgh?

Mr. MACBETH. It may be three for a quarter. We are talking about one size.

Mr. BURROWS. What were these chimneys selling for when you commenced business seventeen years ago?

Mr. MACBETH. That was in 1872. This kind was not made then. When I began business what answers to them was selling at 50 cents a dozen.

Mr. BURROWS. Then, under this system, the price is gone down from 54 to 30 cents?

Mr. MACBETH. Yes, sir.

Mr. BURROWS. Under free trade they would go down one-twelfth of a cent to the consumer?

Mr. MACBETH. It would be pretty hard to figure out that size coin.

Mr. BURROWS. You say they sell at 30 cents a dozen now, and with free raw material they would sell for 4 cents a dozen less. Under the present system they have fallen from 54 cents to 30 cents.

Mr. McMILLIN. The fall has not been peculiar to this country. It has been all over the world.

Mr. MACBETH. The uniform experience in our product is that there has been an increase in labor and decrease in price of commodities for the last twenty-five years, both in free trade and tariff countries; it certainly could not be the tariff that did this. English bottle-blowers have had their wages increased 30 per cent. the last year. We have only increased the cost of our goods by a tariff.

I have been asked to prepare a statement or schedule of the prices of labor in the glass business here and abroad. This I find, under the circumstances, impossible to do, for the following reasons: We thought we had a rather complete statement of the German laborer's wages, but a part of it has been lost. It was gathered for our own information in two trips to Germany in 1887 and 1888. We found considerable difficulty in getting reliable data, and also found a variation in different places in Germany in the amount paid. While the information that we gathered was sufficient for our own practical use we did not anticipate making it complete enough to be of value to those not experts in the business, and, as stated before, we found the question of quality of the labor had been entirely eliminated from all statistics published. This, in my opinion, is absolutely necessary in a right consideration of the question, and I append extracts from a letter published in the Philadelphia Press of October 27, 1889, from Mr. Galbally, who is a practical worker, and whose information coincides with our own. He said:

"One thing that amused me was to see in the glass works at Glasgow, where they have a tank furnace in operation, three men in a shop make pint flasks, and other shops of three men each working on different kinds of ware. They would take their bottles out of the molds themselves and throw them in a box for the finisher to pick up and put in the hole himself. I also saw the same style of work in the Stevens Glass Works, on Bishop street, Glasgow. I asked the men how many gross per day they could make of one-half pint flasks, and was told 10 gross, which would be less than one-half the amount we make in the United States, with three men in one day's work. Through France and Belgium and Germany the men work the glass on iron blocks in the bottle houses and work the glass on iron plates in flint houses. The men do not work as fast as the men in our country work. In the bottle factories in those countries the ware is what is called turned-mold ware, from the way the blower twists his glass while blowing it in the mold.

“WAGES AND COST OF LIVING.

“In the bottle and flint-glass trade the wages of the skilled glass-workers as a rule are not so good in Germany or Belgium as they are in England, with the exception of the window-glass workers, who are the best paid of any class of skilled workers, which is owing to their perfect organization. In England and Scotland the wages of skilled workers run from \$12 to \$20 per week, while in France it is not quite so much. In Belgium and Germany the weekly wages of skilled workers in the bottle and flint-glass trade is from \$8 to \$12 per week, while the window-glass workers' wages are much more. Skilled workers all work piece-work in those countries. The unskilled workers are paid by the week. In England the firemen, or teasers as they are called, get from \$8 to \$9 per week. Other labor in the works get from \$5 to \$6 per week. Boys receive all the way from \$1.50 to \$3. In France, Germany, and Belgium the wages of the unskilled workman are very small, being from \$3 to \$4.50 per week. The wages of women in those places are from \$1.50 to \$2.40 per week. The wages of boys and girls are \$1 to \$1.50 per week. In many cases it is less than this amount, depending to a great extent upon the condition of the people and the opportunity offered to take advantage of their circumstances.”

Another difficulty in making comparison between our own wages and the wages of German workmen is that out of the twenty-seven factories in Germany none were engaged in making the same quality of goods which we make, and the labor on the finer grade of goods is of necessity more than on the common grade, as a rule.

We found the pay of persons engaged in grinding glass chimneys in Germany very low indeed, but it took more of them to do the work, and not so well done. We find precisely the same thing in our own business. We are willing to pay one person more than another for doing the same work, because they can do it better.

Mr. Macbeth submitted the following for publication with his testimony:

Hon. W. McKINLEY,

Chairman Ways and Means Committee:

In regard to the statement of Mr. W. J. Smith, giving contradictory statistics to my statements made to the committee, I believe Mr. Smith will concur in the statement that at the time the schedule was made out, and which he referred to, that his union was asked to make some more of the article in question (student chimneys) to the day's work for the same wages, on account of the great difference between our make and the price of the imported. The excuse was made to him at the time that the material used in our domestic manufacture was largely increased in cost by the tariff and that, at the time, the imported were sold at a very cheap rate, and while we both agreed that they were comparatively worthless goods, the price of domestic manufacture came to so very much more than the imported that we found it a great difficulty in inducing the trade to use the domestic make. We perfectly agree with Mr. Smith that the labor on one dozen domestic manufacture is more than the price of the imported article, but, as was stated to the committee, the question of quality has been entirely eliminated and has not entered into the consideration of the question, as it should have been. We also stated to Mr. Smith at the time that we did not expect him (or the union, rather) to work for us at such wages as would enable us to sell our goods as low as the imported article. I would add that, as a consequence, of the cordial co-operation of the workmen, we were enabled to reduce the cost of this article, still maintaining the price per day for the labor, and our sales largely increased since the time mentioned. Further, in speaking of the article produced before the committee (student chimney), the duty on this chimney will amount to about $2\frac{1}{2}$ or $2\frac{3}{4}$ cents per dozen. The duty on the material going into this chimney is more than this.

I would further like to amend an answer to Mr. Bayne's question by stating a gross sum, which would probably be a better and clearer answer to his question, if he will permit; it is this, that in the production of about 1,800 gross per week the increased cost of the material used in making our quality of goods is about \$650 per week. I would respectfully request also to be allowed to state that the assertion made on the floor that some New England glass factories had to discontinue the business on account of the imported goods is wrong. Two of the factories are in operation to-day by their former proprietors, at improved localities; the other one which it was claimed went out of the business, did so because of local reasons, the manufacture of the goods which they made and at which they were not successful having at least quadrupled in the last four years in other more favorable localities of the country.

There are other statements made equally misleading, but it may not be proper to state more than this in the absence of the parties making the statements.

Further, in reference to the statement that German wages were relative to England as 8 to 12 and American 16. I am perfectly content to accept \$6 in the place of \$8, making the proportions 6, 12, and 16, as it makes the statement stronger than my first statement, and the query now arises, how does it come that England, a free-

trade country, can pay twice as much as Germany, and notwithstanding the circumstances, English bottle blowers' wages were advanced 30 per cent. in the last year. It has been our observation that a man who worked for \$6 a week did so because he was not worth any more.

GEO. A. MACBETH.

PITTSBURGH, PA., *January 7, 1890.*

Submitted to Mr. Smith January 7, and returned by him January 10, without comment. I believe he did not think it necessary to sign, and his secretary, Mr. Dillon, expressed no objections and stated he saw none.

GEO. A. MACBETH.

STATEMENT OF MR. JAMES GILLINDER.

Mr. JAMES GILLINDER, of Philadelphia, next addressed the committee. He said: Mr. Chairman and gentlemen of the committee: Before taking up the general question I am here to represent, in view of what has been said by Mr. Macbeth on the chimney question, I would like to present an object-lesson in that line. I sent out before I left Philadelphia and got some chimneys, thinking it would give the committee some impressions and some facts in relation to the selling price of that class of goods imported, and that of home production, to the consumer. I was unfortunate enough not to secure one of Mr. Macbeth's chimneys, one of the best made, but I secured another kind such as will answer my purpose, and show what I desire to show. Of these student chimneys there are probably more imported than there are of any other kind made. It is in universal use throughout the country. This chimney is made cheap in Europe and is sold at 10 cents a dozen, including package and cost of delivery to point of shipment.

Mr. BAYNE. The student lamp, I believe, is a German invention.

Mr. GILLINDER. Yes, sir. I find by the mark on this chimney (the student chimney) that it costs 8 cents each in this country at retail.

Mr. McMILLIN. How much by the dozen?

Mr. GILLINDER. They are sold at 10 cents a dozen abroad.

The CHAIRMAN. Duty added?

Mr. GILLINDER. Yes, sir. Duty added in this country.

Mr. SCHILDROTH. That is the cost abroad at the point of shipment?

Mr. GILLINDER. They cost 10 cents a dozen, including package, and if 40 per cent. is taken off for packages and cost of transportation to point of shipment they would pay a duty of only 6 cents a dozen. This chimney [indicating] is known as the Argand chimney, and is made across the water, and is sold at about the same price abroad as the student chimney, 10 cents a dozen. We have here an American chimney, made in Pittsburgh, that is sold in the market at less than cost to produce by the manufacturer, being sold as low as 21 cents a dozen.

Mr. McMILLIN. What does it sell for at retail?

Mr. GILLINDER. Six cents. The point I desire to make is that the American chimney is largely sold, and for less than the imported chimney. It costs less money to the consumer. The imported chimney is used by people of means, and is sold as an imported chimney, and for that reason it brings more money. I think if no chimneys were made in this country a great deal more money would be paid for this class of chimneys, and the profit would be made by the importer.

Mr. LA FOLLETTE. Can you state the usual retail price abroad?

Mr. GILLINDER. I can not.

Mr. L. FAOLLETTE. Are those chimneys made in this country?

Mr. GILLINDER. Mr. Macbeth makes some of these. I think he stated he got 38 cents for a chimney similar in character to this [illustrating the crimped top chimney]. While on this question of chimneys, before going into the other question, I would like to say that in reply to inquiries made by me of two large chimney manufacturers, to the inquiry what was the per cent. of labor on the total cost of the chimneys which they made, both replied and said that on crystal or lime glass chimneys made without lead, the percentage of labor was 85 per cent. of the total cost. On another grade of chimneys which are used to a large extent the percentage of labor was 75 per cent. Another manufacturer of chimneys, one of the largest in this country, reported that on his chimneys the cost of labor was 75 per cent. made from glass in which a large percentage of lead was used. The percentage of material used in making chimneys is comparatively small compared to the cost in labor, and if we had free raw material, as has been stated, it would not make a difference of 10 per cent. in the total cost of production.

The CHAIRMAN. Do you agree with Mr. Macbeth as to the matter of the inefficiency of labor in Germany and in this country?

Mr. GILLINDER. I do not. I think the glass-workers of Germany are as efficient as

the glass-workers of this country, and in many of our factories some of the best workmen are those who learned their trade either in Belgium or Germany, and introduced into this country the making of chimneys and other articles in what are known as paste molds.

The CHAIRMAN. You do not think the difference in the efficiency between the American and the German labor makes up the difference in the price paid here?

Mr. GILLINDER. I have never heard any intimation of the kind from people who are thoroughly posted in the business.

Mr. LA FOLLETTE. You never heard there was any difference in efficiency?

Mr. GILLINDER. No, sir.

Mr. LA FOLLETTE. Do you know how much meat the German gets a day?

Mr. GILLINDER. I do not.

Mr. LA FOLLETTE. Do you know that his meal consists of a piece of black bread and a little stale beer? Do you believe a man on that kind of fodder could work as well as a well-paid American?

Mr. GILLINDER. Well, I do not know. One of the best-developed class of people in the world is the Scotch people, and it is said they live largely on oatmeal.

Mr. FLOWER. They do not always live on it.

Mr. GILLINDER. I have seen ship-loads of immigrants from Germany coming to this country, and as a rule they did not look as if they were starved, but looked well fed and hearty.

Mr. FLOWER. But do they live on that kind of food?

The CHAIRMAN. At all events the wages you give your men affords them sufficient to buy meat and all that sort of thing.

Mr. GILLINDER. Yes, sir. I find on reference to the statistics of the Treasury Department that the goods imported, that interfere with the interests we represent, pay more than two-sevenths of all the duty that is collected on glassware. The class of goods represented by Mr. Macbeth are but a small portion of the large variety of goods that are imported.

The CHAIRMAN. Would it interrupt you to ask you if you know anything about the export business in lamp-chimneys?

Mr. GILLINDER. I do not think there are many chimneys exported. There are a few lines of chimneys exported from New York, usually to Cuba and some points in South America. These are of a low quality and sell for 17, 18, and 19 cents, and we export none of the goods similar in class to those imported from Europe. In going over this question it would be only fair for the interest we represent to state that the highest price class of goods imported, the class of goods that require the most skillful and the highest paid labor, are the kinds we make. The present average duty on glass is something over 62 per cent. Fine decorated and cut glass pays 45 per cent. Pressed glassware 40 per cent. We think we control the markets of this country and there is some exported, some cheap grades of pressed glass. I have a statement here, and perhaps I had better read it.

In appearing before you to represent the glass interests, in which we are directly interested, we desire to say at the beginning that all we ask of the committee, in preparing this portion of the bill that you propose presenting to the House, is that you shall give us a rate of protection equal to the difference in wages paid between European countries and our own. There is probably no branch of business in which the item of labor is so directly traceable as in ours. The manufacturer of glass pays from 60 to 90 per cent. of the cost of the manufactured articles to the workman direct; the remaining part is spent for materials, with the exception of what little average of profit there may be in its manufacture. Some of the materials used in the manufacture of glass pay a tariff duty of from 20 to 75 per cent., and we do not think that any article we use ought to pay a higher tariff than the manufactured product. Potash pays a duty of 20 per cent. Soda-ash 25 cents per 100 pounds, or equal to 33 per cent. of the cost at point of shipment. Litharge, or red lead, which is used in the making of fine glass, pays a duty of 3 cents per pound on a cost of 4 cents in England equals 75 per centum ad valorem.

We find, on referring to pages 41 and 42 of the annual report of the chief of the Bureau of Statistics, in regard to imported merchandise, that the average duties on glassware were during the year 1883, 62.16 per cent. This took in all the different grades of glass from the lowest product to that which required the highest skill and the most costly labor to make. We claim that the interest we represent makes the glass that costs the most to produce, both for labor and material, of any of the different kinds of glassware imported, and yet the duty is below the average, and is but 45 per cent. and 40 per cent., as against 75.27 per cent. for colored green and colored glass bottles, the cheapest and most common kind of glass imported. In view of this fact and that a considerable amount of the glass imported in our line are articles of luxury, largely used by the rich, we think it only fair that in rearranging the tariff our line should be put on its proper basis.

There is a vast difference between the cost of labor in Europe, in the glass manu-

facturing districts, and in our own country, and in many instances the articles cost less on board, packages included, than we pay the workmen here for the labor alone of making the article in the glass factory. Take for instance 10-inch ring top domes shades, opal, which are largely imported, they cost free on board at point of shipment, packing included, \$1 per dozen. We must pay according to the rates we are now paying \$1.05 per dozen for labor to produce an article of similar kind. There labor does not cost them more than 33 cents. Student chimneys, which are largely imported into the United States, are sold at point of shipment for 10 cents per dozen. The labor in our factories for a similar article does not cost less than 20 cents. Smoke bells, opal glass, are imported very largely into this country and cost at point of shipment, 3-inch 24 cents; our labor cost 27 cents; 6-inch 43 cents; our labor cost 51 cents; 7-inch 48 cents; our labor cost 56 cents; 8-inch 60 cents; our labor cost 65 cents; 10-inch ring top shades, opal, their cost at point of shipment, 96 cents; our labor cost 95 cents. The wages paid where these goods are made are very low, not more than one-third of what is paid in this country. The result is that they can import large quantities of these goods at such prices that it is impossible for us to compete with them. We do not think for this class of goods our men are overpaid, we do not think they average over nine months' work in the year; we therefore ask that, in addition to the present rate of duty, you put a specific duty on all these articles in addition to the ad valorem duty, not asking so much as the difference in wages, but as per inclosed paragraphs, which we think would enable us to make them in this country to a much larger extent than we now do, and would give more employment to the workmen engaged in that branch of the trade.

On pressed glassware you will notice we do not ask any special increase, simply asking that you shall reduce the present ad valorem duty of 35 per cent., and add 10 cents per dozen this would give us an opportunity to compete in the small articles which an ad valorem duty does not. On articles of glass, cut, engraved, painted, colored, printed, stained, decorated, silvered or gilded, not including plate-glass silvered, or looking-glass plates, we ask 10 cents per pound, and 50 per cent. ad valorem. This is a very large increase over the present rate of duty, and one which we think ought to be made, because the items covered by this paragraph are largely used by the rich, require skilled artisans, and it is certainly the interest of the people employed in this country that these goods should be made here. We have the materials for making the best glass in the world. Our sand is equal, if not better, than any used in the making of glass anywhere, and yet it costs us a great deal more than in Europe, and a very good article of sand has been shipped to this country as ballast and delivered here at \$1.25 per ton, while sand of similar quality here can not be furnished to the manufacturer at less than double the price, and the very best grades of sand cost four times as much as the same material in France, where the sands are got for the fine glass produced in England.

A proper degree of protection would give a very great development to this branch of the business. This we can illustrate by the increase of duty put upon the finer kinds of earthenware, china decorated, etc., by the tariff of 1882. Since that period the production of fine china, porcelain, parian and bisque ware, has been very largely increased and great advance made in the art. There has never been a period in our history when so many beautiful articles in this class of goods have been made as at present, and we think it is very largely owing to the fact that the duty was put high enough to enable the American worker to devote his energies to the finer productions of such goods. We think we are fully entitled to as much duty as the class of goods mentioned, which by reference you will find is 60 per centum ad valorem. Chemical glassware, thin blown glass, blown with or without a mold, and all other manufactures of glass we ask for a duty of 25 cents per dozen and 50 per centum ad valorem. This class of goods requires skilled workmen and ought to be cultivated so that it may be made in this country. It is made now to a limited extent, but the principal articles of chemical glassware are imported into this country, and it ought to be made the interest of the American manufacturer to give more attention to it, so that we may not be dependent upon foreign countries for the articles needed by the chemist.

There are quite a large number of articles in this line that are small, but that require specially skilled labor, and we name a specific duty of 25 cents per dozen and 50 per cent. ad valorem. Heavy blown glass, blown with or without a mold, finished or unfinished, we ask a specific duty of 5 cents per pound and 50 per cent. ad valorem. This covers the class of goods that are partially made in Europe and have been brought to this country as common glassware, and the work finished here. We do not think we ought to pay a duty of 3 cents per pound on the materials used. The branch of the glass business which these paragraphs cover has not been very profitable during the past few years, and a number of glass manufacturers making the finer grades of glass have gone out of the business, being unable to make a profit. We mention the New England Glass Works, East Cambridge, which at one time was one of the largest concerns in the country, an incorporated company with a capital

of \$500,000; the company, finding the business unprofitable, has ceased to exist, and the year before shutting down lost \$40,000. Their successors have removed to a cheaper point of production, but are now operating but one furnace, where four were operated before. The Boston Sandwich Glass Company, located at Sandwich, Mass., and the Meriden Flint Glass Company, of Meriden, Conn., have both retired from business, finding it unprofitable, and their plants are now idle.

We do not believe we have asked anything but what is perfectly just and right in view of the relation of this branch to the other branches of the glass business, and under any circumstances we ought to have a protection at least equal to the average of that paid to the whole industry, which would not then be equal to the difference of the cost of labor in Europe and in this country.

Mr. GEAR. Is it a fact that there has been a very marked and quite a large advance in wages in the last thirty years in this country?

Mr. GILLINDER. I am in direct communication with England, they give me figures in regard to wages, the wages there are about what they were thirty-five years ago.

Mr. BRECKINRIDGE. In regard to that data about wages, can you give us the comparative rates of wages paid between there and here?

Mr. GILLINDER. I might perhaps give you a case that I know of. My father came to this country in 1855 and was paid as good a rate of wages as was paid to any workman of a similar class at that time in England.

Mr. BRECKINRIDGE. How much was that?

Mr. GILLINDER. He got \$12.50 a week.

Mr. BRECKINRIDGE. What was his position?

Mr. GILLINDER. A caster place workman in a glass factory.

Mr. BRECKINRIDGE. What did he get here?

Mr. GILLINDER. Fifteen dollars a week. He became foreman when he left that factory.

Mr. BRECKINRIDGE. Was \$15 a week the prevailing price?

Mr. GILLINDER. The man that he succeeded got \$13 a week. A few years ago the same class of workmen received in England just about the same wages that my father received in 1855. I know that, for we now have in our employ a man who got \$12.50 a week in England at that time; we now pay him \$33 a week.

Mr. BRECKINRIDGE. For the same work?

Mr. GILLINDER. Yes, sir.

Mr. BAYNE. These are hard facts.

Mr. GILLINDER. I am prepared to make affidavit to them.

Mr. FLOWER. Some statement has been made as to the efficiency of the German labor?

Mr. GILLINDER. I have not been in Germany myself, but my brother visited there and was very much astonished by the skill and quickness displayed by the German glass-blowers.

Mr. McMILLIN. Does not your competition come more from Germany, where they have a protective tariff, than from England, where they have not?

Mr. GILLINDER. I think that is true. The reason for that is that labor in England is as two to one in Germany. Where a workman gets \$12 in England he gets \$6 in Germany.

Mr. McMILLIN. And yet Germany is protected and England is not.

Mr. FLOWER. You say that labor gets \$6 a week in Germany; are there no places there where they work seven days a week?

Mr. GILLINDER. I have heard that, and will give you a case in point. At Dresden the Siemens have a large bottle factory, and the men struck against working on Sunday. Now they work six and a half days a week. The bottles made there are shipped about 800 miles to the sea and sent direct to this country. These facts prove conclusively that even with the present tariff we can not compete with them.

Mr. FLOWER. But you say they are strong and healthy?

Mr. GILLINDER. Yes; judging from appearances.

Mr. FLOWER. You would not call that pauper labor?

Mr. GILLINDER. No, sir. There is no question in the world that if American labor was paid the same as European labor we could compete with the world. Yet I do not want to see our well-paid labor put on the same footing with those who are said to get meat only once a week.

Mr. McMILLIN. Did you state awhile ago that the absence of meat does not make them unhealthy?

Mr. GILLINDER. I do not suppose they could work as well without it.

The CHAIRMAN. If you had your materials free and your finished product was made free, do you think you could control this market against the foreigner and enter the foreign market also, without disturbing the rate of wages in the United States?

Mr. GILLINDER. I do not. It is simply impossible. To remove the duties simply means that our wages must go down to the level of the wages paid abroad.

Mr. BRECKINRIDGE. We export nearly a million of dollars' worth of glassware a year, what character of glassware is that?

Mr. GILLINDER. Pressed glassware.

Mr. BRECKINRIDGE. What advantage do we possess in pressed glassware that we do not possess in other kinds?

Mr. GILLINDER. Large experience. Pressed glassware was first invented in this country and has been developed from year to year until we have the best facilities for making pressed glassware of any place in the world.

Mr. BRECKINRIDGE. If we had free raw material in pressed glassware would that be able to control the whole market?

Mr. GILLINDER. No, sir; not without a duty. That particular kind of glass has not been developed very largely in the cheap manufacturing districts of Europe, yet if they had the experience that we have, and the difference in labor on pressed glassware that they have in the glass they do make, they would be able in a very short time, if there was no duty, to take the markets of this country, unless our workmen were willing to work for the same wages as in those countries.

Mr. BRECKINRIDGE. That is the only kind that they do not manufacture?

Mr. GILLINDER. Yes, sir. There is some little pressed glassware made in France, but very little in Germany, Belgium, or Bohemia. The amount of duty on the raw materials used in the making of pressed glass is very small, soda ash being the only article used on which duty is paid.

Mr. Breckinridge requested that I should give some data as to the cost of labor in Europe compared with labor in the United States. I find on examination that the hardest competition the glass manufacturer has in this country from abroad is Belgium and Bohemia. According to the statement made by Consul Phelps, of Prague, glassware is imported from Bohemia into the United States to the value of \$1,300,000 per year. And according to the information furnished by him, found on page 157, labor in Europe letter from the Secretary of State, dated December 12, 1884, the wages paid to workmen are as low as at any point in Europe. It is estimated that eighteen thousand persons are employed in the manufacture of Bohemian glassware.

Average wages per week of seventy-one hours in—

	Bohemia.	In this country.
Blowers	\$3.80	\$15.00
Melters	2.40	10.00
Stokers	1.20	.....
Pounders	1.50	.....
Molders	4.00	16.00
Engravers	6.20	18.00
Painters	5.00	15.00
Gilders	5.00	15.00
Grinders	3.50	14.00
Polishers	*2.50	†14.00

* Mostly women.

† Mostly men.

Some of these workers are unknown under the names given in Bohemia in this country, and the wages given to the American workman, corresponding to those in Bohemia, are not based upon the highest rate of wages paid, but what we suppose to be about the average. For instance, there are glass-blowers in this country who receive \$33 per week, and there are some who receive but \$13 per week. And then there is a loss of time in the hot weather and for other causes that would probably bring the average down to about the amount stated. The number of hours work, however, in the United States is not over fifty hours per week, as compared with the seventy-one hours in Bohemia. The unskilled laborer gets but \$1.50 a week; the lowest wages we know of being paid here in glass work is \$1.25 per day, and in most of the works in Pennsylvania the lowest wages for laboring men is \$1.50 per day of ten hours. On page 160, under the head of "glass-workers," the wages put down opposite glass-blowers, masters, is \$9.24 per week. The same workman in this country would receive from \$30 to \$40 per week. It alludes to the highest skilled men employed in this branch of the glass business. Carriers, boys, receive in Bohemia 60 cents a week; the lowest wages we pay in Pennsylvania is 50 cents per day.

If the wages given by Consul Phelps, in Bohemia, are correct not 25 per cent. of what is paid in the United States is paid in Bohemia, that is, where \$1 is paid in the United States, less than 25 cents is paid in Bohemia. The wages paid for unskilled labor would demonstrate that the proportion is even less, as under that head is given day laborers at \$1.40 per week, to be found on page 160 of Labor in Europe.

In regard to the wages in Belgium, there is not much data in regard to the wages paid to glass workers in the line that we are interested in, yet if you refer to the general average paid to all classes of workers in Belgium, you will find that the average is very little over \$4 per week of seventy-two hours. Unskilled laborers are paid 60 cents per day, and while the wages are higher than in Bohemia, they are not more than 33 per cent. of the wages paid in this country.

In Germany the wages are given, page 37, Labor in Europe, glass-makers, \$5.36; same class of men in this country, not less than \$15. Cutters, \$4.05; in this country, \$14. Laborers, \$2.98; in this country, from \$7.50 to \$9. Wages vary some little, but this seems to be about the average, and to sum it up makes the wages in Germany about 33 cents to the 100 paid in the United States.

In Bremen, found on page 38 of Labor in Europe, wages are about the same as they give in Germany.

England in the character of its manufacturers and in the temper of its laborers approaches nearer to the United States than perhaps any other country. Its labor is better paid than any country in Europe. The glass interest of England has not been prosperous for many years, and very large quantities of glass are imported from Belgium, Bohemia, Germany, and France into England. The English workmen by their labor unions have limited the production and controlled the business in such a way that it has not made the progress or improvement that it has done in Continental Europe. And while the business has grown in Belgium and other places, it has decreased in England. At one of the meetings held by a trade's union recently, one of the speakers lamented the fact that the very glass they drank out of at their gathering was imported, and that the publicans of England in some districts united together and bought a case of goods and divided them, and could afford to do so, as they were so much cheaper than the goods of English manufacture. The present wages paid in England are as 50 cents to \$1 paid in the United States. The average wages for unskilled laborers, porters, etc., as reported on page 178, is \$4.70 per week. The same proportions held out in the skilled labor would give the proportion about on that basis.

We believe a thorough investigation would demonstrate that there is still greater difference than is even shown by these figures, and if the tariff were reduced it would not be a very great while until there would be complete stagnation in this country among the manufacturers of glass, and ultimately the workers in this country would have to work for a very slight advance over the wages paid in Europe. Our people are well fed, well clothed, have comfortable homes, with even some of the luxuries of life, and we believe the best interest of our branch of the business will be amended by increasing the duty so that we may be able to control and manufacture all the articles of glass that are required in this country.

To show the advantage that the glass manufacturer in Europe has over one in this country, in the question of wages, I will illustrate by the operations of a glass works in Pennsylvania during the year 1889. The works produced during the year \$314,000; the wages paid in the said factory amounted to \$199,321.36. In Bohemia the same product would have cost, for labor in the glass factory, \$49,880.34; in Germany or Belgium, \$66,440.12; in England, \$99,660.65. It is natural to suppose that the materials used in glass making, fuel, etc., are proportionately as much cheaper as the labor; that is a question in which I have no experience, but the labor used in producing materials must be on the same basis as that which produces the manufactured article. But taking it on the basis of the same cost for material, the same amount of goods that cost in Pennsylvania \$314,000 to produce, would have cost in Bohemia \$164,558.98; in Belgium or Germany, \$181,118.76; in England, \$214,339.32. To enable us to produce all these goods in this country, on the basis of wages alone, we ought to have a duty on English goods of not less than 60 per cent; on Belgium or German goods 80 per cent., and on Bohemian goods not less than 100 per cent. What we ask you to do is to make a duty equal to about 60 per centum ad valorem on all the grades of goods covered by the schedule we send you. It does not begin to cover the difference in the cost of manufacture between Europe and this country, as I think I have demonstrated by the figures given. The manufacturer, to produce the amount of goods stated in Pennsylvania, has over \$200,000 capital invested, and did not make a very large percentage on the amount of the business for the year.

PROPOSED TARIFF SCHEDULE PRESENTED BY THE COMMITTEE OF THE FLINT AND LIME GLASS MANUFACTURERS' ASSOCIATION OF THE UNITED STATES. PER MR. JAMES GILINDER.

Flint and lime pressed glassware, not cut, engraved, painted, etched, decorated, colored, printed, stained, silvered, or gilded, 10 cents per dozen and 35 per centum ad valorem.

All articles of glass, cut, engraved, painted, colored, printed, stained, decorated, silvered, or gilded, not including plate-glass silvered, or looking-glass plates, 10 cents per pound and 50 per centum ad valorem.

Chemical glassware: Thin blown glass, blown with or without a mold, and all other manufactures of glass, or of which glass shall be the component material of chief value, not especially enumerated or provided for in this act, 25 cents per dozen, and 50 per centum ad valorem.

Heavy blown glass: Blown with or without a mold, finished or unfinished, 10 cents per pound and 45 per centum ad valorem.

Porcelain or Opal glassware, 7 inches, either diameter or height, or less, 25 cents per dozen. More than 7 inches, including 10 inches, 50 cents per dozen. All over 10 inches, 75 cents per dozen and 50 per centum ad valorem on all sizes.

COMMUNICATION OF JAMES GILLINDER, OF GILLINDER & SONS, PHILADELPHIA.

The Committee of Ways and Means, House of Representatives :

GENTLEMEN: In appearing before you to represent the glass interests, in which we are directly interested, we desire to say at the beginning that all we ask of the Committee, in preparing this portion of the bill that you propose to present to the House, is that you shall give us a rate of protection equal to the difference in wages paid between European countries and our own.

There is probably no branch of business in which the item of labor is so directly traceable as in ours. The manufacturer of glass pays from 60 to 90 per cent. of the cost of the manufactured articles to the workmen direct, the remaining part is spent for materials, with the exception of what little margin of profit there may be in its manufacture.

Some of the materials used in the making of glass pay a tariff duty of from 20 to 75 per cent., and we do not think any article we use ought to pay a higher tariff than the manufactured product. Potash pays a duty of 20 per cent., soda ash 25 cents per 100 pounds, or equal to 33 per cent. of the cost at point of shipment. Litharge, or red lead, which is used in the making of fine glass, pays a duty of 3 cents per pound, on a cost of 4 cents in England, equals 75 per centum ad valorem. We find on referring to pages 41 and 42 of the Annual Report of the Chief of the Bureau of Statistics in regard to imported merchandise, that the average duty on glassware during the year 1888 was 62.16 per cent. This took in all the different grades of glass from the lowest product to that which required the highest skill and the most costly labor to make.

We claim that the interest we represent makes the glass that costs the most to produce, both for labor and material, of any of the different kinds of glassware imported, and yet the duty is below the average, and is but 45 per cent., and 40 per cent., against 75.27 per cent. for colored green and colored glass bottles, the cheapest and most common kind of glass imported. In view of this fact, and that a considerable amount of the glass imported in our line are articles of luxury, largely used by the rich, we think it only fair that in re-arranging the tariff our line should be put on its proper basis.

There is a vast difference between the cost of labor in Europe, in the glass manufacturing districts, and in our own country, and in many instances the articles cost less on board, packing included, than we pay the workmen here for the labor alone of making the article in the glass factory. Take, for instance, 10-inch ring top dome shades, opal, which are largely imported; they cost, free on board, at point of shipment, packing included, \$1 per dozen; we must pay, according to the rates we are now paying, \$1.05 per dozen for labor to produce an article of similar kind. Their labor does not cost them more than 33 cents. Student chimneys, which are largely imported into the United States, are sold at point of shipment for 10 cents per dozen; the labor in our factories for a similar article does not cost less than 20 cents. Smoke bells, opal glass, are imported very largely into this country, and cost at point of shipment: 3-inch, 24 cents—our labor costs 27 cents; 6-inch, 43 cents—our labor costs 51 cents; 7-inch, 48 cents—our labor costs 56 cents; 8-inch, 60 cents—our labor costs 65 cents; 10-inch ring top shades, opal, their cost at point of shipment 96 cents—our labor costs 95 cents. The wages paid where these goods are made are very low, not more than one-third of what is paid in this country. The result is that that they can import large quantities of these goods at such prices that it is impossible for us to compete with them. We do not think for this class of goods our men are overpaid. We do not think they average more than nine months' work in the year.

We therefore ask that in addition to the present rate of duty that you put a specific duty on all these articles in addition to the ad valorem duty, not asking so much as the difference in wages, but as per inclosed paragraphs, which we believe would enable us to make them in this country to a much larger extent than we now do, and would give more employment to the workmen engaged in that branch of the trade. On pressed glassware you will notice we do not ask any special increase, simply asking that you will reduce the present ad valorem duty to 35 per cent. and add 10 cents per dozen.

On articles of glass cut, engraved, painted, colored, printed, stained, decorated,

silvered, or gilded, not including plate glass silvered or looking-glass plates, we ask 10 cents per pound and 50 per centum ad valorem. This is a very large increase over the present rate of duty, and one which we think ought to be made, because the items covered by this paragraph are largely used by the rich, require skilled artisans, and it is certainly the interest of the people employed in this country that these goods should be made here. We have the materials for making the best glass in the world. Our sand is equal if not better than any used in the making of glass anywhere, and yet it costs us a great deal more than in Europe, and a very good article of sand has been shipped to this country as ballast and delivered here at \$1.25 per ton, while sand of a similar quality here can not be furnished to the manufacturer at less than double the price, and the very best grades of sand costs four times as much as the same material in France, where the sands are got for the fine glass produced in England.

A proper degree of protection would give a very great development to this branch of the business. This we can illustrate by the increase of duty put upon the finer kinds of earthenware, china decorated, etc., by the tariff of 1883. Since that period the production of fine china, porcelain, parian, and bisque ware has been very largely increased and great advancement made in the art. There has never been a period in our history when so many beautiful articles in this class of goods have been made as at the present, and we think it is very largely owing to the fact that the duty was put high enough to enable the American manufacturer to devote his energies to the finer production of such goods.

We think we are fully entitled to as much duty as the class of goods mentioned, which, by reference, you will find is 60 per centum ad valorem. Chemical glassware, thin blown glass, blown with or without a mold, and all other manufactures of glass we ask for a duty of 25 cents per dozen and 50 per centum ad valorem. This class of goods requires skilled workmen and ought to be cultivated, so that it may be made in this country. It is made now to a limited extent, but the principal articles of chemical glassware are imported into this country, and it ought to be made the interest of American manufacturers to give more attention to it, so that we may not be dependent upon foreign countries for the articles needed by the chemist.

There are quite a large number of articles in this line that are small but that require specially skilled labor, and we name a specific duty of 25 cents per dozen and 50 per centum ad valorem.

The branch of the business which these paragraphs cover has not been very profitable during the past few years, and a number of glass manufacturers making the finer grades of glass have gone out of the business, being unable to make a profit. We mention the New England Glass Works, East Cambridge, which at one time was one of the largest concerns in the country, an incorporated company with a capital of \$500,000. The company finding the business unprofitable has ceased to exist, and the year before shutting down lost \$40,000. Their successors have removed to a cheaper point of production, but are now operating but one furnace, where four were operated before. The Boston Sandwich Glass Company, located at Sandwich, Mass., and the Meriden Flint Glass Company, of Meriden, Conn., have both retired from business, finding it unprofitable, and their plants are now idle.

We do not believe we have asked anything but what is perfectly just and right, in view of the relation of this branch to the other branches of the glass business, and under any circumstances we ought to have a protection at least equal to the average of that paid to the whole industry, which would not then be equal to the difference of the cost of labor in Europe and in this country.

STATEMENT OF MR. WILLIAM ELLIOTT SMITH.

Mr. WILLIAM ELLIOTT SMITH, of Alton, Ill., next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I am a glass manufacturer employing between 900 to 1,000 hands. I manufacture green and flint bottles, articles in general use throughout the country. It is an industry that is natural to the country. The only reason we ask protection is on account of the rates of wages. We have thought that a small increase would be reasonable. In regard to the industry being a natural one, I will say that I represent some one hundred and eighty-five flint and glass factories, which are scattered over the United States from New York to the Pacific coast, not only in the North but in the South, there being factories in West Virginia, Kentucky, Alabama, Georgia, and Mississippi. It is an industry that is constantly spreading. The materials for its manufacture are found in abundance in every State in the Union. We have as cheap sand and coal and lime and lumber as there is on the face of the earth; but we get that lime from the quarry, mine it and dry it, and we have to take it to the factory. The labor on it is about 20 per cent. of the cost of our product.

The CHAIRMAN. Twenty per cent. of the cost is outside of the factory?

Mr. SMITH. Yes, sir; 60 per cent. is paid directly at the factory so that 80 to 85 per cent. of the selling price is represented by labor. As to the per cent. of labor in this country and in Germany, our best plan would be to refer to the census reports. The reports made in 1855 show we pay skilled labor \$4 to \$5, and the Germans pay 90 cents to \$1.25. To our unskilled labor we paid \$1.25 and the Germans paid 35 to 50 cents. We paid boys 50 cents, and the Germans paid 10 to 15 cents a day. We are asking but a small increase. The duty at present is 1 cent a pound.

Mr. McKENNA. How does the German manufacturer's profit compare with the profit made in the United States?

Mr. SMITH. I have no facts to base an opinion upon, but in 1858 I went to Germany myself, and in making a careful comparison of my cost with the cost of the German manufacturer and the per cent. he made, I should be very willing to exchange places with him.

Mr. LAFOLLETTE. What is the result of your observation as to the comparative efficiency of labor in those factories?

Mr. SMITH. Their workmen are more careful than ours. They work more slowly. They make a better article than we make. We have as fast workmen as there are in the world, but our American hurry and aggressiveness show in their work and we in endeavoring to excel one another in a day's work do not get as good a result, and oftentimes sacrifice everything to a little speed. In order to cheapen the product, we are losing sight of the importance of finer quality. The Germans work slowly and will produce a finer average quality of bottles than we do.

Mr. GEAR. It is more on account of his methods than his skill?

Mr. SMITH. Yes, sir.

Mr. FLOWER. The product to each individual man is not so great in that country as here?

Mr. SMITH. No sir.

Mr. SMITH. While I was in Germany I found out the cost of the German ware. In order to do that I bought 500 gross. Our cost of blowing this bottle is 53 cents gross. I bought that in Berlin at 30 marks, which is 44 cents gross. We figure by the gross and the Germans figure by the hundred. That bottle runs 9 pounds to the gross. That would make 53 cents, making the cost of the bottle exactly what we pay the blower simply for blowing the bottle. I have also a small stopper for which I paid 25 cents a gross in Germany. That stopper represents to me a cost of 35 cents a gross.

Mr. BRECKINRIDGE. What are these bottles worth now?

Mr. SMITH. It would be impossible for me to tell you. By the present revenue law, I find that on ginger-ale bottles a duty shall be collected on the bottles and contents. But under the law *apolinaris* water could be imported free.

STATEMENT OF MR. W. J. SMITH.

Mr. W. J. SMITH, president of the American Flint Glass Workers' Union of Pittsburgh, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, your time has been occupied very largely by glass this afternoon, and I want to transgress on it enough to call your attention to a few impressions that I think were created here this afternoon that are false. One of the gentlemen stated that the workers' association required its members to work not less than eight hours per day or forty-four hours per week, although the week's output can be made in thirty-five. Nine hours of the forty-four, the gentleman claims is waste time, which would enable him to compete against the world in manufacturing chimneys if permitted to utilize it.

We admit that the workers' association requires its members to work not less than eight hours per day, but we want to go upon record as saying that the statement regarding the time alleged to be wasted can not be verified. Thirty-five hours per week means six hours and twenty-two minutes per day. While it is true that in some houses workers may be able to produce more rapidly than in others, yet it is not true that in any one of them under the most favorable conditions they can uniformly make the day's output in six hours and twenty-two minutes. The most rapid workmen under favorable conditions may occasionally make their day's work in the time claimed, but the average time required to make the day's output by the mass of the workers, including even the most rapid workmen, would run nearer eight hours.

But I take exception to the gentleman's conclusion that, if permitted to utilize the time alleged to be wasted, he could compete against the world in the manufacture of chimneys. I shall now quote the gentleman against himself to show that it would be next to an impossibility to sell the product of the United States at prices that

would enable it to compete against the foreign-made product, making allowance even for the gentleman's claim of wastage. I have a paper here, a tabulated statement, prepared by the gentleman who represents the house of Macbeth & Co., which was presented by him to the workers two or three years ago for the purpose of showing that, because of the cost at which foreign goods are laid down in the United States, duty paid, it was impossible for his house to compete on some particular chimneys. This paper was presented to the workers at their annual convention, and a reduction made in the cost of producing a number of chimneys. Last winter, at our request, the gentleman added some new information to this paper, the purpose being to aid the manufacturers and workers in preparing a statement to be presented to the Senate Finance Committee. I shall make the comparison on the student chimney, to which your attention has already been called. I consult the paper presented by the gentleman and I find the following items: Cost of shop labor, which includes the higher skilled labor, $15\frac{1}{2}$ cents per dozen. For grinding, cutting, and glazing, 5 cents per dozen. Cost of glass and other labor, 12 cents. I omit from my calculation that portion of the last item that relates to other labor and consider only the cost of the glass. The gentleman will not claim that the cost of his glass is less than $2\frac{1}{2}$ cents per pound. Since the student chimney weighs 3 pounds to the dozen, the cost of the glass for 1 dozen chimneys can not be less than $7\frac{1}{2}$ cents. Add this cost to the items already enumerated and the cost of manufacturing 1 dozen chimneys in the house represented by the gentleman as shown by himself, is in round numbers 28 cents. I am willing to grant for the sake of the argument that if he could get his men to work as he suggests, he would get 12 per cent of an increase out of them in product, which would be equivalent to reducing the wages. Deducting 12 per cent from the cost as already shown would still leave the gentleman's cost 25 cents.

The CHAIRMAN. As against how much on the other side?

Mr. SMITH. Fourteen to 16 cents laid down in the city of Pittsburgh, duty paid, as shown by the gentleman's figures of last winter. Lest there may be some doubt as to the ability of the importers to sell at these figures I desire to present some information obtained from another partner in the house of Macbeth & Co. This gentleman who went abroad for the purpose of gathering information regarding the cost of the foreign product, assures me that the cost of labor in the German states, whence the bulk of these goods is imported, is one-third that in the United States. Since the cost of labor per dozen at home has been shown to be $20\frac{1}{2}$ cents, the cost of the corresponding labor in the German states would be $6\frac{2}{3}$ cents. Mr. Macbeth has stated that the cost of glass abroad is one-half that of the United States. The cost of glass for 1 dozen chimneys as previously shown is $7\frac{1}{2}$ cents. Add one half of this to the item for labor already stated, and the cost of the German chimney is shown to be $10\frac{1}{2}$ cents per dozen.

The difference in the quality of goods is not so great as to overcome the difference in the cost of labor between foreign and home-made goods, and as an American workman I am forced to admit that some of the chimneys brought over from foreign countries are not inferior to the goods produced in this country. Much of the industry that produces this class of goods in the United States received its instructions abroad, and is not inferior to the labor instructed in this country.

What has been said regarding Mr. McBeth's statement in the matter of wastage of time by his workers will apply equally well to his other statement that with free raw materials he can compete against the world. We have already shown the cost of producing 1 dozen chimneys in a home factory to be $20\frac{1}{2}$ cents. Let us now say that if Mr. Macbeth's materials cost him nothing, he still pays $20\frac{1}{2}$ cents per dozen for his chimneys. Against this cost there still stands the competing foreign product at $10\frac{1}{2}$ cents per dozen, which with duty added would still give the importer an advantage great enough to undersell the American product.

There seems to have been some hesitation about giving the retail price of these chimneys. While I am in a position that would perhaps enable me to get my chimneys free of cost, I pay for them 5 cents for No. 1, and 8 cents for No. 2, and I have paid these prices as far back as my recollection runs.

Mr. FLOWER. These chimneys in all glass-houses are made a leading article, I suppose?

Mr. SMITH. There are about twelve, or perhaps sixteen houses that make a specialty of such goods.

Mr. FLOWER. I understood one gentleman to say that one class of these chimneys sold for less than the cost for manufacturing them.

Mr. SMITH. I want to give the committee some information regarding the cost of labor on these goods at the present time as compared with war times. I think it is safe to state that the cost of labor is about the same to-day as during war times.

Mr. BAYNE. Do you mean it cost about the same during war times? You do not mean on a gold basis? Wages were constantly rising if you consider the gold basis.

Mr. GEAR. Are you in favor of a reduction?

Mr. SMITH. I certainly am not.

Mr. GEAR. What would be the result if we gave you no protection?

Mr. SMITH. In that event we would be compelled to accept the situation.

Mr. GEAR. What would be the effect of a reduction in duty?

Mr. SMITH. It would effect a reduction of wages, I think.

Mr. McMILLIN. Does your principal competition come from England, Germany, or France?

Mr. SMITH. From the German states. I have been assured that labor in the German states costs about one-third of that of the United States. It is higher in France than in Germany, and higher in England than it is in France.

Mr. Smith presented the following communication:

AMERICAN FLINT-GLASS WORKERS' UNION,
Pittsburg, Pa., December 29, 1889.

To the Members of the Ways and Means Committee of the House of Representatives:

GENTS: As the flint-glass manufacturers have appeared before you to present their statement touching the subject of duties of flint glassware, we shall not occupy any more of your time by verbal statements in relation to this subject, but we respectfully submit this paper as embodying the thought of the workers regarding the condition of the flint-glass trade, the causes thereof, and the necessity for governmental relief. While the consumption of flint-glass generally has been increased by being adapted to new uses, and by the increase of population, yet is a fact that the manufacture of fine blown, cut, and engraved goods has not shared the increase, but has, on the contrary, been diminished.

Houses that were engaged extensively in the manufacture of such goods a few years ago have ceased entirely to operate, or have ceased to operate on fine-blown goods, or, if still engaged in their manufacture, are operating less extensively and less continuously than formerly.

The results of this condition have fallen heaviest upon the workers. Notwithstanding their efforts to improve their condition by lessening the cost of the fine-blown products, their average weekly earnings have been gradually reduced by frequent loss of time until they barely afford a subsistence.

The principal cause of this deplorable condition is to be found in the excessive quantity of foreign made goods annually imported into the United States.

The report of the Treasury Department for the year of 1889, shows the value of "all other" glassware imported into the United States for the year ending June 30, 1889, to have been \$2,238,903. The language "all other" we take to apply particularly to fine-blown goods.

In this reported value of imports charges for packages, packing, brokerage, consular fees, inland freights, and shipping charges, which add to the cost of the goods, cut no figure. These, if added to the reported value of the imports, would make their value considerably greater.

We recently saw an invoice of goods in which the value set down at the place of production was \$739, yet which cost, when laid down at their final destination in the United States, \$1,269. Accepting this statement as a basis for calculating the real value of the imports in the United States markets, we find the value of the imports to be, all charges considered, \$3,844,611, representing a greater volume of business than is done in fine blown goods by nearly all the United States houses combined.

The causes that enable so much foreign glassware to be imported into the United States to the detriment of the home industry are the cheaper labor of foreign countries and the inadequacy of the duty levied on the goods.

From the most reliable data obtainable on the subject the cost of labor in the German states whence the bulk of these goods is imported may be set down at one-third of the cost in the United States, that of Great Britain at five-eighths, and that of France at a medium between that of the German states and that of Great Britain.

This vast difference in the cost of labor between foreign countries and the United States makes it almost impossible for the home product to compete against foreign-made goods in the markets of the United States under the present duty.

To show the disadvantage against which the home product must compete, we present herewith a table showing the approximate cost of manufacturing certain goods and the prices at which competing foreign goods have been laid down in New York, duty paid.

[Cost per dozen.]

	Home manu- facture.	Foreign goods laid down in New York, duty paid.
10-inch ring-top cone shade, opal.....	\$1.74	\$1.25
10-inch ring-top dome shade, opal.....	1.97	1.50
10-inch ring-top dome shade, corrugated.....	2.07	2.00
14 inch ring-top dome shade, opal.....	2.43	2.50
6-inch ring-top flat shade, opal.....	.88	.70
9 inch ring-top flat shade, opal.....	1.19	.85
10 inch ring-top flat shade, opal.....	1.28	.85
9 inch ring-top incandescent shade, opal.....	1.16	.85
10-inch ring-top incandescent shade, opal.....	1.28	.85
7-inch ring-top smoke shade, opal.....	1.29	1.00
7½ by 5-inch squat globes, opal.....	1.21	.88
7½ by 5-inch squat globes, crystal.....	1.14	.58
8 by 5-inch crown globes, crystal.....	1.59	.97
Light whisky tumbler, blown.....	.28	.21
Light champagne tumbler, blown.....	.28	.26
Light ale tumbler, blown.....	.35	.38
Light table tumbler, blown.....	.35	.34
<i>Chimneys, light blown, top and bottom ground.</i>		
No. 2 student.....	.30	.15
7-inch gas.....	.36	.16
No. 3 Moehring argand.....	.35	.20
9-inch duplex.....	.47	.32
No. 3 dual.....	.46	.32
No 2 Rochester.....	.46	.32
Hickok.....	.44	.32
Nummeg.....	.21	.08

To give the home product an equal chance to compete in United States markets against the foreign product, we think the duty on foreign-made goods should be increased.

We favor a specific duty for the following reasons:

Under the ad valorem system valuations are subject to fraud, error of judgment, and collusion, and can not therefore be always accurate.

Goods may be falsely invoiced, and the appraiser, having little or no knowledge of the cost of production, can not detect the cheat. To call in importers to aid make the appraisement upon the principle that one importer can watch another, can not improve the system much, since all importers being interested in getting goods in cheap, and knowing the other fellow may be called upon to appraise their goods, there is a temptation to undervalue, on the principle that one good turn begets another.

The labor of foreign countries being generally in an unorganized state it is subject to fluctuation in cost, which would make the duty under the ad valorem system an uncertain quantity.

In the haste with which we were compelled to come here prevented us from suggesting a list of specific duties that would afford protection to United States goods. We therefore recommend the adoption of the rates proposed by the

STATEMENT OF MR. L. ARRINGTON.

Mr. L. ARRINGTON, of Massillon, Ohio, appeared before the committee. He said:

Mr. Chairman and gentlemen of the committee, I am here representing the Green-Glass Blowers' Association of the United States. I am representing the interest of the workingmen. On account of the difference in wages in this country and in Europe I am satisfied it is necessary for us to have a protective tariff to protect us in wages. In Germany a glass-blower receives 4½ cents a dozen. In New York, Philadelphia, and Baltimore a blower gets 15 cents a dozen. There is annually about \$700,000 worth of glassware imported into this country. It is principally green and amber glassware. During the last two years, in San Francisco alone, there were over \$200,000 worth imported into that port. Just prior to the war we had four glass factories on the Pacific coast. Now we can hardly run one.

Mr. McMILLIN. When did they cease running?

Mr. ARRINGTON. Immediately after the war. Now they hardly run one, because they can not get any orders. All the large contracts come from Germany.

The CHAIRMAN. If we take the duty off raw material and leave it on the finished product would it help you any?

Mr. ARRINGTON. The duty on raw material does not amount to anything.

The CHAIRMAN. Suppose they took the duty off the finished product?

Mr. ARRINGTON. We would then have to resort to a reduction of wages.

Mr. McMILLIN. Is it your experience, and the experience of those associated with you, that your severest competition comes from Germany?

Mr. ARRINGTON. Yes, sir. In America a teaser is paid \$24 a week; in Germany they get \$8 to \$10 a month. Take all these things into consideration. In late years new manufactories of bottles have been started in Germany, and they work seven days a week. They come in competition with us. Another question in regard to the difference of wages in England, France, and Germany, is that England is a free-trade country, and the other two are not. This has been commented upon. There are certain conditions you must take into consideration. The workingman in England is thoroughly organized, and also somewhat in France, but in Germany he is not. We are organized here and we get better wages.

Mr. McMILLIN. How is it that organization and protection in France does not help them as it does in England?

Mr. ARRINGTON. It is nearly the same in France.

STATEMENT OF MR. D. C. RIPLEY.

Mr. D. C. RIPLEY, of Pittsburgh, president of the Manufacturers' Association, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I want to say a few words in relation to cut glassware and plain white-glass shades. Here is a Vienna lamp shade, commonly used on a student lamp [indicating] that is worth 60 cents a dozen. To-day there is not one of those shades made in this country.

Mr. BURROWS. Why not?

Mr. RIPLEY. Because we can not make them.

Mr. BURROWS. Why can we not make them?

Mr. RIPLEY. We can not compete with them and sell them at 60 cents a dozen. Here is another article [indicating] called a 10-inch dome shade. The importer sells that shade here at \$1.25 a dozen. Our cost of material and labor on that shade would be about \$2.05 a dozen.

Mr. MCKENNA. What is the retail price.

Mr. RIPLEY. Fifty cents. Here is a tumbler [indicating] made in Belgium that cost 45 cents. It sells at 50 cents a dozen here. It costs in the neighborhood of 50 cents to do the cutting on it alone in this country. Here is a plain whisky glass [indicating] that sells at 45 cents here. The importer's price is 34 cents a dozen. Our labor on it would cost us 47 cents.

Mr. MCKENNA. What is the retail price?

Mr. GILLANDER. The importer's price is 50 cents. Our price to manufacture that would be about 50 cents.

Mr. MCKENNA. Where are those made?

Mr. RIPLEY. In Belgium. The cost of cutting many articles in this country alone would be more money than it would cost us to buy them in Belgium and lay them down duty added. We think on this class of goods our labor should be protected.

Mr. BAYNE. Have you formulated any proposition?

Mr. RIPLEY. Yes, sir; it was presented by Mr. Gillander. What we ask is enough to let us manufacture these articles in this country.

Mr. McMILLIN. You ask an increase of 25 per cent. on the present rate of duty?

Mr. RIPLEY. That comes in under an ad valorem duty. We want 25 cents a dozen and 50 per cent. ad valorem. There is a difference in cut-glass ware, but the documents that go before the custom-house officers call it cut ware.

Mr. GEAR. Give us the reason why you want a specific duty.

Mr. RIPLEY. In order to prevent undervaluation.

Mr. McMILLIN. Does not an ad valorem and a specific rate attach to both, whether much or little?

Mr. RIPLEY. An ad valorem rate would catch them on prices which fluctuate and the specific would catch them on the article. Here is a water-bottle [indicating] that probably cost 50 cents each to make it; here is the same, cut, that is worth \$7 each. By a man spending more time on it, that bottle might be made worth \$20 or \$30. There is practically no end to the work that can be put on it. We want this industry protected in order to foster the making of a finer class of goods in this country.

Mr. McMILLIN. What would the rate of duty on that water-bottle be?

Mr. RIPLEY. Forty-five per cent. ad valorem on a valuation which is liable to fluctuate?

Mr. GEAR. How is that bottle cut?

Mr. RIPLEY. It is held on the edge of an iron wheel fed with sand and water. The next operation is cutting it with a stone fed with water, and the next is polishing it. It passes through the hands of several expert men, and the trouble is that a man may break it just as he has it finished, and perhaps there is three or four weeks' work gone.

Mr. BRECKINRIDGE. This increase suggested is mainly upon cut-glass goods?

Mr. RIPLEY. Yes, sir; cut goods and blown ware. We have now 45 per cent. on pressed ware which we have not needed heretofore, but there is no question that within a few years more we will need a higher rate than we have now, because the foreign manufacturers have come over here and bought presses and taken them over there, and they are going into the business of pressing.

NEW YORK, January 3, 1890.

Committee on Ways and Means, House of Representatives :

We herewith submit to you further statements pertaining to rough plate-glass, ground on both sides, which, owing to the limited time before adjournment of the hearing on the glass schedule, we were unable to fully state.

Referring to the point in question where Mr. King, representative of the Crystal City Plate Glass Company, demands a new classification at the specified duty of 40 cents per square foot for rough plate-glass, ground on both sides, we beg to call the attention of your committee that such a request is out of all reason, and a discrimination in favor of the western manufacturers against an infant industry in New York City, which has been recently gone into by ourselves, and will give employment to at least one hundred and fifty men, for the purpose of polishing a higher grade of plate-glass used for the purpose of silvering and mirror plates, and which are not made in this country.

Our present investment in this new enterprise consists of about \$95,000, and covers a plant of eleven city lots in New York City, corner Sixteenth street and Eleventh avenue.

Before starting this enterprise we made thorough inquiries from the appraisers of the port of New York, by submitting a sample of the rough glass, ground, and asked him what would be the proper classification and duty for this kind of glass. The United States examiner and expert, Mr. Levy, of this port, submitted this sample to the head of his department, who decided that this kind of glass was a manufacture of glass, under Schedule T. I., 143, and dutiable at 45 per cent. ad valorem.

On the strength of this assurance, we commenced the importation of this article on a very large scale, likewise did we contract for machinery and a long lease on our present premises, and commenced polishing of this plate glass, until a protest made by the Crystal City Plate Glass Company brought forth a decision from Secretary Windom, that this kind of glass shall pay the same duty as polished plate-glass.

Should your honorable committee decide that this glass shall be especially provided for, we ask that you thoroughly go into the merits of the case and satisfy yourselves as to the relative cost of grinding glass (the state we receive it in), and also that of polishing glass ready to that stage where it is commercially known as polished plate-glass.

To assist you in this matter I herewith submit to you the sworn statement of Mr. R. Brockman, manager of our works, who has the experience of forty years as a practical maker of plate-glass, and who has acted as manager in the works of De Pauw, at New Albany, Ind., and Standard Plate Glass Company, Butler, Pa.

From this statement you will see that no skilled labor is required in the manufacturing, grinding, and polishing of plate-glass; it is accomplished by the aid of machinery; and in grinding a machine will hold to advantage 400 square feet of glass, while a polishing machine can not be worked to an average holding more than 200 square feet at one turn. Allowing that it requires about the same amount of steam-power and the same number of men to operate and handle both machinery and glass, and that the grinding process can be accomplished in one hour shorter time than that of polishing, you will find that the exact cost of the two manipulations from the state of rough glass to be 25 per cent. for grinding and 75 per cent. for polishing.

Therefore, to do justice to both Western manufacturers of plate-glass and to ourselves, it will be impossible for you to tax this article of ground-plate glass on both sides at a higher rate than 25 per cent. of the specified duty of 50 cents per square foot for the finished article, viz., 12½ cents per square foot on all plates exceeding 24 by 60 inches in size.

Should your committee, however, decide that the creation of a specific duty for this article is impracticable on account that it is not an article of common use, and it never having been imported until we commenced polishing it, therefore being difficult to especially provide for, I would call your attention to the fact that the proper

duty for this kind of glass ought to be 2 cents per pound, as provided for in 1883 tariff, of fluted, rolled, or rough glass; and to do justice to both American manufacturers and American labor, a further taxation of 45 per cent. on the cost of grinding this article in a foreign country would protect our American labor and will enable us to further manufacturing of the same in the United States.

We find from our books that the average cost to us for polishing this glass to be 30 cents per square foot, which will demonstrate that, should your committee comply with the Crystal City Plate Glass Company's request of taxing this article at 40 cents per foot, it would be a direct discrimination against our industry of polishing a higher grade of plate glass for the manufacture of mirror plates in the United States, and force us out of business, unless you also advance the tax on polished plate-glass to 70 cents per foot, to correspond with the demand of 40 cents per foot made for rough glass ground.

Respectfully submitted,

MACKENZIE STORAGE AND MANUFACTURING COMPANY, LIMITED.

PHILLIP SEMMER, SR., *Vice President.*

STATE OF NEW YORK,

City and County of New York, ss :

I, Robert Brockman, a resident of New York City, a practical plate-glass maker of forty years' experience in England and America, sixteen of which has been spent as superintendent of De Pauw's Plate Glass Works, New Albany, Ind., and manager of the Standard Plate Glass Works at Butler, Pa., do declare that in the manufacturing of plate-glass the cost of grinding and polishing separately is 25 to 30 per cent. for grinding, and 70 to 75 per cent. for polishing.

This is explained from the fact that six grinding machines will grind sufficient glass to keep twelve polishing machines in full operation for the same period of time, and that each grinding and polishing machine requires a separate engine with about the same amount of steam-power and men to operate the same.

ROBERT BROCKMAN.

Subscribed and sworn to before me this 3d day of January, 1890.

CHRISTIAN ZABRISKIE,

Notary Public, Kings County, New York.

STATEMENT OF MR. GILBERT S. KING.

Mr. GILBERT S. KING next appeared before the committee. He said :

Mr. Chairman and gentlemen, I appear to represent the Crystal Plate Glass Company of St. Louis. Our plate-glass company made an elaborate statement before the Ways and Means Committee during the last Congress, and also before the Senate committee. Both the Senate bill and the Mills bill leave the duty on plate-glass as it exists to-day. We have nothing further to add. The matter, however, which I want to bring to the notice of the committee is the importation of partly-finished plate-glass. Parties are importing large-sized plate-glass polished on one side and smooth and finished on the other, and they were entering that as dutiable at 45 per cent. The matter was called to the attention of the Secretary of the Treasury, and he referred it to the full board of appraisers, and the appraisers decided that it should pay duty at the polished plate-glass rate. A decision was made that it should pay 50 cents. They then undertook to import glass smooth on both sides, which they entered as ground plate-glass, or as window-glass ground, at 45 cents. This matter was also brought to the attention of the Secretary, and he rendered another decision that it was plate-glass, and should pay 50 cents. The similitude clause formerly covered that fully, but now we ask you to name it as an article in your tariff bill.

VIEWS OF GEORGE W. BLAIR.

PITTSBURGH, PA., *January 16, 1890.*

DEAR SIR: As one of the committee representing the glass industry, I had hoped at our interview with you on the 31st ultimo to say a few words, but refrained from doing so, as you had accorded us so much time and such a patient hearing. Mr. Macbeth, a co-manufacturer, has taken the position of an absolute free-trader. His position is such an anomalous one that an interview with him published in one of

our papers was copied in the Eastern press and caused such surprise to some of our friends of the tariff league that they wrote to our people asking for some explanation. A reply has been published in the *Economist*, a copy of which I send you. His statements in the press and also before your committee were made in general terms and without definite figures or data by which you could form any correct conclusion.

In his claim that the duty on the raw materials exceeds the duty on the finished product he bases his conclusion on the assumption that the duty on lead makes that article cost him just that much more than it would do were the duty off. This assumption is entirely unwarranted by the facts in the case, as is shown in the published article referred to in the *Economist*.

Mr. Macbeth admitted to you that he could buy the American oxide of lead at \$4.90 per 100 pounds and that it was as good as the English oxide for his purposes, which has been selling at \$7.75 in our market. The difference in the price of the two amounts almost to the rate of duty, which on oxide of lead is 3 cents per pounds. In regard to pig lead I find the domestic pig lead is selling at \$3.90 in our market, whilst the English is selling at \$5.35. In this case there is a difference of \$1.45 per 100 pounds, whilst the duty on pig lead is 2 cents per pound. So admitting that were the duty off, and that he were to buy the English instead of the domestic lead, he would save scarcely anything on the oxide, and in the case of pig lead he would save only 55 cents per 100 pounds. Admitting, then, that we may possibly be injured to this extent, and counting the duty on pearl ash and soda ash, I can not, after the most careful estimate, find that the cost of the chimneys, such as he described before your committee, would be increased more than 1 cent per dozen. He estimates the increased cost at 3 to 4 cents. The fact is that the duty on the raw materials falls far below the duty on the finished product. A statement was made before your committee showing that on the cheapest kind of chimneys imported it amounted to 2.4 cents per dozen.

I call your attention to these matters because Mr. Macbeth laid so much stress on his claim that the duty on raw materials exceeded that of the duty on the finished product.

I would say that the house with which I am connected, Dithridge & Co., Fort Pitt Glass Works, is one of the oldest glass works in Pittsburgh, and has been making the class of goods that Macbeth makes for a much longer period than he has, although perhaps we do not make so many chimneys, owing to the fact that we make many other lines of goods as well, but I am quite familiar with the costs of the goods, and in verification of my statement as to the increased cost of such goods by reason of the duties on raw materials, I refer you to other large manufacturing concerns in the same line of business, such as Gill Bros. & Co., Steubenville, Ohio, and Gillinder & Sons, Philadelphia, Pa.

I will not trespass on your time further than to say that our reasons for asking the rates of duty as suggested in our schedule before you is on account of the difference in the cost of labor between that paid in our country and the same class of work in foreign countries. This has been fully dwelt on before your committee already and I need add nothing further except to say that we do not think our laborers are overpaid except perhaps in a few special instances.

We think, in fact, that this is the best reason in the world for our asking increased duty, so that we may be able to pay good wages to our workmen. We are thoroughly convinced that well-paid labor is the surest basis of continued prosperity in our country. By this means the workmen receive all the benefits they could receive by any other system of co-operation and thus avoid all the confusion and trouble that seem to be always occurring in co-operative institutions.

I send you by this mail a letter from Messrs. Dorfing & Co., of New York, who are largely engaged in the manufacture of fine cut ware. As it is very brief and embraces some of the points we want to bring before you, I would ask your consideration of the same.

I also send you copies of an English journal, the *Pottery Gazette*, of last year, and call your attention to the pages with numbers marked on the back of each volume, as you will there get some views on labor, etc., from an English point of view. You will see that the price of labor in the German states is about what we estimated it to be when before your committee.

I beg to remain, yours, respectfully,

GEO. W. BLAIR,
Secretary of Committee.

HON. WILLIAM MCKINLEY,
Chairman Ways and Means Committee.

GERMAN LOOKING GLASS.

GRAND RAPIDS FURNITURE MANUFACTURERS' ASSOCIATION,
Grand Rapids, Mich., December 28, 1889.

Resolved, by the Grand Rapids Furniture Manufacturers' Association in meeting assembled, That a memorial be immediately forwarded to the Committee on Ways and Means of the House of Representatives, at Washington, setting forth that the members of this association use at least \$300,000 worth of German looking-glass plates per annum, and most respectfully petition Congress to consider the present tariff on this article, and being informed that a pressure is about to be made to increase the present burdensome tariff now imposed on beveled German looking-glass plate, we most earnestly protest against any increase, and hereby petition your honorable body to withdraw entirely the present tariff on all German looking-glass plates, there being no industry in this country protected by its enforcement.

JNO. A. COVODE,
President Grand Rapids Furniture Manufacturers' Association.
H. D. C. VAN ASMUS,
Secretary Grand Rapids Furniture Manufacturers' Association.

NATIONAL FURNITURE MANUFACTURERS' ASSOCIATION,
Grand Rapids, Mich., December 28, 1889.

The honorable Committee of Ways and Means of the House of Representatives:

The furniture manufacturers of the United States represent one of the most important industries in this country.

They are employing fully 100,000 men and producing \$125,000,000 worth of goods annually.

We can manufacture furniture cheaper than it can be produced in any other country.

Our exports last year amounted to nearly \$3,000,000, standing sixth in the list of manufactured articles, and under more favorable conditions this amount could have been increased ten-fold.

We neither need nor ask for protection, but we do ask that articles we are compelled to import, that are necessary in the manufacture of our goods, shall not be made to pay higher rates of duties than are now assessed against them. Thin mirrors, known in the trade as German looking-glass plates, are not and never have been made in this country, the tax now levied on them is not necessary as a matter of protection, and the additional 10 per cent. ad valorem provided for beveled plates in the Senate bill of last year is wholly inexcusable and unwarranted.

In accordance with a resolution passed at the last meeting of this association, held in New York City, June 12 and 13, the officers were instructed to protest, in the name of the furniture manufacturers of the United States, against any additional tax being placed on looking-glass plates.

We also respectfully request that in the new tariff bill you will provide that mahogany and other fine cabinet woods may be imported, sawed into planks or boards, at a duty of not to exceed \$2 per 1,000 superficial feet.

Respectfully,

NATIONAL FURNITURE MANUFACTURERS' ASSOCIATION.
CHAS. R. SLIGH,
President.
JOHN WIDDICOMB,
Secretary and Treasurer.

WINDOW GLASS.

STATEMENT OF J. A. CHAMBERS.

JEANNETTE, PA., January 3, 1890.

DEAR SIR: As per your request, I herewith send you the selling prices of window glass in 1857, taken from the books of A. & D. H. Chambers; also the selling prices of window glass for 1889:

October, 1857.		October, 1889.	
	<i>Per box.</i>		<i>Per box.</i>
8 x 10.....	\$1.94	8 x 10.....	\$1.50
9 x 12.....	2.16	9 x 12.....	1.50
10 x 12.....	2.16	10 x 12.....	1.50
10 x 14.....	2.39	10 x 14.....	1.50
10 x 16.....	2.47	10 x 16.....	1.80
12 x 18.....	2.70	12 x 18.....	1.80
12 x 20.....	2.92	12 x 20.....	1.80

If there is any further information that I can give you I will be glad to do so. You will notice the prices are much lower to-day with what our Democratic friends are pleased to call a prohibitory tariff than they were with practically no tariff, as was the case in 1857.

Yours truly,

J. A. CHAMBERS,

President Chambers and McKee Glass Company.

Hon. JOHN H. GEAR,
Washington, D. C.

STATEMENT OF JAMES CAMPBELL.

Mr. JAMES CAMPBELL, of Pittsburgh, Pa., next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I come here representing the window glass industry, and we ask that the tariff of 1882 be restored with an additional bracket. The tariff schedule to-day on window glass runs 10 by 15, 16 by 24, 24 by 30, and above 24 by 30 it is four brackets. When that tariff schedule was adopted in 1842, there was no window glass made above 8 by 10. They are now making cylinders as large as 50 by 70 and larger, and the schedule that would apply then would not apply now. Since the tariff of 1883 we have had less work in this country, and the importation has increased very largely, and it is increasing largely in the largest sizes. You will see here by the report of the imported merchandise for 1887 in the first bracket there was 14,117,875 pounds. In the highest bracket (I will only quote two brackets) the importation was 17,608,435 pounds. In 1888 the import of the first bracket was 13,877,515 pounds. You see there is a reduction in the first bracket. In the highest bracket there was imported 21,799,662 pounds. You see there is quite an increase in the largest size. The total importation of 1887 was 61,627,948 pounds, while in 1888 it was 70,513,836.51 pounds. So you see the increase was very large. If we fix another bracket to the present schedule it will be an advantage to the manufacturers as well as to the workmen in this country.

Now, I made a visit to Europe in August and September, 1888, and I made a thorough examination of the work done over there; and I tried to get the cost of the material as near as I possibly could and the cost of labor of all kinds. The cost of material over there is much cheaper with the exception of coal. Coal in Belgium is probably about as dear to the manufacturers as it is in this country. The labor there, skilled and unskilled, is much lower than it is in this country—very much. I will state to the committee that the largest competitor we have is Belgium, and the Belgium glass is known in this country as French glass. There is not much glass that comes from France to this country; but it comes from Belgium. In Belgium they work on Sunday. They have no regard for Sunday, and they work the same as we do on a week day in this country. Consequently that makes a larger manufacture. If there is any reduction at all we will have to stand a reduction in wages. In England I visited some works which were very large exporters to this country. I found the difference in wages there as about equal to the difference in wages in Belgium, and the cost of material there is much cheaper than it is in this country, and as I stated in the beginning, since the reduction of the tariff of 1883 the importation has increased very largely, and we have not had full work since that time.

Cost of material in same places.

[2,240 pounds per ton.]

	Plank Lane, England.	Sunderland, England.	Pittsburgh, America.
Sand.....per ton..	\$1.20	\$1.20	\$2.50
Salt cake.....do....	7.80	7.80	15.00
Coal.....do....	1.02	.84	1.50
Arsenic.....do....	60.00	60.00	71.25
Chalk, instead of lime.....do....		1.00	.....
Limestone.....do....	2.26	.....	3.30

In Belgium blowers' wages are a little higher than in England. All the other labor is much lower, which makes the cost of a box of glass cheaper in Belgium than in England.

JAMES CAMPBELL,
President of Window-Glass Workers' Association.

STATEMENT OF A. M. HAMMETT.

Mr. A. M. HAMMETT, of Pittsburgh, Pa., next appeared before the committee.

Mr. BAYNE. What is your place of residence?

Mr. HAMMETT. Pittsburgh.

Mr. BAYNE. What is your avocation?

Mr. HAMMETT. I am a glass-cutter by occupation. One reason we ask for a restoration of the tariff of 1883 is simply this: After the tariff of 1883 was passed we suffered a reduction of 20 per cent. in wages, and upon the large sizes we suffered a reduction of 50 per cent. If the gentlemen will take occasion to look at this price-list, coming from the manufacturers, you will find that in the large sizes—the extra large sizes—we had to put in three lights.

Mr. BURROWS. What industry do you speak of?

Mr. HAMMETT. Window glass. With the sizes they changed the number of lights, and they put in three more, making a reduction of 50 per cent. Now, another point why we ask a restoration of this is simply this, that in these large sizes they have more than 100 feet in them. For instance, 50 by 80 in 100-foot glass, there will be in three lights, 166 feet. That comes in under what is known as a box of 50 feet, while there is more in it. Now, we would ask that instead of having it on the commercial box of glass we have it on the actual weight; that the basis be fixed upon the actual weight of the glass. In the tariff of 1883 not only was there a reduction of price, but there was a reduction of weight. The single size was reduced from 60 to 55, and the double 90 to 80. We are satisfied that this does not cover the weight of glass in these boxes, and we believe in all fairness to all parties if the matter was fixed upon the actual weight of the glass that it would be fairer to everybody. You will see here if you will look at that list in 1883, prior—

Mr. McMILLIN. What is the present rate of duty on that grade of glass—what per cent.?

Mr. HAMMETT. I think the rate is $2\frac{1}{4}$ cents a pound.

Mr. McMILLIN. About what per cent.?

Mr. HAMMETT. I could not say that.

Mr. McMILLIN. What does it sell at a pound in this market?

Mr. HAMMETT. It is not sold by the pound.

Mr. McMILLIN. What increase would this be in the present rate of duty?

Mr. HAMMETT. It would be one-eighth of a cent a pound to restore the old tariff, and the difference in the reduction of weight is about 10 per cent.

Mr. McMILLIN. That would be about 10 per cent. more?

Mr. HAMMETT. Yes, sir.

Mr. McMILLIN. It was one-eighth of a cent a pound and 10 per cent. added to the present rate of duty?

Mr. HAMMETT. Yes, sir.

Mr. BAYNE. You leave the impression in answer to the question put by Mr. McMILLIN that the increase will be one-eighth per cent.?

Mr. HAMMETT. No; one-eighth of a cent per pound on each schedule.

Mr. BAYNE. And also 10 per cent. That is not correct.

Mr. HAMMETT. Yes, sir; 10 per cent. reduction was made in the weight. Now, the duty was formerly fixed upon single size, which was known commercially as 50 feet. The weight was reduced from 60 pounds to 55 on the single, and on the double

size from 90 to 80. We ask that that be restored and be fixed upon the actual weight of every one.

Mr. BAYNE. You do not desire an increase of one-eighth of a cent per pound and 10 per cent. additional?

Mr. HAMMETT. We simply want a restoration.

Mr. McMILLIN. The restoration will amount to 10 per cent.?

Mr. HAMMETT. Yes, sir.

Mr. BAYNE. That would restore the eighth of a cent a pound?

Mr. HAMMETT. It would restore the eighth of a cent a pound and the weight too. We would like to have it back just where it was before.

MINERAL WATER BOTTLES.

FALMOUTH FORESIDE, ME., *January 2, 1890.*

SIR: We request that your committee will take into prompt consideration the unjust discrimination that the present tariff makes against the owners of domestic mineral springs by admitting the bottles that contain foreign mineral waters at a duty of 30 per cent. ad valorem, while the same bottles, empty, are charged a duty of 1 cent per pound. This inconsistency of the tariff gives to the importer of foreign mineral waters a premium of not less than \$1.50 per gross for bringing into the United States foreign waters to compete with the domestic.

Respectfully,

THE UNDERWOOD CO.

The CHAIRMAN OF THE WAYS AND MEANS COMMITTEE.

STAINED GLASS.

STATEMENT OF S. M. ADAMS.

Mr. S. M. ADAMS, of No. 658 Broadway, New York, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I appear on behalf of the glass-setters of the United States, the men who furnish the stained glass windows for churches and public buildings. The difficulty with us is that the decision of the Attorney-General, concurred in by the Treasury Department, has set aside the duty of 45 per cent. as originally placed upon stained glass windows imported into the country. The result of that decision has been to wipe out our business. Nineteen-twentieths of the stained glass windows used in churches are imported and without paying 1 cent of duty. The decision of the Attorney-General as set forth by the Attorney-General calls them works of art. They are no more works of art than a handsome carpet. They are simply pieces of colored glass fastened together. They are not works of art in any sense. The Attorney-General has decided that they are works of art and they have been imported absolutely free of duty. The duty is 10 per cent. on works of art that are not presents to religious or educational institutions, yet by taking subscriptions among members of the church and dividing it up, say \$500 for this window and \$500 for that, it would be a present by this, that, and the other, and the consequence is the windows come in duty free.

The CHAIRMAN. Is that practically true of all importations of stained glass?

Mr. ADAMS. In regard to the importation of stained glass windows this is absolutely true. Now, we wish the law so fixed that a duty can be collected without the interference of any attorney-general, or anybody else. The only way we can see to do that is to say that no window costing less than \$5,000 shall be considered a work of art.

The CHAIRMAN. Have you a printed memorial there; do you make an explanation of just what you want?

Mr. ADAMS. No, sir; in the printed memorial we have not made the statement that any window shall not be admitted valued at less than \$5,000; but that is the only way I see out of it. The law was straight enough at 45 per cent., but the decision of the Attorney-General did away with that, and under that decision the importers have their agencies in New York—seventeen or eighteen of them—and they get nineteen-twentieths of the work done in the United States. It is a beautiful art, and we think we should do all this work here.

Mr. BURROWS. When was that decision made?

Mr. ADAMS. It was made in regard to a church in New York. Roscoe Conkling was the man who carried it through.

Mr. BURROWS. I speak of the decision of the Attorney-General?

Mr. ADAMS. It was in Mr. Conkling's time. He acted for the church and got the decision.

The CHAIRMAN. He represented the church before the Attorney-General?

Mr. ADAMS. Yes, sir; and since then the foreign importers have been increasing their business and decreasing ours.

MEMORIAL FROM GLASS-STAINERS.

The Committee on Ways and Means, House of Representatives :

The glass-stainers of the United States respectfully ask your consideration to the great injustice that is done to our business by the present tariff law.

Painted or stained glass windows are admitted free of duty if for presentation to a religious corporation, etc., providing such windows attain to the rank of a work of art.

All windows with figures or pictures represented on them, without any regard to their being the work of an artist, are classed as works of art by the appraisers, and admitted free of duty. The windows are sold for \$1.50 to \$6 per square foot.

On raw material, colored glass, we pay a duty of 30 to 60 per cent.; enamel colors 35 per cent., and also a duty on lead and iron, which is largely used in the work.

Labor in Europe is \$1.25 against \$3 per day here. Eight-tenths of the cost of this work is for labor, while the manufactured article is free of duty.

Stained glass we claim is an industrial and decorative work, an article of use and a manufacture, made by contract with the most favorable bidder.

We ask that the duty of 45 per cent. be placed upon all stained glass windows, to enable us to compete with the foreign manufacture. Eighteen-twentieths of the work is now taken to Europe to be done.

WM. GIBSON'S SONS, 142 East Thirty-third street, New York.

J. R. LAMB, 59 Carmine street, New York,

T. & JNO. MORGAN, 53 Bleeker street, New York,

Committee.

JOHN MORGAN, 53 Bleeker street, New York,

Secretary.

VIEWS OF WM. COULTER & SON.

CINCINNATI, *February 4, 1890.*

DEAR SIR: We inclose to you a petition from the firms in our business in this city. The petition explains itself and you can at a glance recognize the justice of what is asked.

The stained-glass industry is a rapidly increasing one in this country. It is absolutely necessary that a duty should be imposed upon the imported work. We have establishments in this country now that far excel anything in Europe, and must necessarily have the protection desired or be eventually crushed out. They can only turn out this most artistic class of work as a result of highest priced and skilled mechanics. As the world knows the relative scale of wages in the foreign countries and ours, hence the necessity of the protection asked.

We most earnestly ask that you give this matter some of your very valuable time and therefore place the petitioners under great obligation to you, and especially so.

Yours, most respectfully,

WM. COULTER & SON.

Hon. WM. MCKINLEY,
House of Representatives.

MEMORIAL FROM CINCINNATI.

To Hons. Benj. Butterworth and Jno. A. Caldwell, Representatives for First and Second Congressional districts of Ohio :

We, the undersigned, your constituents, respectfully urge upon you the necessity of protecting our industry in the present revision of the tariff laws.

In order to protect our industry, Congress imposed a tariff of 45 per cent. ad valorem on all painted and stained glass imported to this country (United States tariff laws, paragraphs 549-557).

This provision has been rendered absolutely nugatory by the decision of the Attorney-General (United States Treasury, decision No. 3142), who has decided that painted and stained glass windows may be ranked as works of art, and when entered for pre-presentation to religious corporations, etc., should be admitted free.

Under this decision our appraisers class all windows with representations of figures or pictures on them, as works of arts, without any regard to merit. This work is sold at \$1.50 to \$6 per square foot.

The relief we desire is that stained-glass windows should be classed as belonging to the decorative or industrial arts, and as articles of use, being a substitute only for the plainer window, and not as works of art.

If so classed and forever exempted from the free list, and the present tariff of 45 per cent. ad valorem continued, our industry will flourish and give employment to hundreds of designers, glass painters and lead workers.

Should this relief not be granted the future of our industry is at an end.

We can not compete with foreign work for the following reasons:

Wages in Europe, one-half what is paid in this country. Wages form eight-tenths of the cost of the work. We pay a duty on raw material and antique glass, 30 to 60 per cent. On enameled colors 35 per cent. and on lead, which enter largely in the manufacture of a window, a duty is also paid. With all these disadvantages against us, the finished article is allowed to come in free.

From the glass stainers of Cincinnati, Ohio.

WM. COULTER & SON,	Employing twenty men.
VOLLMER, TOMOOR & MARX,	Employing twenty-four men.
THE BOWEN ART STAINED GLASS WORKS,	Employing thirty men.
THE ARTISTIC GLASS PAINTING COMPANY,	Employing twenty-five men.

EARTHENWARE.

STATEMENT OF MR. JOHN MOSES.

MR. JOHN MOSES, of Trenton, N. J., appeared before the committee and read the following statement:

Mr. Chairman and gentlemen of the committee, in presenting the following facts on behalf of the potters of the United States we represent the interests not only of the manufacturers, but of the thousands immediately employed in the potteries and the very large additional number engaged in the mining and preparation of the materials.

We also can speak for the millions of consumers in this country to whom the development of this industry has cheapened the price at least 60 per cent. This is a fact that is capable of the most convincing proof, and establishes the fact that we have not been enemies, but friends of the consumer.

We desire to state a few reasons why an increase of duty should be made on china, porcelain, and earthen ware.

One reason is, because at least 90 per cent. of the entire cost of the goods is labor in some form, in the mining, preparation, and transport of the materials and in the work in the potteries; besides, the materials cost more here than in the countries with which we are obliged to compete, because of the higher price of labor generally. We assert as a clearly established fact, that we are paying over 100 per cent. more wages than our English competitors pay for the same work. Yet we pay no more for our skilled labor than is paid to other classes of mechanics in the same localities. The above fact was proved before the Tariff Commission, in spite of all the testimony to the contrary. (See Tariff Commission's report, page 14; also report of present consul at Tunstall, Mr. Schoenhof.)

To compensate for this difference in the price of labor, also the higher price of materials consequent upon the higher price of all labor in this country, we have a tariff of 55 per cent. on white and 60 per cent. on decorated wares.

With the duty taken off packages and all sorts of packing, foreign freights, shipping charges, etc., enables the manufacturers in Europe to send their goods in here at prices that are impossible successfully to compete with by our American manufacturers. The amounts deducted from the invoices for packing and packages under the present law run from 15 to 65 per cent. of the amount of the invoice, thus in some cases paying duty on only 35 per cent. of the cost of the goods.

Besides, since the passage of the tariff of 1883, an entirely new source of competition has been developed in cheap German china, which has been freely advertised at prices as low or lower than domestic or foreign earthenware.

This industry has never had its share of protection, because when the protective tariffs were made it was so very small that the idea of protection was not thought of. The apparent increase of duty in 1883 led, as we stated at that time that it would, to lower prices to the consumer. Thus the development of any industry through a protective tariff always leads to lower prices to the consumer. For instance, white granite, the class of goods of which the largest quantities, both foreign and domestic, are sold in this country, sold in 1880 at over 60 per cent. more than at the present time. The tariff of 1883 brought about a most marvelous development of the manufacture of decorated goods in this country, which has reduced the price of that class of goods to not over one-half of the prices of ten years ago.

The domestic potteries have been kept in operation with the hope that the wisdom of our members of Congress would lead them to give us the protection which we so much need to maintain our ground against the colossal fortunes which have been made by foreign manufacturers at the expense of the American people.

It is for you, gentlemen, to say whether this struggling industry shall be destroyed for the benefit of foreign manufacturers. On your decision hangs the interest of both capital, labor, and consumer. It is admitted by some advocates of tariff reform that the tariff should be made to compensate for the difference in the price of labor in this and foreign countries. In our opinion this is the true principle of protection; for but for this difference in the price of labor there would be no need of a tariff for protection.

The expense of labor in our business can not be cheapened by the introduction of machinery to any great extent, for "the clay is still in the hands of the potter" as

much almost as when this text was first written. Nothing but the human hand seems capable of molding and forming the soft, plastic material from which the different articles are made.

With these few remarks we respectfully submit to the committee the following schedule:

SCHEDULE ON EARTHENWARE, ETC.

On common brown earthenware, stoneware, and crucibles, not ornamented or decorated in any manner, 25 per centum ad valorem.

China, porcelain, parian, bisque, earthen, stone, and crockery ware, including plaques, ornaments, toys, charms, vases, and statuettes, painted, tinted, stained, enameled or gilded, or otherwise decorated or ornamented in any manner, 60 per centum ad valorem. If plain white, and not ornamented or decorated in any manner, 55 per centum ad valorem.

All other china, porcelain, parian, bisque, earthen, stone, and crockery ware and manufactures of the same, composed wholly or in part of earthy or mineral substances, by whatsoever designation or name known in the trade, not specially enumerated or provided for in this act, if ornamented or decorated in any manner, 60 per centum ad valorem; if not ornamented or decorated, 55 per centum ad valorem.

The CHAIRMAN. I see you have added the word "toys."

Mr. MOSES. Since the passage of the act of 1883, toy teas from Germany principally have been imported. The duty at that time was fixed 55 per cent., but they have been brought in as children's toys at 35 per cent. We have tried a number of times to break it up, but for some reason we have been unable to do so. That branch of the business is entirely taken away from us.

The CHAIRMAN. Do they import after dinner coffees, etc., that ought to be dutiable under this act?

Mr. MOSES. They import a great number of children's teas. They import plates and after dinner coffees and a great number of articles decorated for children's use, claiming that they are children's playthings. They are really not toys, but articles for children's use.

Mr. McMILLIN. What is that rate as compared with the existing rate?

Mr. MOSES. Fifty-five per cent. should be the duty paid.

Mr. McMILLIN. You propose to raise it to 60?

Mr. MOSES. No, to 55. That was what it was intended to be.

Mr. McMILLIN. The law is generally the expression of the intention.

Mr. MOSES. Well, that depends a good deal on the interpretation of it. The act of 1883 was intended to take effect on the 1st of July, but the Secretary of the Treasury decided that section 7 took effect immediately on account of the clause relating to packages reducing the duty.

Mr. CARLISLE. Suppose we restore that package duty; what effect would it have?

Mr. MOSES. The way the law is framed there is as much as 65 per cent. in some cases of the actual invoice value of the goods and packages deducted before the duty is computed. It is a disadvantage to us now on some classes of goods.

Mr. CARLISLE. What classes of goods?

Mr. MOSES. Vases, statuettes, and that sort of thing, mostly for ornament. They get in some way that we are unable to find out. They get in china at prices which enable them to sell it at a lower rate than earthen wares.

The CHAIRMAN. The effect of the package clause has been to increase the value of the packages and diminish the value of contents, the former being free and the latter dutiable?

Mr. MOSES. That is a fact. When we ask this committee to grant this change and make these duties, it is not because we feel that that is as much as we ought to have, that we do not ask more. I am satisfied if Congress would make this duty 75 on white goods, and 100 per cent. on decorated, they would be doing a patriotic duty to the country.

The CHAIRMAN. Was there an increase of any kind on those goods by the act of 1883?

Mr. MOSES. Yes; on decorated ware there was.

The CHAIRMAN. What influence, if any, has it had on prices?

Mr. MOSES. I claim it has stimulated the production of decorated goods. It has produced a marvelous effect. The amount of decorated goods has been increased a thousand times over, and the price is not more than half what it was.

The CHAIRMAN. What is the price of a dinner set?

Mr. MOSES. The price of a decorated set of one hundred and twenty-five pieces is from \$13.50 up to about \$18 for decoration on white granite, and on the class of goods known in the trade as stone porcelain. In the stone porcelain the prices are from \$15 to \$22 for ordinary decoration.

The CHAIRMAN. What is plain white?

Mr. MOSES. About \$8.

The CHAIRMAN. What were the prices prior to 1883?

Mr. MOSES. Sixty per cent. more than that, or say \$12.80.

Mr. CARLISLE. What do you mean by that? Do you mean that the domestic goods are 60 per cent. higher?

Mr. MOSES. Sixty per cent. higher in 1880 than they are to-day.

Mr. CARLISLE. The foreign had the duty to pay. You are speaking of the American?

Mr. MOSES. Yes, sir.

Mr. CARLISLE. How is it as to the foreign article?

Mr. MOSES. The foreign article has had to compete with the domestic in order to keep their share of the trade. In other words, the foreign manufacturer pays the duty because he is able to employ labor at a price that will enable him to do it.

Mr. CARLISLE. What is the present price of a similar class of goods?

Mr. MOSES. It is about the same price.

Mr. CARLISLE. What is it in foreign countries?

Mr. MOSES. That we can not find out, because the foreign manufacturers are just crafty enough not to let us know what the scale of prices are.

Mr. CARLISLE. Do you mean to tell me that a foreign manufacturer will sell his goods to an American customer cheaper than to an English or a French or a German customer?

Mr. MOSES. I believe that to be a fact.

Mr. CARLISLE. Do you know any such case?

Mr. MOSES. The goods made for the American market are different from the goods made for the English market. The Englishmen are understood to have good appetites. An English dinner plate is 2 inches wider than the plate sent to the American market. The goods sent to this country are different in that respect.

Mr. CARLISLE. There is a similar class of goods sold abroad, I suppose?

Mr. MOSES. They are hardly sold in England at all.

Mr. CARLISLE. Were you making the same class of goods previous to the passage of the act of 1883?

Mr. MOSES. They were made to a small extent.

The CHAIRMAN. Decorating was smaller prior of 1883?

Mr. MOSES. Since I have been in the pottery business one man in Trenton did the decoration for all the potteries; at the present time, I think, at least one thousand people are engaged in decorations. That is what I mean by the increase of one thousand times.

Mr. CARLISLE. To what extent was it carried on prior to 1883?

Mr. MOSES. Not more than 1 per cent. of the goods were decorated.

Mr. CARLISLE. You say that that branch of the business has developed a thousand-fold under the duty which was imposed by the tariff of 1883?

Mr. MOSES. No, sir; I said since 1883.

Mr. CARLISLE. Do you not know that the abolition of the package clause will largely increase it?

Mr. MOSES. It will increase it some. It is claimed that the tariff of 1883 increased the duty about 5 per cent. It was a little over that on decorated goods.

Mr. CARLISLE. Still, notwithstanding this disadvantage, the result of the abolition of the duty on packages and undervaluation, this industry has increased a thousand-fold?

Mr. MOSES. On decorated goods in general.

Mr. FLOWER. How does the quality compare to what it was in 1883?

Mr. MOSES. In regard to that question I would say that the English manufacturers for the last five years have been copying American original shapes. A large number of our original shapes and decorations have been copied by some leading firms in England and Germany. An importer told me they sent our patterns to the other side to have them copied.

Mr. BAYNE. Do you know of an effort made in 1883 to distinguish between foreign and domestic proved a signal failure?

Mr. MOSES. Yes, sir; I was present at the test.

Mr. McKENNA. You are satisfied with the present duty?

Mr. MOSES. With the duty restored on packages we are.

Mr. McKENNA. You have left the impression with the committee that you are satisfied with the present duty.

Mr. MOSES. I tried to explain by saying that the practice of the importer is, under the present law, to take 15 to 65 per cent of the invoice value of goods and packages as the cost of the packages and packing.

Mr. McKENNA. The output has increased; the increased production has been sold at a reduced price.

Mr. CARLISLE. Would you continue to make that increased reduction?

Mr. MOSES. I do not know.

Mr. CARLISLE. If not, why not?

Mr. MOSES. There is no money in the business.

Mr. CARLISLE. Why have you so increased it if there is no money in it?

Mr. MOSES. There is \$10,000,000 invested in the crockery business of the United States.

Mr. CARLISLE. Has the increase not been going on since 1883?

Mr. MOSES. Not to any great extent. Let me explain why not. The quantity of decorated goods sold is greater than they were previous to 1883, but the quantity of white goods has been lessened. We have not been selling nearly so many white goods.

Mr. CARLISLE. Because you have turned your attention to decoration. Was the duty lower previous to the act of 1883?

Mr. MOSES. It was not. There was a duty collected for the actual amounts brought into the United States, more before 1883 than since. The English were making less previous to 1883 than they have made since.

Mr. CARLISLE. Then you think the act of 1883 which increased the duty was not a benefit to you?

Mr. MOSES. It was not.

Mr. McMILLIN. Do I understand you to say that some of these American designs were taken to Germany and the decoration could not be done there as cheaply as it was done here?

Mr. MOSES. That was what I was told by an importer of decorated goods from the other side. He said American manufacturers had more intelligence and more taste.

Mr. CARLISLE. Are not your workmen more skillful and more efficient than those abroad?

Mr. MOSES. I do not know as they are. A good many of our men learned their trades on the other side. That skilled labor in this country to-day is 300 per cent. more than in England.

Mr. BRECKINRIDGE. This increase of business is accompanied by an increase of capital?

Mr. MOSES. Yes, sir; in some cases.

Mr. BRECKINRIDGE. You mean to say the business has increased so largely without an increased capital?

Mr. MOSES. The only additional capital required is the cost of decoration; the goods are finished before they are decorated.

Mr. BRECKINRIDGE. Then there has not been an increase of a thousand-fold in the goods which are decorated?

Mr. MOSES. Yes, in the decorated goods there has been.

Mr. BRECKINRIDGE. You have only increased a thousand-fold in decorating plain goods?

Mr. MOSES. That is it.

Mr. BRECKINRIDGE. You say this increase does not involve an increase of capital in the business?

Mr. MOSES. Not to a great extent.

Mr. BRECKINRIDGE. You are a producer of the goods yourself?

Mr. MOSES. Yes, sir.

Mr. BRECKINRIDGE. What material do you buy to make the goods out of — what kind of clay?

Mr. MOSES. I use altogether American material, American clays.

Mr. BRECKINRIDGE. Is it used with that foreign clay?

Mr. MOSES. I use the clay I was talking about a few minutes ago.

Mr. BRECKINRIDGE. If the tax was taken off from the product abroad, would there not be a considerable saving?

Mr. MOSES. Not a great deal. I do not know as there would be any considerable saving, for the reason that as soon as the duty is taken off of clay the price goes up on the other side.

Mr. BRECKINRIDGE. Do you mean it goes up by a combination of sellers?

Mr. MOSES. A combination of sellers, and an increase of the demand on the other side.

Mr. BRECKINRIDGE. If a foreign producer of clay would so readily combine against the American purchaser of clay, why would he not also combine against the foreign purchaser? I am trying to get at your information upon that point.

Mr. MOSES. The information I have is from general knowledge and from past experience.

Mr. BRECKINRIDGE. His only object in combining would be in his own interest?

Mr. MOSES. Yes, sir.

Mr. BRECKINRIDGE. He has as much interest in combining against the foreign as against the American purchaser?

Mr. MOSES. I do not know about that. I think English china clay is probably sold to the Americans lower than it is to the English.

Mr. BRECKINRIDGE. Why is that? I find that a very general impression,

Mr. MOSES. I think it is justified by experience.

Mr. BRECKINRIDGE. You think that the foreign seller will sell more cheaply to one people than to another? I have never seen any evidence of that.

Mr. MOSES. I suppose their opinion on this point is that they consider it to their interest to get clear of the surplus production in a foreign country, and, in the second place, to prevent the development of competing industries of the same character.

Mr. BRECKINRIDGE. Do you think it would prevent a competing industry by combining on the price and putting up the price of that which that industry would produce?

Mr. MOSES. It depends on the condition of trade. A tariff, in my opinion, should be an equalizer between the price of labor here and in foreign countries. It would be a means of developing home manufactures.

Mr. BRECKINRIDGE. By what mode?

Mr. MOSES. By increasing the production.

Mr. BRECKINRIDGE. How would it increase the production?

Mr. MOSES. It is the protection on the crockery that enables the manufacturer to get a profit on his capital.

Mr. BRECKINRIDGE. The profit comes from the price?

Mr. MOSES. It is combined with the cost of production.

Mr. BRECKINRIDGE. Do I understand you to say that you think a protective tariff will sustain prices here?

Mr. MOSES. I say that protection will lead to the development of manufactures at home, and by increasing those manufactures and encouraging the investment of capital and the introduction of improved appliances to be used in the processes of manufacture, it enables the manufacturers to reduce the cost on their articles, and consequently to be able to sell those goods at a lower price to the consumer.

Mr. BRECKINRIDGE. It encourages a man by preventing him from being undersold?

Mr. MOSES. It encourages a man by increasing his business. A man can sell a larger quantity of any given product on better terms than a small quantity.

Mr. BRECKINRIDGE. Do you deny that it encourages a man by preventing his being undersold?

Mr. MOSES. It encourages a man by preventing his being undersold by the foreign manufacturer.

Mr. BRECKINRIDGE. But you have averred that these foreigners would put up the price. Do you export your article?

Mr. MOSES. No, sir.

Mr. BRECKINRIDGE. Is there considerable export now in the article?

Mr. MOSES. There is not any exportation. We do not manufacture half what is used in the United States. We would be satisfied with the home market.

The CHAIRMAN. What is the percentage of the market that you have here?

Mr. MOSES. About one-half.

Mr. FLOWER. Is it not true that every time the duty on pottery has been increased the price has been less to the manufacturer from 1860 right on?

Mr. MOSES. It has been lower owing to the development of business in this country.

Mr. FLOWER. Every time the tariff has been increased the dividends on the stock have gone down?

Mr. MOSES. The dividends have gone down.

Mr. FLOWER. Why do you want an increase of the tariff under that state of things?

Mr. MOSES. We want it simply to prevent foreign manufacturers from driving us out.

Mr. FLOWER. Why do you want an increase of the tariff duty when your price goes down on every increase?

Mr. MOSES. If we had labor and material at the same price in the United States that they have it in Europe we would in less than five years place our goods in the English market.

Mr. BAYNE. You have said that the persons engaged in decorating pottery are paid 200 to 300 per cent. more than in Europe?

Mr. MOSES. Yes, sir, according to our best information.

Mr. BAYNE. You have said that we sell a large proportion of the decorated goods sold in this country.

Mr. MOSES. About one-half.

Mr. BAYNE. Is this duty that is now on this decorated pottery sufficient to maintain that proportion, or should it be increased if we propose to maintain our present market for our domestic productions?

Mr. MOSES. It would be my desire to have it increased, because I think it would keep out the foreign article.

Mr. BAYNE. What protection did the premium on gold afford you? Did you receive any advantage from it?

Mr. MOSES. It is my judgment that had it not been for the premium on gold from

1860 to 1879, the pottery business would not be one-twentieth part what it is in the United States at the present time, for the reason that the very large amount of premium on gold added to duty imposed on crockery developed that business.

Mr. BAYNE. So the actual protection you say was greater than that indicated by the figures in the book?

Mr. MOSES. The premium on gold enabled us to go on and increase our business.

Mr. BAYNE. Have not foreign firms established agents here and invoiced goods to themselves?

Mr. MOSES. A clerk is sent to swear to the invoice. That clerk will swear to the best of his knowledge and belief, which is nothing.

Mr. BAYNE. Is it not a fact that that is a serious departure from the spirit, effect, and purpose of the law in this matter of classification?

Mr. MOSES. We can not say how goods have been classified.

Mr. BAYNE. You are familiar with the condition of the pottery business in Trenton. Can you tell me how many establishments have failed there during the past three years?

Mr. MOSES. Four, and probably more.

Mr. BAYNE. Were they large concerns?

Mr. MOSES. One of the largest in the State failed some few years ago.

Mr. BAYNE. Do you get the actual benefit of even this low rate of protection?

Mr. MOSES. It has been stated by an importer in New York City that according to the present practice that he did not believe that one-fourth of the duties intended to be collected were actually collected.

Mr. BAYNE. You say the style of those goods has changed?

Mr. MOSES. Yes, sir; they are sometimes sold by dealers in preference to the foreign article. We have developed an artistic taste for pottery in the United States that has led the foreign manufacturers to copy us.

Mr. GEAR. Has there been a decline in the price of this ware generally?

Mr. MOSES. Yes, sir.

Mr. GEAR. About what per cent.?

Mr. MOSES. The percentage is over 60.

Mr. GEAR. Would the Mills bill have affected your trade?

Mr. MOSES. I think it would have closed up the factories or compelled them to make a large reduction in wages.

Mr. GEAR. What percentage of the crockery used in this country is made here?

Mr. MOSES. At least one-half of all used in the United States. There is more than one-half of the goods used by the people, but we take all classes of crockery, including statuettes, vases, and we put on the market in the United States about half of the whole consumption. In the article of china we do not manufacture nearly that proportion, for the reason that china requires a greater amount of labor than earthen ware. That branch of the business has not been developed, but we have material in the United States to make the very finest goods made in the world.

Mr. BAYNE. You spoke of the increase of your business. Does not that increase result from the fact that by the imposition of the duty it equalizes labor between this country and Europe and gave you the benefit of the home market?

Mr. MOSES. To a great extent. We are not prepared to admit that the duty on crockery has been sufficient.

Mr. BAYNE. I am only asking the question whether it has not given you the benefit of the home market and thereby increased your facilities?

Mr. MOSES. Yes, sir.

Mr. CARLISLE. In answer to a question by Governor Gear, you said that if the Mills bill had passed, in your opinion, you would have been compelled either to close up your establishment or to reduce wages. Is it not a fact that shortly after the passage of the act of 1863, which increased the duties, you reduced wages at Trenton?

Mr. MOSES. No, sir.

Mr. CARLISLE. They have never been reduced since 1863?

Mr. MOSES. In 1865 there was a reduction submitted to by the men themselves, owing to the reduction made in the price of goods. From 1879 to 1885 there was no reduction of any kind, although the price of goods had been gradually going down. In 1885, about the 1st of January, we called our men together and held a consultation, and we showed that there was a necessity for a reduction of wages.

Mr. CARLISLE. That was less than two years after the act of 1863 took effect. In about two years after that you found you were not able to pay the same wages as you did before that act passed.

Mr. MOSES. Yes, sir, that is true, because the foreign goods of all classes were thrown into our market. Prices of goods fell in the foreign market.

Mr. CARLISLE. Were they falling before 1863?

Mr. MOSES. Not to a great extent. The passage of the act of 1863 enabled them to send in goods cheaper than ever before.

Mr. CARLISLE. You think the practical effect was to reduce duties?

Mr. MOSES. That was the practical effect.

The CHAIRMAN. By undervaluation. Speaking of the reduction of wages in 1883, do you remember how much that reduction was?

Mr. MOSES. It was over $2\frac{1}{2}$ per cent. on the pay-rolls.

The CHAIRMAN. But the effect was that the men really got more money and more steady employment?

Mr. MOSES. It improved their income in that respect.

Mr. BRECKINRIDGE. Is this labor that was trained in England?

Mr. MOSES. A few years ago quite a large proportion of them were Englishmen, but we have been gradually training our young people as they grew up.

Mr. BRECKINRIDGE. During the last twenty years a great many foreign laborers have gone into this business and own their own homes to-day?

Mr. MOSES. Yes, sir.

Mr. BRECKINRIDGE. Do very few go back?

Mr. MOSES. If they go back, they come back here again.

Mr. GEAR. Do you use much machinery?

Mr. MOSES. The business is not capable of being done by machinery to any great extent. That is another reason why this industry should have a better rate of duty than any other class of manufacture. It is hand labor. In other classes of business machinery and the genius of the American people have enabled them to introduce labor-saving appliances.

Mr. GEAR. Does your labor have any advantage over foreign manual labor?

Mr. MOSES. On the other side the practice is to retain a week's wages. They hold that for the purpose of making good any work that may be damaged. If the goods come out imperfect, are fire-cracked, or have any flaws from any cause whatever, the workman has to make it good.

Mr. GEAR. How is that on this side?

Mr. MOSES. We pay every dollar that a man earns. Their work is counted every day.

Mr. GEAR. Before going into the kiln?

Mr. MOSES. It is counted before it goes into the green room. The kiln men come and carry it off.

Mr. GEAR. Do you make a reduction for imperfect work?

Mr. MOSES. No, sir.

Mr. BRECKINRIDGE. You made the statement, I believe, that not exceeding 25 per cent. of the existing rate is collected by reason of frauds?

Mr. MOSES. That is not my statement. I simply said I was told so.

Mr. BRECKINRIDGE. My understanding is that you said you believed that 65 per cent. of the existing rate on the goods in your line of business is lost by reason of frauds under the package clause.

Mr. MOSES. In certain isolated cases.

Mr. BRECKINRIDGE. You are not prepared to make a statement as to the extent of those frauds?

Mr. MOSES. No, sir.

The CHAIRMAN. I will interrupt the order of proceedings to let Mr. Bodine speak.

STATEMENT OF HON. J. H. BREWER.

Hon. J. H. BREWER, of Trenton, N. J., appeared before the committee. He said: Mr. Chairman and gentlemen of the committee, after hearing so much on this earthenware and pottery question I hardly know where to begin. I have said so much on this subject during the last few years that it is a sort of a "chestnut" to me, but I hope it will not be to you.

With an ad valorem duty there always will be trouble to collect the duties, unless you make the administrative features strong. We do not get the full benefit of the duty under it. In some instances the undervaluation is very little, you can not apply it to a whole industry. We would not consider the present rate of duty at all adequate, and it does not compare favorably with other industries. I could refer to a number of industries, woollens, glass, iron, etc., all under a specific rate of duty, ranging from 80 to 120 per cent., while our industry has to get along with an uncertain ad valorem duty of 55 and 60 per cent. Our industry is nearly all manual labor. We have never been adequately protected nor proportionately protected as compared with the industries above mentioned. We have maintained ourselves in the market, not because of the duties we have received, but because of our favorable location, to a certain extent, and because we have at great expense brought out new shapes and styles and decorations constantly adapted to the taste of the trade.

In regard to this decorated business, formerly three-fourths of the ware shipped to the United States was plain white goods. Now three-fourths of the goods are decorated. Having special designs, as before mentioned, we have been until recently ena-

abled to get fair prices for the goods. We have concentrated on certain lines of goods which we could run till the foreign manufacturers had time to copy our designs. Now, we can not compete with Germany, and we are meeting with very serious opposition from that quarter. Unless you arrange the law by the restoration of duties on packages and charges, and so that the custom-house can collect the same, we will be "knocked out."

The CHAIRMAN. How is that?

Mr. BREWER. The Germans can make the goods cheaper, pay the duty, and undersell us. The only reason why Germany does not supply all these goods is that she is not prepared to make them. I give you my opinion here to-day that unless something is done to check the importation of German goods they will take such possession of this market in five years. There is no profit in decorated or white goods to anybody engaged in the business. Last year I ran my business every day in the year—never lost a day—but I can not see where there is a dollar in the business. I think I have lost money.

There are seventy-five manufacturers of white ware in the United States to-day, employing 10,000 hands and \$10,000,000 of capital. The business both in the East and West is depressed and in such a condition that a combination on selling prices is absolutely impossible. They have natural gas in the West, which gives them certain advantages over the East. We have advantages in the East which they have not in the West, but we are so scattered that combination is impossible, and we have a double competition—a home and a foreign. There has been a downward tendency in prices, until there is no longer any profit in the business. Our only hope now is to get an increase of duty to maintain us in this market. We do not say we expect to get an increased price for our goods, but hope by changes in our business and possibly a slight decrease in wages to maintain ourselves at present rates.

The question was asked as to the reduction of wages in 1885. There was a slight reduction on a small line of goods. The men conceded a reduction of 5 per cent. They did it voluntarily. In fact we left the whole matter to Powderly. In all the other lines there has been in the past five years an increase in wages of 20 to 50 per cent., and many of the men are making more wages than they did previous to 1883. Every time a new shape was brought out we have conceded an advance. Sometimes we have conceded an advance as high as 100 per cent.

The CHAIRMAN. Did you reduce the wages on piecework 5 per cent.?

Mr. BREWER. On certain lines. But they made more goods and higher wages.

The CHAIRMAN. Would not they have made more goods and higher wages without the reduction?

Mr. BREWER. No, sir; because they did not want to make so much.

The CHAIRMAN. If the duties were increased, would it enable you to go on in this business as you are now doing?

Mr. BREWER. I hope so.

The CHAIRMAN. And would it increase the price to the consumer?

Mr. BREWER. I hope not. It would enable us to go on temporarily as we have been doing. Most of our prices have been largely reduced.

The CHAIRMAN. In the larger plants would you employ additional hands and invest additional capital?

Mr. BREWER. I do not know that I would do that.

The CHAIRMAN. How would you increase the output?

Mr. BREWER. I would cheapen the cost of production in various ways, if the market is not flooded before we can be given a chance.

Mr. BRECKINRIDGE. Is there any natural gas employed by the manufacturers of pottery and glassware among the European nations?

Mr. BREWER. No; they use manufactured gas in Germany largely. There is another thing we have to contend with which is not generally understood, and that is the trashy class of goods that is brought to this country. They are "cheap and trashy," but they compete with goods we are making. They are in constant competition, and though inferior in every respect, they bring us down in price and we have to stand it.

Mr. BRECKINRIDGE. If there is a class of people who are unable to buy anything else you would not deprive them of the opportunity?

Mr. BREWER. No; we would not want to deprive them of buying, but these goods are bought by a class of people who are able to buy better, and don't know the difference.

Mr. BRECKINRIDGE. Why don't you make these cheap goods?

Mr. BREWER. We don't want to make that kind of goods. We make goods on different principles, and have some little pride in the business. I would not put that class of wares on the market.

It is nonsense for any man to say that in Germany, where labor is so much cheaper (200 to 300 per cent.), they can not make these goods cheaper than we can here. When I hear an importer talk that way I know there is a "nigger in the wood pile."

Mr. McMILLIN. What countries compete with you here?

Mr. BREWER. England and Germany. Low grade German goods have a very serious effect on us. Something must be done in regard to this German competition or they will drive our goods out of the United States, and the English too.

Mr. BAYNE. Do you think it would be practical to establish a specific rate of duty?

Mr. BREWER. We recommended a compound duty to the tariff commission in 1882, and thought of doing so now, but we found it would entail a long discussion, and we abandoned it. We took the simpler method of an ad valorem rate, and the restoration of the package clause as in the old law. I have the classification here, which I will leave with you.

Mr. BRECKINRIDGE. Is that labor abroad paid by the day or by the piece?

Mr. BREWER. I do not know how it is paid in Germany. I only know that German labor is far cheaper than English labor, and that English labor is 125 per cent. cheaper than ours on adult labor, and 200 to 300 per cent. cheaper on child labor.

Mr. BRECKINRIDGE. These goods are made in England?

Mr. BREWER. Yes.

Mr. BRECKINRIDGE. The Germans do not break them down?

Mr. BREWER. Certainly they do, and are shipping goods direct to England to-day.

Mr. BRECKINRIDGE. There is no duty on it in England?

Mr. BREWER. No; but there will be or they will not make their own crockery very long.

Mr. CARLISLE. You were a member of Congress in 1883 when this bill was passed.

Mr. BREWER. Yes, sir; this bill has resulted as I said it would so far as our industries are concerned, especially as to the package clause. I objected to it, and told members on our side of the House that this package clause would entail endless litigation and loss to the Government, as it has.

BELGIAN POTTERY.

NEW YORK, *January 6, 1890.*

DEAR SIR: I send you by mail to-day copies of the September and November (1889) issues of the London Pottery Gazette. Slips pasted on the covers give the numbers of pages that have matter relative to trade in England.

I give you on another sheet the prices charged by us on an order for stem-ware, wanted in a hurry, and the prices for the same articles imported regularly from the factory of "Val St. Lambert" in Belgium. I happen to know all there is in this case, and I can make oath to the correctness of the figures. The prices we charged are as low as we can make and sell the goods for. The stem-ware proper had stems cut and finger flukes on bowl; the tumblers were cut finger flukes.

	Val. St. Lambert.	C. Dorflinger & Sons.
	<i>Dozen.</i>	<i>Dozen.</i>
Goblets.....	\$4.50	\$6.50
Champagne.....	3.40	5.50
Cordials.....	2.60	4.50
Water tumblers.....	2.00	4.50
Champagne tumblers.....	1.85	4.00
Whisky tumblers.....	2.15	3.75

There is an immense quantity of this class of table-ware imported.

Yours, truly,

WM. F. DORFLINGER.

Mr. D. C. RIPLEY, *Pittsburgh, Pa.*

BRICK AND TILE.

VIEWS OF H. B. NEWTON AND OTHERS.

DEAR SIR: The undersigned committee, representing all the principal manufacturers of fire-brick and gas retorts in the United States, beg leave to make the following statement:

The present rate of duty is no protection to this industry. To compete with foreign manufacture, we require not less than \$3 each on gas retorts, and \$1.25 per ton on fire-brick, specific. And would refer you to a statement made by Mr. George F. Kreischer to the subcommittee of the Senate on Finance last August, a copy of which is attached.

A manufacturer and member of the Fire-Brick and Retort Association visited a number of works in England, Scotland, and Wales, and also Germany, last August, and reports they have no improved machinery or facilities to make retorts or brick less than they are here. Our sands and clays are as good, and its only difference is in wages.

He found women employed both at the clay beds and the factories doing men's work, laboring twelve hours at 20 cents per day. Men were paid from 65 cents to \$1. Here we pay our men for ten hours' work from \$1.25 to \$2.50, with an average of about \$2.

The manufacturing of fire-brick and retorts is one in which hand labor is almost exclusively employed, machinery being used only to mix the different clays. Labor begins at the clay mines, and does not end till the bricks are stacked up in the storehouse.

We have hundreds of acres of valuable clay and sand beds in New Jersey, Ohio, and Pennsylvania, and recently some of the choicest beds have been found in the West.

They are of no value to the owners unless we can use them.

There is over \$3,000,000 invested in this industry—about ninety works costing from \$75,000 to \$250,000, employing over nine thousand workmen, and with capacity to work double the number.

The fact that there have not been built in the last ten years any new works must convince your committee that it is not remunerative.

To-day millions of brick are stored in yards, and can not be sold without a loss.

Most of the brick and retorts imported are brought over as ballast. Bricks are purchased at from \$8 to \$15 per thousand and thrown upon the market and often purchased by a manufacturer and sold at a profit for less than they can be made here.

We have found of late that they are sending over an extra large brick as the duty is by the thousand, and for that reason, on fire-brick it is important that a change should be made and a specific duty by the ton.

Estimates have been made abroad to our gas works. Contracts have also been made for retorts delivered here for \$3 to \$5 less than the actual cost of manufacturing in this country.

Respectfully, yours,

H. B. NEWTON,
President of the Fire-Brick Manufacture Association, Residence, Albany, N. Y.
 G. F. KREISCHER,
132 Mangan street, New York City.
 HENRY GLEASON,
106 Beekman street, New York.

Hon. WILLIAM MCKINLEY, JR.,
Chairman Committee on Ways and Means.

VIEWS OF A. B. SANFORD.

SOMERSET, MASS., *December 30, 1889.*

DEAR SIR: I notice that the hearing to-morrow (Tuesday), December 31, will be on earthenware. There is an industry under this head in which I am interested as president of a corporation in this State, the manufacture of fire-bricks. During the last hearing before the Senate committee our company wrote on very fully in regard to this matter, praying for more protection.

On the article of fire-bricks, under the old schedule, duties were represented at about 30 per cent. ad valorem; under the new bill of the House, dated January 26, 1889, with the amendments of the Senate, I find as follows:

Page 108, article 103, "Fire-brick, not glazed, enameled, or ornamented, \$1.25 per ton ad valorem." A thousand of these brick weigh between 6,000 and 7,000 pounds, about 3 tons, consequently it would be about \$3.75 per thousand. This, of course, is better protection for us than the old duty, and for it we are very grateful, but we wish that it might be made specific duty of \$5 per thousand instead of by the ton. If for reasons which are not known to me, your committee think it better to be by the ton, then I would respectfully ask that the duty be raised to \$1.50 per ton instead of \$1.25 per ton, as we can not get along without \$5 per thousand protection on fire-brick industry. In this country at the present time many cargoes are imported monthly in the port of Boston, and sold in competition with domestic at very low prices, and we are not able to compete against these cheap foreign importations, and it is necessary for our existence that we have a higher rate of duty on this very important industry, which needs encouragement to-day from the hands of the Government.

This industry is growing largely in the West, also in the Southern States, several manufacturers have located there, owing to the increased iron and steel industries of these sections. We here, in the New England States, and New Jersey and Pennsylvania, do not have customers at our doors; we have to sell our wares here in the New England States, etc., consequently we desire, and should have, protection enough to allow us to compete against these foreign importations from Scotland and England, and we can not get along under a duty of less than \$1.50 per ton; better still, a specific duty of \$5 per thousand. This would give this industry in the West and South, and New England States, a great impetus, if we could only stop the importation of these foreign bricks.

The company in which I am interested, the Somerset Potters Works Corporation, at Somerset, Mass., have invested about \$100,000 in their business, and have recently put in a new plant for the manufacture of fire-brick, in order to keep pace with the times. They would also like to locate one in the State of Pennsylvania, in addition to their works at Somerset. We are also taking up the subject of glazed and enameled bricks, and hope to be able to produce them in this country, instead of importing them from Leeds, in England. The present duty, 45 per centum ad valorem, is sufficient, and we trust it will be maintained.

We would respectfully call your attention to tiles and bricks, in this schedule of earthenware:

Page 107, article 102, "Tiles and brick, other than fire-brick not glazed, etc., 25 per centum ad valorem." This we would like increased to 30 per centum ad valorem, as we also make large quantities of tiles and other brick than fire-brick, which should be at least 30 per centum ad valorem protection. For these changes we should be very grateful to your committee, if it can be inserted in the new bill which you are preparing, as this industry is growing all over New England and the great West and South, and with the proper protection which we need from these cheap foreign tile and brick, we should be in a more prosperous condition than we are at the present.

In the town of Somerset there is another brick industry the Presbury Stove Lining Company, who have invested about \$75,000 in this industry, and who last year joined with us in asking for more protection on fire-brick industry.

It was impossible for our people to be present at the hearing, but we presume, with this before you, that you will be able to grant for this very important industry sufficient protection in your new bill.

We want to respectfully ask that the duties be increased as above, as follows:

Tiles, bricks, other than fire-brick, not glazed, 30 per centum ad valorem instead of 25 per centum ad valorem. Upon enameled, vitrified, decorated, ornamented, etc., 45 per centum ad valorem; same as in previous bill. Fire-brick not glazed, enameled, ornamented, or decorated, \$5 per thousand, specific, or \$1.50 per ton. Glazed, ornamented, decorated brick, 45 per centum ad valorem.

If you can not grant advance on tile brick, kindly see that we have it on fire-brick.

Yours, respectfully,

SOMERSET POTTERS WORKS CO.,
Somerset, Mass.
ARNOLD B. SANFORD,
President.

Hon. WILLIAM MCKINLEY, jr.,
Chairman Committee Ways and Means.

STATEMENT OF JOHN C. ALRICH.

JOHN C. ALRICH, of Pittsburgh, Pa., addressed the committee as follows:

Mr. Chairman and gentlemen of the committee, the industry that I represent is comparatively a new one in this country, and because of its newness we have suffered not only from what has seemed to us an incorrect classification, but from the fact that the duty on one of the classes of goods which we manufacture has seemed to us entirely too low, so low that we have virtually received no protection.

The points we wish to bring before the committee would be, first, that we receive a more correct classification, and second, that we receive a higher rate of duty on one of the classes of goods that we make. We have prepared a very short paper which I will read with your permission. It refers to the classification and requests a change in rate on one of the class of goods we refer to.

The CHAIRMAN. Is that the new classification by the Senate bill?

Mr. ALRICH. We propose to ask a little improvement on the Senate's proposition.

Mr. Alrich read the paper as follows:

"Our reason for asking for 30 per cent. on plain tile is, that from 85 to 90 per cent. of the cost of every tile we make is labor, and I saw women in England doing work for 10 and 12 shillings per week for which same labor we pay a man \$1.75 per day. When you consider how large a proportion of the cost of the finished article is labor, and the vast difference in the prices paid for labor there and here, you will readily see why we can not compete with the foreign manufacturer so long as the duty remains at 20 per cent.

"If the ocean freights on English tile were higher this would afford us some protection, but as this class of goods is considered desirable freight, the rates are so low that tile can be brought from the manufacturing districts of England to New York cheaper than we can send them from Pittsburgh to New York. This I learned from actual experience."

I had occasion two years ago to import some tiles. Our factory was burned, and I imported tiles at a price that really astonished me, although I had heard of the low price at which they could be imported. At that time I had great difficulty in getting the custom-house officials to understand what rate I should pay.

[Mr. Alrich here exhibited and explained to the committee the several kinds of tiles.]

Some tiles are known as plain and some as encaustic tiles. An encaustic tile is one that is made by burning a figure of one colored clay into a different colored body. The custom-house officials in many cases can not discriminate between an encaustic tile and any other. A great many come in at 20 per cent., that under the present classification should pay 55 or 60. That is why we ask for a correct classification.

Some importers in New York now have cases against them for the infringement of the customs laws. They claim that what they bring in should be dutiable at 20 per cent. They bring in this fine class of enameled tile at 20 per cent. and call it a paving tile. A paving tile, so called, is only one that can be walked upon. An enameled tile is not fit to walk on at all. There are some fifteen or twenty importers in New York and other places who have suits against the Government involving some \$450,000, which, should the cases be decided in their favor, the Government would have to refund.

The CHAIRMAN. What duty did the Mills bill put upon your tiles?

Mr. FISHER. Fifty-five and 60. Forty-five is what the Senate proposed.

Mr. BAYNE. They raised it in the House to 50 per cent., I think.

Mr. FISHER. My recollection is that floor tile was left at 20 per cent. and enameled reduced.

Mr. BAYNE. Could your industry be so arranged as to pay a specific duty?

Mr. ALRICH. We have thought not.

Mr. BAYNE. Do you think a description could be put into a bill covering your industry so as to prevent undervaluation?

Mr. ALRICH. We have thought so. We have thought we could prevent undervaluation and make it so plain that there could be no misunderstanding.

Mr. BRECKINRIDGE. In the Mills bill this expression occurs: "All glazed and enameled tiles at 45 per cent. ad valorem." Is that an improvement?

Mr. ALRICH. We propose to make all glazed and enameled tile 45 per cent. which are now dutiable at 55 and 60.

Mr. CARLISLE. Did you say you made encaustic tiles?

Mr. ALRICH. Yes, sir. I did not import what are known as encaustic tiles. I paid 20 per cent. on what I imported, being all plain floor tile.

Mr. CARLISLE. State some of the purposes for which these tiles are used.

Mr. ALRICH. All the tiles that I have exhibited, except the small round tile, are used for flooring. They are also used for hearths, mantels, facings, wainscoting, ornamentation, etc.

Mr. McKENNA. Is there more labor on those decorated* tiles than on the encaustic tiles?

Mr. ALRICH. Yes, sir. There is more labor in preparing the small encaustic tile in the first instance than in preparing the other; but that small encaustic tile is only burned once. It is put into the kiln, burned once, and it is done. This small, round enameled tile is pressed and then burned. Then it is taken out and enameled and put in and burned again.

Our reason for asking 45 on the white and blue tiles is because of the expense of the clay and the expense in labor.

ENCAUSTIC TILES.

Tile and brick should be separated in the act, as they are made and treated entirely different; a brick being of one body, crude, and of few varieties; a tile usually of various or composite bodies, ranging through many styles up to a high-art production.

The species or particular designations do not apply to tiles and brick alike, and may lead to confusion. The mere fact of putting them together may, and probably will, result in false interpretations.

Tile and brick being associated together is owing to a classification made years ago when very few tiles were used in this country, and then only the most ordinary kinds, and at a period when none were manufactured here.

The manufacturing of tiles, while comparatively a new industry, has made great progress in this country, and now many varieties are produced, and the business is destined to have a great growth if properly encouraged. It is therefore deserving of a place by itself, and to be treated distinctly and classified, as no other article is made in the same way nor will be developed in the same directions. The duty on tiles has been the subject of much litigation in the courts to determine under which head the various kinds of tile are to be classed, the divisions being so few and imperfect and meager that a very large proportion of tiles manufactured belong to neither, and resort was had to the word "earthen-ware." Two juries have now decided differently as to an ornamental tile, rendering judgment that one is a paving tile dutiable at 20 per cent., and as to another that it is a glazed earthen-ware dutiable at 55 per cent., though the value of the two does not differ in any such proportion.

The tendency at law is to strain after classifications of an article under such subdivisions of the article as are designated, and thus products vastly differing in kind and value are associated together, working great injustice.

It is evident that the safest course to pursue is to specify each kind of tile in which ornamentation is the prominent feature, attaching a higher duty, and then fix a moderate rate for all other kinds collectively.

Having this in view the classification we present has been prepared and grows out of the experience acquired in two long trials in court wherein all the prominent importers and domestic manufacturers were examined and cross-examined, the law analyzed by learned counsel and expounded by eminent judges.

A large number of people are now engaged and employed in the tiling business in this country, and the number is growing; much capital is invested, and before any revision subsequent to the one now proposed is had many years will probably pass over our heads. The bill, therefore, should now be made as definite and as certain as possible, and should exhibit such discriminations as are obviously necessary and proper.

The duty now collected on the higher grades of tiles, art tiles as it were, is 60 per cent.; on others, ornamental and decorated but of a simpler character, 55 per cent. Under our category 45 per cent. is fixed upon.

Plain tiles (used for flooring) we place at 30 per cent.; these tiles at 20 per cent. are grossly beneath the standard that should be applied. The greatest per cent. of

* This word refers to enameled tile.

their cost, being cost of labor, being at least 85 per cent. They have been classed so low because proper attention has never been called to their character and process of manufacture. Foreign tiles can now be imported as cheaply as these products can be manufactured in this country.

The amendment we propose will do away with litigation and uncertainty, and will place the whole subject in such a clear light that "he who runs may read," and importers and manufacturers will know just where they stand.

DIFFERENCE BETWEEN MAKING A BRICK AND A TILE.

Bricks are made from clay in its crude state, requiring very little manipulation, and the brick can be made ready for burning in twenty-four hours.

Tiles require an elaborate process of preparation; the clay must first be of a peculiar character, then washed and reduced to a liquid state, then screened through a wire mesh, then dried, then ground, then sifted, before it is ready for the press; each tile, whether large or small, has to be handled separately several times before ready to go to the kiln; after burning each tile must be assorted and sized before ready for market.

Bricks are of uniform size. Not so with tiles, which are of a great variety of forms, colors, and sizes, ranging from one-half an inch square up to 6 inches square; a square foot being composed of from four to five hundred and seventy-six pieces. This process has to be applied to each color of tile made.

As tiles are of many sizes, forms, and colors, endless combinations can be made, and therefore there enters into their manufacture the question of design, taste, and style, which is to be considered from the outset and enters into the expense.

It is not designed to detract in the least from the propriety of fixing the proper duty on brick, but simply to call attention to the elaborate process connected with the manufacture of tile and the elements that constitute the expense.

We favor the following classifications:

Tiles: glazed, enameled, embossed, relief, printed or painted tiles, or tiles decorated in any manner, including vitrified and encaustic tiles, 45 per cent. ad valorem.

Plain flooring tiles, 30 per cent. ad valorem.

B. FISCHER,
President American Encaustic Tile Company, Limited.
 JACKSON LANDERS,
Vice-President United States Encaustic Tile Company.
 JOHN C. ALDRICH,
Chairman Star Encaustic Tile Company, Limited.
Committee.

CEMENT AND LIME.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C., Tuesday, December 31, 1889.

STATEMENT OF MR. ROBERT W. LESLEY.

MR. ROBERT W. LESLEY, of Philadelphia, of the American Improved Cement Company, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I appear here on behalf of a number of manufacturers of cement in the United States. It is an industry having about \$8,000,000 capital and employing about 15,000 men. Before going into the question of duty, I want merely to state that two years ago I prepared and made an argument on this matter for presentation both to the Senate Committee on Finance and the Committee on Ways and Means of the House, and as a result of the examination then made the Ways and Means Committee kept the duty of 20 per cent., as imposed by law originally under the act of 1883, though they re-imposed the duty on packages and inland transportation, and the Senate committee fixed a specific duty instead of an ad valorem duty, but which duty amounted to about the same as a 20 per cent. ad valorem duty. In this matter, the principal fact I want to make clear is that the manufacture of high-grade Portland cement in this country is a new industry, is gradually getting to be of great importance, and is capable of very extensive development.

Under the act of 1883, the duty on cement generally was 20 per cent. ad valorem, on cement, packages and inland transportation. By a decision of the Secretary of the Treasury in 1885, this duty, by reason of the duty on packages and inland transportation being taken off, was cut in half. This action has given rise to numerous undervaluations and other evasion whereby packages and inland transportation are made to represent more than the cost of the contents. The result was that in 1884, immediately after the act of 1883 went into effect, 473,864 barrels of Portland cement were imported at an invoice price of \$1.73 on which the duty was paid, and that after the decision of the Secretary of the Treasury in 1885, imports began to increase every year and invoice value to decrease so that in 1887 they amounted to 1,000,000 barrels of an invoice value of \$1.02 per barrel, and in 1888 to about 2,000,000 barrels of an invoice value of 94 cents per barrel. Still further evidencing the gradual taking off of the cost from the cement and putting it on the non-dutiable barrels and inland transportation, I can state that I have seen an invoice this year at 60 cents for cost of cement and nearly \$1 for the non-dutiable items. The price has not gone down in Europe at all for a barrel of cement; barrels are no dearer and inland freights are no higher now than 1885, but the invoice price is steadily growing less for the dutiable contents, or, in other words, the contents, which were \$1.11 in 1885, when duty was taken off packages and inland transportation, have gone as low as 60 cents on one invoice in 1889.

THE CHAIRMAN. Suppose we repeal the package clause; what duty do you think would be necessary?

MR. LESLEY. I would argue in favor of a specific duty of 8 cents a hundred pounds as under the Senate bill. This is as low as the act of 1883, which was 20 per cent. ad valorem, or 32 to 36 cents for 400 pounds cement.

THE CHAIRMAN. That bill restored the duty on packages and inland transportation?

MR. LESLEY. Yes, sir; that would be 8 cents on goods in barrels and 7 cents in bulk or bags per 100 pounds.

The particular point I wanted to make as showing the method of undervaluation was this: On one of the invoices of cement coming to the port of Philadelphia in 1889 a thousand barrels were invoiced and shipped without any labels or brand at all. In one lot, at the bottom of the barrel, they had the initials "L. C." and on another "A. L." This cement went into the hands of the importer. That concern received from abroad a thousand labels. It received a letter of advice, stating what these initials meant. When the custom-house people came to us as experts, we made a chemical test of the cement as well as a test for strength. There was a difference of 25 to 50 per cent. in the quality and value of the two lots of cement. They were

all imported at a valuation of the lowest grade. The dealer who imported them put on the labels according to the initials at the bottom of the barrel, and in this way, no doubt, both the Government and, possibly, the consumer was deceived.

Mr. CARLISLE. What was the decision of the Secretary of the Treasury in 1885 on the act of 1883?

Mr. LESLEY. That the act of 1883 admitted packages and inland transportation free.

Mr. CARLISLE. The Secretary did not decide anything as to the rate of duty?

Mr. LESLEY. No, sir; only as to what was not dutiable. Before the Ways and Means Committee of the last Congress, I suggested a restoration of the duty on packages, in view of the fact that they represented a greater value than the goods themselves, under the existing method of invoicing.

Of course, in the matter of labor in this industry we employ only men, and the wages range from \$1.20 up to \$2.50 per day. In Europe, this is done to a certain extent by women at 20 cents a day, and men at slightly better wages.

Mr. CARLISLE. Of what is this cement made?

Mr. LESLEY. It is made from lime and clay, argillaceous limestone, marl and clay, etc. There are two grades of cement. The "natural," like the Rosendale, Louisville, Lehigh, etc., is made by taking natural cement rocks (argillaceous limestone) and burning them at light heat in open kilns, like lime-kilns, and then grinding the calcined material and packing it in barrels or sacks. The higher grade of Portland cement is artificially made by grinding together limestone and clay, cement rocks, and lime, and molding the product, with the addition of water, into bricks, balls, eggs, or blocks. The new stone thus produced has all its constituent elements in close mechanical union, and is calcined at a high heat in closed kilns, and the fire acting on the various particles causes an intimate chemical union. The clinker thus produced is ground and barreled or packed in bags.

Mr. BAYNE. Is your fine cement as good as the English?

Mr. LESLEY. We are making as good cement as there is in the world.

Mr. BAYNE. And ship it to England?

Mr. LESLEY. Yes, sir, and to Japan.

Mr. GEAR. What is the cost of the packages?

Mr. LESLEY. It runs from 30 to 40 cents to the barrel.

Mr. GEAR. What is the rate of inland transportation?

Mr. LESLEY. Fifteen to 20 cents per barrel.

Mr. GEAR. Does it come from Germany?

Mr. LESLEY. Some of it comes from Germany. I will leave my printed statement with your honorable committee.

STATEMENT OF CEMENT INDUSTRY.

[Presented by Mr. Robert W. Lesley, of American Improved Cement Company, Philadelphia, and representing American cement industry.]

CEMENT.

Cement is on chemical schedule, dutiable at 20 per cent. ad valorem, under act of 1883.

By decision of Secretary of Treasury in 1885, the duty has practically been cut in half by admitting barrels and cost of inland transportation free.

Cement is one of those rare products where the cost of the package and inland transportation are together nearly as great as the cost of the cement itself.

Consequently, the Ways and Means Committee of the last Congress, in the "Mills bill," kept the duty at 20 per cent., though restoring the duty on barrel and inland transportation.

So, also, on the same grounds, the Senate, in the "Senate bill," passed in the last Congress, fixed a specific duty of 8 cents per 100 pounds on cement in barrels, and 7 cents per 100 pounds on cement in bags or bulk, equaling very nearly 20 per cent. ad valorem on the cement and packages.

In considering the duty to be placed on cement it must be understood that cement is *not* a raw material—it is quarried, burnt, and ground.

Cement enters into no other manufacture as a raw material.

Cement is made exclusively of American material; rock, coal, and coke, and barrel stuff entering into the finished product.

Cement is nearly 90 per cent. labor, and of a class of labor that costs several times as much in this country as in Europe.

Neither importers nor European manufacturers ask its admission free or at a lower rate of duty, and in point of fact the price in Europe to dealers for American shipment is 18 to 25 cents less than for the same cement for European consumption, just

about the amount of the duty, so that putting cement on the free list or at a lower rate of duty would enable the European makers to raise their price half the amount of the duty and still control the American market by reducing prices only a part of the duty taken off.

THE CEMENT INDUSTRY.

The manufacture of cement is not a local industry; it is national. Works exist in Maine, Connecticut, New York, Pennsylvania, Ohio, Maryland, Virginia, Washington, Oregon, Alabama, Colorado, Texas, California, Illinois, Wisconsin, West Virginia, Kentucky, Indiana, and Michigan. It stands seventh on the list of non-metallic products of the United States. It ranks just below lime and salt. It employs a capital of \$8,000,000, has an output of over 5,000,000 barrels per annum, and gives work to about 12,000 laborers. The largest works are in New York State, where nearly 3,000,000 barrels are made and 8,000 men employed; in Kentucky, where nearly 1,000,000 barrels are made and 1,500 men employed; and in Pennsylvania, where nearly 600,000 barrels are made and 600 men are employed.

MANUFACTURE AND CLASSIFICATION OF CEMENT.

"Roman" cement is a natural rock, quarried, burnt in kilns, and ground.

"Portland" cement is an artificial cement made by mixing chalk and clay, or limestone and clay in varying proportion, grinding this to powder, making a brick or ball out of this moistened powder, and after calcining, at high heat, this artificially made new stone, by grinding the resultant clinkers to powder.

The "Roman" corresponds substantially to the Rosendale, Louisville, and the majority of American natural cements.

The "Portland" corresponds to the American "Portland." It has been claimed that this grade of cement could not be made in this country for want of material. After fifteen years of experimenting, and after a loss running into millions, this statement has been controverted, and for seven years past American "Portland" cements "of a quality equal to any imported," and made in Pennsylvania, in Ohio, in New York, in Indiana, and in Texas, have been used on Government work (*vide* Reports Engineer Commissioner District of Columbia for 1883, 1884, 1885), and other public work with entire success and in competition with foreign cements. The Eads' jetties are built with American Portland cement (*vide* Captain Eads's report on Mississippi jetties), and the London and Southwestern Railroad of England actually, after a test, bought American Portland for one of its bridges (*Engineering News*, vol. 87). This cement must sell at a lower price than the imported, because of the established reputation of the older foreign brands; but with the abundance of limestone and clay in this country American manufacture will develop, and its product become established also.

STATISTICS OF MANUFACTURE.

From the "Mineral Resources of the United States," U. S. Geological Survey, 1885, the following figures are given of the production of cement made from natural rock in the United States from 1882 to 1886:

Production of cement from natural rock in United States from 1882 to 1886.

Years.	Barrels of 300 pounds.	Average price per barrel.	Total value.
1882	3,165,000	\$1.10	\$3,481,500
1883	4,100,000	1.00	4,100,000
1884	3,900,000	.90	3,510,000
1885	4,000,000	.80	3,200,000
1886	4,350,000	.85	3,697,500

In reference to American Portland the following estimates are made in the same work:

Estimated production of American Portland from 1882 to 1886.

Years.	Barrels of 400 pounds.	Average price per barrel.	Total value.
1882	85,000	\$2.25	\$191,250
1883	90,000	2.15	193,500
1884	100,000	2.10	210,000
1885	150,000	1.95	292,500
1886	150,000	1.95	292,500

The total production of all kinds of cement, according to the same authority :

Total production of all kinds of cement in the United States from 1882 to 1886.

Years.	Barrels.	Value.
1882	3,350,000	\$3,672,750
1883	4,190,000	4,203,500
1884	4,000,000	3,720,000
1885	4,150,000	3,492,500
1886	4,500,000	3,990,000

From leading trade authorities it has been ascertained that the output of natural cement has increased to 5,000,000 barrels in 1887, with an average price of 77½ cents; and the Portland cement industry has not appreciably increased, though prices have gone down as low as \$1.85.

IMPORTATIONS OF CEMENT.

From reports of Bureau of Statistics the following are the imports of cement of all kinds into the United States for the past ten years:

Imports of cement.

Years ending June 30—	Barrels of 400 pounds.	Value.	Years ending June 30—	Barrels of 400 pounds.	Value.
1878	*92,000	\$204,422	1884	582,623	\$829,098
1879	*106,000	205,074	1885	574,141	908,581
1880	*187,000	373,601	1886	645,197	722,570
1881	*221,000	440,025	1887	1,079,944	1,108,819
1882	337,793	675,587	1888	2,019,718	1,896,876
1883	472,864	817,346			

* Estimate of Geological Survey.

CONCLUSIONS FROM THE FIGURES.

The American manufacture has remained practically stationary since 1883, actually decreasing in 1885, and increasing slightly to 1887. The price fell, however, each year, except 1886, so that the 4,150,000 barrels of 1885 netted less to the makers than the 3,250,000 barrels of 1882, and the 5,000,000 of 1887 barely as much as the smaller output of 1882.

On the other hand, the imports of foreign cement have increased more than twenty-fold in the ten years since 1878, and in the period since 1883 have increased nearly fivefold.

In the last-named period the invoice price has fallen from \$1.77 per barrel (when packages and inland transportation were dutiable in 1884) to as low as 60 cents in the case of some imports at the port of Philadelphia in 1889 (where the cost of the

barrels and inland transportation actually exceeded the price of the contents, and left a handsome margin over).

By taking the imports of 1883, when the cement barrels and inland transportation were all dutiable, it will be found that the average invoice value per barrel was \$1.73. In 1886, after the Secretary of the Treasury rendered his opinion admitting packages and cost of inland transportation, the invoice value fell to \$1.19. In 1887, after it was found that by adding to the cost of barrels and transportation, and taking it off the cost of cement, the duty could be materially lessened, the invoice value fell to \$1.02, and in 1888 it fell to 94 cents, though barrels have not risen in value; and in Germany, the Government, to encourage export, has actually on its State railroads reduced the cost of transportation for goods for export. In 1889, as above stated, on one invoice at the port of Philadelphia, cement has actually been invoiced at 60 cents, the cost of barrel and transportation being nearly one and a half times the cost of the cement.

At the above rate of arithmetical progression, amounting, according to the official figures, to an average reduction of 8 cents per barrel of cement per annum for the past three years, it would take the European manufacturers only twelve years more to put all the cost on the barrels and the inland transportation, and make the contents absolutely of no value at all.

THE CAUSE OF HEAVY IMPORTS AND CHECKED PRODUCTION.

Three causes have led to the increase of imports and checked home production:

(1) Low ocean freights.

(2) A practical reduction of the duty nearly one-half in 1885, by the decision of the Secretary of the Treasury, relieving the foreign article from duty on the barrel and on foreign inland transportation to tide-water.

(3) The higher wages paid American labor.

On the first point it may be stated as a fact that the freight from Europe to nearly all tide-water points in the United States and to many lake points is less than the rates from American cement works to similar points. The reason for this is that cement comes from Europe as ballast, to a large extent, at low rates of freight.

On the second point the figures of imports above given show a reduction of 80 cents in invoice value of cement imported, from the year 1884 to 1888. This is due to the taking off the duty on the barrel, and has actually, by an executive act, without action of Congress, reduced the duty from 35 to 20 cents per barrel, and even less.

On the third point, in order to compete with the foreign maker there remains no other possibility of reducing cost except by reducing wages of labor, as the constant reduction necessary to keep a foothold since 1882 has exhausted all other margins and means, a number of failures having proven this fact. The labor is at least 50 per cent. less abroad.

COMPARATIVE LABOR FIGURES.

Cement is nearly all labor.

	<i>In the United States.</i>	Per cent.
Quarrying represents.....	40
Burning represents.....	6
Grinding represents.....	6
Moving, etc., represents.....	5
Packing represents.....	3
Coal and coke, staves and heading, all the product of labor, represent.....	27
Making of labor.....	87

This labor represents, on an average, for—

	Per day.
Quarrymen.....	\$1.50 to \$2.00
Laborers.....	1.30 to 1.50
Millers.....	2.00 to 2.50
Millwrights.....	2.50 to 3.00
Engineers.....	2.00 to 2.50
Coopers.....	1.50 to 2.00

All the labor is that of men.

In Europe.

Both men and women are employed in cement works.

The wages paid, as gathered from investigation made in the European cement works and from Consular Reports of 1884, are as follows per day:

	France.	Germany.	Belgium.	England.
Miners	\$0.87	\$0.52	\$0.60	\$0.52
Millers	48-87	65	88½	1.00
Women millers	29-39			
Millwrights	1.12½	70	83½	1.16
Laborers	76	60	66	78
Women laborers	38½	41	57	
Engineers	97	73	1.03	1.10
Coopers	93	66	86	1.13

AMERICAN MALE VS. GERMAN FEMALE LABOR.

From United States Consular Reports, Executive Documents, Forty-eighth Congress, page 464, one German Portland cement manufactory in Silesia employed in 1884, according to its pay-roll, in its whole works, 3 workmen at 36 cents per day; 66 workmen, at 24 cents per day; 70 men and women, at 24 cents per day—a total daily pay-roll of \$33.72.

An American works of the same number of hands employs, according to its books, 2 engineers at \$2, 4 millers at \$2.50, 2 millwrights at \$3, 30 coopers at \$1.75, 51 laborers at \$1.30, 50 quarrymen at \$1.75—a total daily pay-roll of \$226.30; a daily difference in favor of German manufacturer and against American manufacturer of \$192.50 in labor alone.

In conclusion it is respectfully urged that a specific duty be imposed on "cement—Portland, Roman, slag, or all other—of 8 cents per 100 pounds in barrels, and 7 cents per 100 pounds in bags, bulk, or clinker;" and that in this way the undervaluation and other evasions of the customs laws may be arrested.

This is urged for the reasons above given as well as for the further reason that a specific duty operates to the benefit of the American producer in times of general depression, while an ad valorem duty enables the foreign producer in times of financial disturbance to flood our markets with low-priced goods, which, for that very reason, come in at the lowest rate of duty, and thus tend to unsettle the American market and reduce the wages of American labor.

STATEMENT OF MR. ERNEST R. ACKERMAN.

MR. ERNEST R. ACKERMAN, of New York, general sales agent of the Lawrence Cement Company, said:

Mr. Chairman and gentlemen, realizing the delicate and arduous duties with which your committee is intrusted in the interests of the people of the United States, I have endeavored to condense into as concise a form as possible the actual state of affairs existing in the cement industry in the United States, but more particularly in our mills which are situated in the States of New York, Pennsylvania, and Maryland.

I present to your committee a statement showing the amount of American Rosendale cement that has been made in this country since 1848; also a statement showing the importations of foreign Portland cement since 1878; also, the manufacture of American Portland cement from the time that it was first commenced in this country in 1876.

It costs us to manufacture Portland cement, of 400 pounds to the barrel, equal in every respect to the cement that is made abroad, and so proved by eminent judges and experts and by actual use, the sum of 80 cents per barrel for labor alone, taking into account nothing that is expended for the labor in making the barrel, or the labor that is employed in mining the coal or burning the coke, both of which are necessary adjuncts to the making of the article.

I also present a statement showing the rate of wages paid abroad. Taking the average of France, Germany, Belgium, and England, we find we pay in this country, on an average, two and one-half times the rate of wages that is paid abroad. In other words, where it costs us 80 cents to make 380 pounds (1 barrel) of cement here, at the rate of wages that is paid abroad it could be made for the sum of 32 cents per bar-

rel. And if we should take Germany as a special example (from which country we are now receiving our largest importations), we would find that we are paying three times the average amount of wages that is being paid there. If we turn to Volume I of Consular Reports, entitled Labor in Europe, page 512, we will find the average wages paid in the Portland Cement Manufactory in Stettin, was \$3.57 per week of sixty hours, equal to 59½ cents per day of ten hours. If this same labor were employed in America, we should have to pay at least an average rate of \$9.78 per week of sixty hours, or \$1.63 cents per day, in making a similar quantity of cement; and it is fair to presume that the German workman is as skillful as the American one. In fact, he works no longer hours than those who are employed in this country. And as they have no appliances in Germany that we do not possess here, or *vice versa*, it may be taken as an indisputable truth that the rate of wages in Germany as compared to the United States is as two is to five. Therefore, in order to equalize the difference in cost of production between this country and Germany, the tariff should be the difference between 80 cents, the cost to manufacture it here, and 32 cents, which it costs to manufacture it there, or 48 cents per barrel, equal to 12 cents per 100 pounds.

It has been suggested by those who have previously appeared before your honorable committee that a rate of 8 cents per 100 pounds would be a proper one to impose on importations of cement. But we are of the opinion, and our opinion is based upon careful observation and consideration of all the exigencies of the case, that this rate would not to any appreciable extent curtail the importations; but at the same time it is more than likely that it would augment the revenue by exactly the amount of difference between 19 cents per barrel, which is now being collected, and 32 cents per barrel, which would be the rate imposed should the rate of 8 cents per 100 pounds become a law. On an average importation of 1,500,000 barrels per year this difference would make the sum of \$200,000, which increment would seem to be directly antagonistic to the result which your committee is endeavoring to obtain—that of protecting adequately those industries in the United States that are now suffering on account of inadequate rates being imposed upon the competing foreign product, and at the same time to reduce the revenue. To remedy these inconsistencies and incongruities is the paramount result which your committee is striving to attain. It should be an axiomatic principle that the rate that is imposed upon a competing foreign product where every ingredient for the production of an article exists within the borders of our own land should be ample to cover any increase of the cost of production which may exist in consequence of the higher rate of wages existing in this country. And eminent protectionists have declared that when the importation in any line of commodities is large and increasing from year to year, and no good reason appears why the things can not be as well produced here, it is fair to assume that the duties are below the cost line and the advantage is with the foreign producer. That this is unquestionably true to-day of the Portland cement business can be seen from the fact that while in former times we shipped large quantities of cement to the markets of New Orleans, Galveston, and San Francisco, we are now shut off from them entirely.

Another witness to this truth may be found by examining the schedule herewith presented, showing that while the importations of foreign Portland cement have grown from the sum of 92,000 barrels for the fiscal year ending June 30, 1878, to 1,517,350 barrels for the fiscal year ending June 30, 1889, the increase in the manufacture of domestic Portland cement has in the same time only grown from that of 25,000 barrels in 1878 to 450,000 barrels in 1889. As 87 per cent. of the cost of making a barrel of cement is pure labor, it is the laboring class that would be so largely benefited by the imposition of a duty that will give encouragement to the manufacturers of this most essential article to stay in the business. And not only this result will be attained by an adequate duty being prescribed, but it will sustain the capital and the employment of the thousands of men which are now engaged in this business, and what at the present time is far from being a remunerative occupation for the manufacturer.

Representing as I do manufactories employing in the aggregate 1,000 men and a production of over 1,000,000 barrels per year, we think you should give considerable weight to this argument. I have carefully computed that the amount lost to labor in the United States during the last twelve years on account of the importations of foreign Portland cement on the basis of present wages, amounts to the enormous sum of \$6,471,771, or the sum of \$540,000 per year. And half of this amount could have been saved for the interests of this country if the tariff commission of 1883 had paid careful attention to the arguments that were then presented to them asking for an increase in the existing rate of duty.

In view of the facts here presented we would respectfully ask that the duty be made as follows: On Portland, Roman, or other hydraulic cement, hydraulic lime, cement, cinder, and clinker, whether imported in bulk, bags, or barrels, of 13 cents per 100 pounds. This rate we believe would so curtail the importations as to decrease the revenue and would benefit a business which, in New York and Pennsylvania alone, employs 3,500 hands, paying out annually \$2,000,000 for wages.

Mr. Ackerman presented the following table of annual products and prices with the accompanying diagram :

Manufacture of Rosendale cement in the years named, the lowest and highest prices in each year, the average price and the total value of each year's product at the average price.

Year.	Barrels.	Range of prices.	Average price of products.	Total value.
1848.....	190,000	\$1.27	\$1.37	\$260,300
1849.....	210,000	1.35	1.35	283,500
1850.....	240,000	1.35	1.35	324,000
1851.....	310,000	\$1.25 to 1.35	1.27½	395,250
1852.....	362,000	1.25	1.25	452,500
1853.....	456,000	1.00 1.50	1.20	547,200
1854.....	474,000	1.12 1.50	1.27½	604,350
1855.....	485,000	1.00 1.25	1.07	518,950
1856.....	510,000	1.00 1.12	1.05	535,500
1857.....	610,000	1.10 1.20	1.20	732,000
1858.....	740,000	.85 1.20	1.05	777,000
1859.....	670,000	.80 .90	.87½	586,250
1860.....	740,000	1.00	1.00	740,000
1861.....	440,000	.90 1.00	.90	396,000
1862.....	530,000	.90	.90	477,000
1863.....	530,000	1.20 1.35	1.20	696,000
1864.....	580,000	1.40 1.60	1.55	899,000
1865.....	590,000	1.50 1.80	1.65	1,138,500
1866.....	905,000	1.75	1.75	1,583,750
1867.....	849,000	1.50 1.75	1.70	1,443,300
1868.....	957,000	1.75 1.90	1.80	1,722,600
1869.....	1,156,000	2.00	2.00	2,312,000
1870.....	1,170,000	1.90 2.00	1.95	2,281,500
1871.....	1,227,000	1.75	1.75	2,147,250
1872.....	1,385,000	1.60	1.60	2,216,000
1873.....	1,355,000	1.75	1.75	2,371,250
1874.....	1,343,000	1.30 1.50	1.40	1,880,200
1875.....	1,148,000	1.20	1.20	1,377,600
1876.....	1,085,000	1.20	1.20	1,302,000
1877.....	991,000	1.00 1.20	1.10	1,090,100
1878.....	1,089,000	.90 1.00	.90	980,100
1879.....	1,376,000	.90 1.00	.97½	1,341,600
1880.....	1,432,000	1.00 1.10	1.05	1,503,600
1881.....	1,500,000	1.00 1.25	1.20	1,800,000
1882.....	1,663,000	1.00 1.10	1.07½	1,778,725
1883.....	1,576,000	1.00 1.20	1.07½	1,694,200
1884.....	1,056,000	.90 1.00	.97½	1,014,600
1885.....	1,766,000	.90 .95	.95	1,589,400
1886.....	2,054,000	.90 .95	.90	1,848,600
1887.....	2,339,000	.90 .95	.92½	2,163,575
1888.....	2,262,984	.90	.90	2,036,686
1889.....	2,507,000	.....	.87½	2,193,625
Total	43,646,000	.....	.....	52,604,561

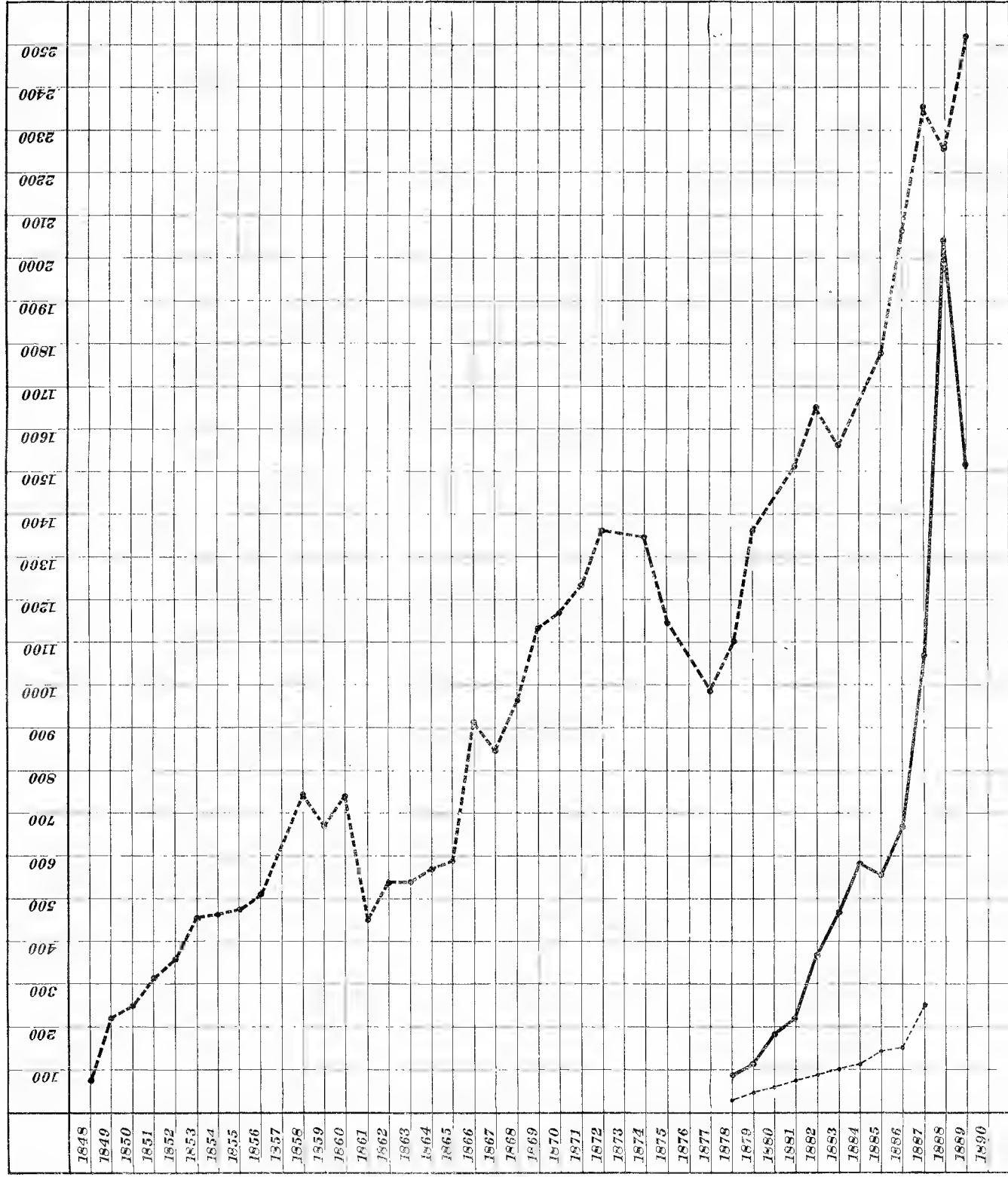
Importations of foreign cement.

[Years 1878 to 1886, from Report of U. S. Geological Survey. Years 1887, 1888, and 1889, Report of Bureau of Statistics.]

Fiscal years, June 30—	Barrels.	Increase each year over previous year.	Invoice value.	Value per bar- rel.	Actual value per bar- rel.	Decrease in invoice value from price in 1878.
		<i>Per cent.</i>				
1878.....	92,000	15	\$204,422	\$2.22	\$2.22	.....
1879.....	106,000	15	205,074	1.93	1.93	\$0.29
1880.....	187,000	76	373,601	1.99	1.99	0.23
1881.....	221,000	18	440,025	1.99	1.99	0.23
1882.....	370,406	67	683,684	1.84	1.84	.38
1883.....	456,418	25	802,294	1.75	1.75	.47
1884.....	585,768	28	825,095	1.40	1.40	.82
1885.....	554,396	5*	874,070	1.57	1.57	.65
1886.....	650,032	17	733,297	1.12	1.42	1.10
1887.....	1,070,400	64	1,101,994	1.03	1.39	1.19
1888.....	2,016,990	88	1,903,650	.94	1.30	1.28
1889.....	1,517,350	25*	1,459,838	.96	1.32	1.26
	7,827,360	.....	9,607,044	.....	.....	.....

* Decrease.

Average increase per year, 30 per cent.



1848 1849 1850 1851 1852 1853 1854 1855 1856 1857 1858 1859 1860 1861 1862 1863 1864 1865 1866 1867 1868 1869 1870 1871 1872 1873 1874 1875 1876 1877 1878 1879 1880 1881 1882 1883 1884 1885 1886 1887 1888 1889 1890
 — Production of Rosendale Cement.
 - - - Importation of Portland Cement.
 . . . Manufacture of American Portland.
 Committee on Ways and Means—Tariff.

Manufacture of American Portland cement in barrels.

1876.....	5,000	1881.....	72,000	1885.....	150,000
1877.....	15,800	1882.....	85,000	1886.....	185,000
1878.....	25,000	1883.....	90,000	1887.....	250,000
1879.....	40,000	1884.....	100,000	1888.....	400,000
1880.....	50,000				

COMPARATIVE LABOR FIGURES.

Cement is nearly all labor.

In the United States :

	Per cent.
Quarrying represents	40
Burning represents	6
Grinding represents	6
Moving, etc., represents	5
Packing represents	3
Coal and coke, staves and heading, all the products of labor	27

Making of labor..... 87

This labor represents on an average for :

	Per day.
Quarrymen	\$1.50 to \$2.00
Laborers	1.30 1.50
Millers	2.00 2.50
Millwrights	2.50 3.00
Engineers	2.00 2.50
Coopers	1.50 2.00

And all the labor is that of men.

In Europe.

Both men and women are employed in cement works. The wages paid, per day, as gathered from the investigation made in European cement works and from consular reports of 1884 are as follows :

	France.	Germany.	Belgium.	England.
Miners	\$0.87	\$0.52	\$0.60	\$0.52
Millers	\$0.48 to .87	.65	.88½	1.00
Women millers .....	.29 to .39			
Millwrights	1.12½	.70	.83½	1.16
Laborers .....	.76	.60	.66	.78
Women laborers .....	.38½	.24	.57	
Engineers .....	.97	.73	1.03	1.10
Coopers .....	.93	.66	.86	1.13

American vs. German labor.

From United States consular reports, Ex. Doc., Forty-eighth Cong., page 464, one German Portland cement manufactory in Silesia employed in 1884, according to its pay-roll for one day, in its whole works :

	Cents.
Three workmen, at	36
Sixty-six workmen, at	24
Seventy men and women, at	24

A total daily pay-roll of \$33.72.

An American works, of same number of hands, employs, according to its books :

Two engineers	\$2.00
Four millers	2.50
Two millwrights	3.00
Thirty coopers	1.75
Fifty-one laborers	1.30
Fifty quarrymen	1.75

A total daily pay-roll of \$226.30.

Amount lost to labor in the United States during last twelve years on account of the importations of foreign Portland cement, on the basis of present wages :

Labor	\$3, 913, 880
Cooperage	1, 272, 011
Coopers	587, 082
Paper	58, 708
Nails	48, 738
Paste	3, 010
	<hr/>
	5, 883, 429
Transportation to New York, towing, etc., at 10 cents per barrel	588, 342
	<hr/>
Total	6, 471, 771
Or \$539,314 per year.	

VIEWS OF ABRAHAM COLES.

CUMBERLAND, MD., January 10, 1890.

DEAR SIR: I wish to call the attention of your committee to the claims of the cement industry in the United States for adequate protection against an injurious foreign competition. Before proceeding, however, to give the particular data upon which these claims are based, I would like, with your permission, to be indulged in a few remarks on the general subject of protection and the duty of the Government in relation thereto.

Starting with the assumption that the end of government is the good of the governed, all that follows is a question of means. Our national Congress has chiefly to do with foreign nations. Our wisest and best citizens meet in council and pass laws regulating our commercial intercourse with other peoples. They, of course, have interests distinct, if not antagonistic, to our own which they are careful to protect. We do not complain of this, and by parity of reason they ought not to complain if we do the same.

Protective tariffs belong to the domain of practical politics. Nothing is more misleading than glittering generalities. Circumstances alter cases. What may be good for Great Britain may not be good for the United States. Her territory is limited and insular. Ours is vast and continental, a world in itself, combining the advantages of all climates. Sensible of her territorial narrowness, she is jealous of her supremacy on the seas. There she will not tolerate, if she can help it, any rival. She grudges no subsidy however great to maintain her ascendancy. This undeniably is "protection," but it is in a line with her commercial interests, and therefore she favors it. She would like to do all the manufacturing and all the carrying trade of the world, and naturally enough she is in favor of free trade, especially for the United States. One can not help admiring the arctic coolness with which she counsels us to give up manufacturing and betake ourselves to farming—the raising of cereals, and possibly cotton. All Europe, we are assured, in that event, stands ready to supply us with everything else we need, and all so cheap. The era of cheapness will then begin. Everything will be cheap, clothes will be cheap, food will be cheap, and, last of all, labor will be cheap, for cheap food is but another name for cheap labor. Certainly to the agriculturist who produces it, cheapness is a necessity. As there is to be but one industry (the tilling of the soil) it would seem that the supply might be in excess of the demand, and in that case, owing to the glut, both food and labor would be in danger of being too cheap, so cheap as to have little or no purchasing power. No lack of bread, certainly is to be apprehended (seeing the producers are the main consumers) whatever may be their lack of other things.

Free trade, for this country at least, is, we must think, the greatest of absurdities. No policy could be more suicidal. It were alike foolish and wicked, for free trade is assailable both on its ethical and economic side. He who made the world gave it to man to dress it and keep it, to turn it to the best possible account, to utilize and enoble every part of it, to analyze it and synthesize it and bring to light its latent wonders. This brave earth, lumpish in itself, but full of magnificent possibilities waiting development, was never intended for a race of sluggards. It was not by accident but design that the greater part of the Creator's work was left unfinished, in order that man might finish it. This supplied the requisite motive for labor. While to the strenuous toiler all things are possible, dominion and mastery over everything above ground and beneath it, the curse of God rests upon the impious idler who lets the most splendid opportunities for noble service pass unimproved.

I propose now to point out the disabling inequalities to which American cement

is subject as against the foreign—to place the facts of the case fairly and frankly before your committee, so that they will be in a position to judge for themselves what protection ought to be afforded to so important an industry. The number of men employed in the manufacture of cement throughout the country is very large. It is their business, their living, their only means of support. Their calling is an honest one. Cement is an article in universal use. The Good Being who gave to the Western farmers a fertile soil, suitable for raising great crops of grain, has given to other localities lands less fertile, but, by way of compensation, has added abundant subterranean supplies of excellent raw cement. It is widely diffused east, west, north, and south. To make the buried rock, however, of the least value, it is necessary to mine it, and burn it, and grind it, and barrel it, and transport it to remote markets and sell it for what it will bring. For all this, both capital and labor are necessary. One is not more so than the other. Now it is true, as can be easily shown, that 87 per cent. of the cost of the manufactured article represents labor, and that proportion is actually paid out as wages. Labor being the chief item, it is evident, that a great inequality must thence arise, if, as we are prepared to show, the cost of American labor to European, employed in this business, is as five to two.

For the justification of this estimate, it is only necessary to refer to the printed reports of our consuls residing in Germany and elsewhere. Allowing it to be true, what follows? It costs to make a barrel of Portland cement \$1. Made in the United States, 87 cents would be paid out for labor, whereas in Europe, only 35 cents would be paid, showing the enormous difference of 52 cents per barrel in the cost, arising from labor alone. How is it possible that the American manufacturers, heavily handicapped in this way, can compete with his European rival? It goes without saying, it is too plain for argument, that the race is lost before it is begun, and that there is nothing to prevent the Old World jockeys having the whole field to themselves. Under free trade the mineral treasures stored away in our hills and concealed beneath our feet will continue to lie unused, with nothing to disturb the slumber of ages. It must be so. Indeed, something far short of free trade would suffice to wipe out the whole cement industry as with a sponge, for no one is going to be so foolish as to manufacture long at a loss. Rather than do this, he will close his factory—perhaps turn importer, and the millions that go to the support of the people at home will then go abroad, making the whole country so much poorer.

The guiding principles which should direct in the fixing of tariff rates we have seen nowhere more luminously stated than in Hon. Samuel J. Randall's speech in the House of Representatives, May 18, 1888. Having noticed certain free trade fallacies, such as, first, that duties are always added to the price which the consumers pay, the fact being that this is only true of articles not produced in this country, such as tea, coffee, and the like, that in all other cases, owing to home competition, the effect being, as experience shows, often no increase at all, rather an actual decrease in the price; and second, that duties on articles produced in this country are a tax or a bounty which the customers must pay to the manufacturer—the speaker proceeds to lay down the principles which should govern in determining the rate that ought to be fixed in any given case. The rate, he says, should be “ample to cover any increased cost of production which may exist in consequence of the higher rate of wages existing in this country.” He further says: “When the importations in any line of commodities is large and increasing from year to year (and no good reason appears why the things can not be as well produced here), it is fair to assume that the duties are below the cost line, and the advantage is with the foreign producer.” In consistency with this, he adds: “If in any instance the rate of duty is too low to cover this difference of cost, I am ready to help raise it.”

At present there is a duty on foreign cement of 20 per cent. ad valorem, assessed on the invoice value of the cement alone, not including the barrels. Originally, and up to 1885, the barrel was included, which makes a difference of about 11 cents in the amount of duty paid, it being contended that the law admitted of such a construction, thus diminishing the original and purposed protection by just so much. Before that time the importations had been large, but immediately they became larger and larger, until now they amount to nearly one-third the entire sales. This increase was attended with a great fall in the invoice value per barrel, brought about in two ways; first, by rating the barrel high and its contents low; and secondly, and chiefly, by the lowering effect of American competition. The invoice price of foreign Portland cement per barrel in 1878 was \$2.22 with the barrel. In 1888 it was 94 cents without the barrel. Withdraw all competition, let free trade close our factories, and what is there to prevent the return of the old prices of a decade ago, \$2.22 per barrel, with the seller's profit added? Manufacturers are abundantly able, by favor of the Government, to supply all that is wanted without any foreign aid. All they want is fair play, and this, they think, the Government is bound to give. We are citizens and entitled to protection. What is our citizenship worth to us if it secures to us no advantage, not even an equality of advantage with the people of

other countries? It is right to cultivate amity with other nations, but surely it is the State's first duty to care for its own.

It seems to me that the principle laid down by Mr. Randall is an eminently just one, that the rate of duty fixed should be "ample to cover any increased cost of production which may exist in consequence of the higher rate of wages existing in this country." The question then arises, what rate will be ample to that end?

The committee will naturally wish to be satisfied that there is no overstatement in the alleged fact that labor forms 87 per cent. of the cost of production—that no exaggeration is chargeable to the comparison of wages, set down as five to two on an average. As the greater part of the imported cement comes from Germany, the evidence afforded by the printed reports of our consuls residing there will, we presume, be counted sufficient, and to them I would confidently refer. (See exhibit presented by Mr. Ernest R. Ackerman on January 4, 1890). According to my figuring a duty of 13 cents per 100 pounds of cement would not "amply," but simply cover the difference of cost of production between the two countries, and thus establish an equality, that and nothing more. It ought to be higher, rather than lower, to effectually reach the other object aimed at, the checking and diminishing of importation. Were the duty raised to 25 cents per 100 pounds, and made practically prohibitory, no injury, rather a benefit, would result to the public, as keeping at home a million or two of dollars which now unnecessarily go abroad.

No doubt the whole thing resolves itself ultimately into a question of cheapness. Of course I can not produce as cheap as my neighbor if I am obliged to pay two or three times as much as he does for labor, and it is all the same whether that neighbor lives across the way or across the water. If his cost is less, so that he can undersell me, be it 5 cents or only 1 cent a barrel, it is enough, he commands the markets of the world, and I am thrown out. For men buy of whom they can buy cheapest.

It is fortunate under such circumstances that it is in one's power to avoid certain ruin by ceasing to manufacture. If I can find no protection against the invasion of my rights as a citizen; if the State deliberately decides that it is contrary to public policy to interfere; if her final judgment is that she owes nothing to her children; that it is better to be romantically generous than to be just; that it is a beautiful and proper thing to sacrifice national self-interest and national good on the altar of a national altruism, and build up the prosperity of other countries and peoples out of the ruins of her own, stone by stone, I can only wonder and submit. I may believe it unwise; I may think that herein she plays the step-mother rather than the true parent; that it were more becoming in her, and more to her advantage if her strong arm were stretched out for the protection and help of those of her citizens who are engaged in a hard fight against odds to lift her up out of a condition of ignoble dependence and vassalage into one of honorable independence and freedom, and by a timely interposition save them from the ignominy of defeat and the shame of being triumphed over while battling in her own cause.

Nothing is clearer, it seems to me, that whoever else is benefited by protection, the State is benefited first of all and most of all, and that she denies needed protection at her own great loss. She, least of all, can afford to make it less than effective and adequate. Indisputably the entire blotting out of an important industry like cement can not be otherwise than a great public calamity. Private ruin is a passing evil, but this were something far-reaching and permanent. The individual dies, but the State lives. After the bankrupt manufacturer is dead and buried the injustice remains to plague future generations. It is safe to say, therefore, it is possible to ask too little as well as too much, and that the granting too little may be fraught with greater detriment to the public than granting too much. If the modesty of the manufacturer is at fault, somebody in the interest of the public should be bold in behalf of the endangered business and make the little more. At the last session of Congress, when the Mills bill was first introduced, so imperfectly informed was the author of the bill in regard to the nature of the business that cement was placed on the free list, but later, seeing how ruinous this would be, he consented to the imposing of an ad valorem duty of 20 per cent., expressly assessed on the invoice value of the cement at the place of shipment, including the cask or barrel, which would be about equivalent to 8 cents per 100 pounds. But 8 cents is not enough, for it is not sufficient to cover the difference in the cost of labor here and abroad, as must be evident to any one who will take the trouble to compare the two, and should that be the rate determined on, there is every reason to believe that the foreign importations will go on increasing as heretofore, so that both the objects aimed at will wholly or in part be defeated. I speak in the interests of the manufacturer, *pur et simple*, distinguished from one who may deal largely in the imported article.

A single word on another point. Mr. Randall quotes Adam Smith as having long ago laid down the proposition that larger profits in one industry than others could not long prevail in the same country. This could only take place where there was a monopoly secured by a patent. With respect to cement, there is no monopoly, nor

can be. Any one is free to engage in it. The raw material is everywhere. All that is necessary is to dig for it. Whatever knowledge or skill is needed to utilize it is at hand. Should the profits at any time appear temptingly large, everybody is welcome to share them. But excessive profits are out of the question. The probabilities are that it will be in the future as it has been in the past—a struggle for existence among rival companies, and the survival of the fittest, and this whatever the duty may be, even though it were prohibitory. It is doubtful whether the entire exclusion of foreign cement would affect the price much, if at all. The chief advantage to the American manufacturers in that case would consist in this, that whereas now they have only a part of the market, they then would have the whole, with a corresponding benefit to the community at large. The public has nothing to fear. And the manufacturers will deem themselves fortunate if their old experience is not repeated—an exceedingly small profit with a vanishing margin much of the time of some 5 or 10 cents a barrel, running down to zero and below it.

Allow me to say in conclusion, that I appreciate the exceedingly difficult and delicate nature of the duty with which you are charged. Your action can not fail to have a powerful influence upon the well being of this country for many years to come. The importance of the interests involved will be, I trust, a sufficient apology for the length of my communication.

I am, sir, with great respect, yours truly,

ABRAHAM COLES,

President of the Cumberland Hydraulic Cement and Manufacturing Company.

Hon. WILLIAM MCKINLEY, JR.,

Chairman Committee on Ways and Means.

THE DUTY ON LIME.

To the Committee on Ways and Means:

The manufacturers of lime in the county of Knox, and State of Maine would most respectfully call your attention to the following important facts affecting the interest of the people of this and surrounding counties, as well as similar manufacturers in different parts of the United States.

The vast beds of limestone in this county opened up an industry in the sea-ports of Thomaston, Rockland, Rockport, and Lincolnville, in the manufacturing of lime, which has existed for over a century. Gradually increasing, it now amounts to a capital invested in kilns, wharves, and store-houses of about \$1,000,000, and in lime-rock quarries of about \$2,000,000—an investment worthless for any other purpose. There is, besides, a large shipping interest employed in transporting the lime and fuel for burning it. In the year 1889 the total number of barrels of lime produced in Knox County was 1,856,068.

Excepting the rock in the quarry and the fuel and lumber in the forest, worth not more than 6 cents per cask, the whole cost of lime is made up of labor, which includes quarrying the rock and hauling it to the kilns, cutting or mining the fuel and transporting it, making and hauling the lime casks, burning the lime, and hauling and transporting the same to market.

Until within a few years Canada was one of our large lime markets. But on the formation of the Dominion of Canada she imposed a duty amounting to nearly 20 cents per barrel on imported lime, which excluded us from her markets and soon after began to develop her own lime-rock quarries. In consequence of her cheaper labor and fuel, by the aid of American capital and skill, she has been able to manufacture lime not only for her own markets but to export to the United States in consequence of our low duty of 10 per cent., which was sufficient to protect our own lime industry when lime was valued at \$1 per cask, before the development of the Canadian lime industry and reduction of cost, which has diminished what was once a duty of 10 cents per barrel to about 3 cents.

Some idea of the serious nature of the competition of the St. John limekilns in the markets of this country may be gained from the official statistics, which show that while up to 1885 the annual number of barrels of lime imported did not exceed 5,000, the last fiscal year the imports reached 200,000 barrels.

The following comparative statement of the comparative cost of manufacturing lime at Rockland, Me., and St. John, New Brunswick, show why it is the present duty of 10 per cent., which was originally intended to be 10 cents, but is now in fact only 3 cents, is under present circumstances entirely inadequate:

Comparative cost of manufacturing one hundred barrels of lime at Rockland, Me., and a St. John, New Brunswick.

	Rockland.	St. John.	Excess at Rockland.
Lime rock at kilns	\$21.00	\$10.00	\$11.00
Three men on kiln, \$2 per day each	6.00	3.75	2.25
One man feeding	1.57	1.00	.57
One man trimming casks	2.00	1.25	.75
Wheeling fuel to kiln	2.00	1.25	.75
Coal or wood used in burning	17.50	10.00	7.50
One hundred lime casks	18.00	18.00	-----
Nails and liners .....	.30	.30	-----
Delivering lime to vessel .....	.50	.31	.19
Kiln rent	3.00	3.00	-----
Total	71.87	48.86	23.01

It will be seen from this statement that it costs 23 cents more per barrel to manufacture lime in Maine than in New Brunswick, 10½ cents of which is the excess of wages paid in quarrying, burning, and transporting the rock, and 7½ cents the excess of cost of coal or other fuel. As the costs of transporting the Knox County lime to our markets is a few cents less than the cost of transporting from St. John, 15 or 16 cents represents substantially the increased cost of manufacturing lime in Maine, and transporting to our markets (and the same for other lime-manufacturing points in the United States) over the cost in Canada; and this difference it will be seen is practically all in the labor, for it is labor which makes the cost of fuel. It will be seen that laborers employed in this arduous industry receive in Maine from \$1.75 to \$2 per day against \$1 to \$1.25 at St. John, doing in each case precisely the same amount of effective work.

It will be seen from this statement that it requires about 15 cents duty per barrel on imported lime in order to cover the difference in cost of labor and fuel in manufacture in this country and in Canada. Indeed Canada herself imposes a duty of about 20 cents per barrel on imported lime made in this country. Unless the duty on imported lime shall be placed at 15 cents or very nearly that figure, it is probable that Canada will gradually absorb our markets for lime, and compel our manufacturers to give up this important industry and remove to Canada, and thus deprive a large number of our workmen of the opportunity for labor now afforded by this industry and our people generally of all the benefits that flow from it.

We therefore pray that the duty on lime may be fixed at 8 cents per hundred pounds, which in fact is but a little higher than was contemplated by the tariff of 1846, which fixed the duty on lime at 10 per cent. when the valuation was about \$1 and when there was no competition from abroad.

KNOX COUNTY (MAINE) LIME MANUFACTURERS.

ROCKLAND, ME., *January, 1890.*

CLAY.

STATEMENT OF MR. JESSE B. KIMES.

TUESDAY, *December 31, 1889.*

Mr. JESSE B. KIMES, of Philadelphia, appeared before the committee. He said:

Mr. Chairman and gentlemen of the committee: The clay manufacturers are desirous of increasing the rate of duty on foreign clays to what it was in 1883. It was \$5 a ton at that time for wrought china-clays. It was \$3 a ton on unwrought clays. It is \$1.50 and \$3 at the present time. The output of china-clays at the present time is less than it was four years ago. The importation of foreign clays is steadily increasing. In 1887 there were imported into the United States 20,387 tons of china-clay alone, at a per ton value of \$6.60 gross weight. In 1888 there were 21,340 tons at the per ton value of \$5.76 gross weight. In 1889, for the year ending June 30, in the city of New York alone there were 15,775 tons of china-clay alone at a valuation of \$5.03 $\frac{1}{2}$ a gross ton. The falling off in the output in American clays has been perhaps at about the ratio of decrease as foreign clays have increased. We contend that American clays can not be produced and put in the potting centers at a price that will remunerate the miner. We would state that at first the china-clay of commerce was not properly understood; it was not known exactly what it was. The china-clay which was raw material to the potter is not raw material to the clay miner and manufacturer. The latter have to expend the value of the article in labor. The lowest wages we are paying to day in the Eastern clay mines, the section which I represent in Pennsylvania, Delaware, and Maryland, is \$1.25 a day and from that to \$1.40 per day.

The CHAIRMAN. What is paid per day in Europe?

Mr. KIMES. I am assured they pay in Cornwall 2 shillings a day, which is about 50 cents. The most of the English clay comes to this country as ballast, or, in other words, by tramp steamers that are seeking freights on this side, and clays are shipped from southwestern England, where steamers stop at St. German, Falmouth, or St. Ives, and take on china-clay and unload it on this side at a nominal cost. Otherwise they would have to take stone as ballast, or some other material, and unload it on this side at an expense. I am assured by a potter of Brooklyn, N. Y., who imports directly on his own account, that he put in his bins china-clay that has cost him \$10.45 a gross ton, and that freights from Cornwall to New York in many instances do not amount to 4 shilling 6 pence, which is less than \$1.25 a ton from Cornwall to New York. The freights from New York to the potting centers, including the foreign freight, in most instances are less than freights from interior mines to the same places.

The CHAIRMAN. State where the mines are.

Mr. KIMES. In southeastern Pennsylvania, and from around that section of country most of the American china-clays used by the china potters of this country come.

The CHAIRMAN. How many clay mines are there in this country?

Mr. KIMES. China-clays come from one-half of the States of the Union, I would say, but the greater portion of it is used for other purposes than china pottery.

The CHAIRMAN. Are there some in the Southern States?

Mr. KIMES. Quite a quantity comes from the Carolinas and Georgia. It is used by paper-makers. A gentleman here will have some figures to submit upon that point as to production there. The freights from New York, including the foreign freight, to the potting centers in most instances are less than the freights from the interior mines of this country to the same centers.

The CHAIRMAN. Is the price of clay any cheaper than it was prior to the act of 1883?

Mr. KIMES. Yes, sir. I was not in the clay-mining business at that time, but I am assured the average price was in the neighborhood of \$14; say from \$12 to \$20 per ton of 2,000 pounds.

The CHAIRMAN. What is it now?

Mr. KIMES. Now china clay is selling at from \$9 to \$15 per ton.

Mr. BRECKINRIDGE. Is that according to quality?

Mr. KIMES. According to quality. There is in china clay what we call a strong or

plastic clay and a short clay. Short clay is one that corresponds more particularly with the English clay. Most English clays are short clays.

Mr. BRECKINRIDGE. What is meant by short clay?

Mr. KIMES. It is a kind that does not work up. It is not tenacious and does not hold itself together well.

Mr. BAYNE. What kind of clay is this (exhibiting a specimen of white clay)?

Mr. KIMES. That is a white china clay, washed and prepared for the pottery.

Mr. McMILLIN. What proportion of the clays used in the various manufactories of the United States is now imported, and what proportion produced here?

Mr. KIMES. There were in 1887 clays of all kinds imported into the United States 37,640 tons. In 1888 there were 46,551 tons of all kinds, wrought and unwrought. In 1889 up to June 30 there were 48,800 tons. The output in the United States of American clays this year will amount to in the neighborhood of about 35,000 tons. I am told that the china clay from the Carolinas and Georgia will amount to somewhere from 15,000 to 18,000 tons, and the output of the china clays from all other sections of the country that go into the hands of the potter this year will be about 18,000 tons.

Mr. BAYNE. And as to the supply of china clay in this country?

Mr. KIMES. There is an inexhaustible supply.

Mr. BAYNE. How is it in Pennsylvania?

Mr. KIMES. In Pennsylvania the beds so far discovered are not so large. They are more in the shape of pockets or sedimentary beds.

The CHAIRMAN. Why do you ask for an increase of duty?

Mr. KIMES. We want to be able to compensate ourselves for the depletion of the property and get a just remuneration for our labor.

The CHAIRMAN. Have you reduced the price of labor since the reduction in 1883?

Mr. KIMES. No, sir; labor is now perhaps 10 per cent. higher than it was in 1883.

The CHAIRMAN. Is foreign competition diminishing your product here?

Mr. KIMES. Yes, sir.

Mr. BRECKINRIDGE. What is your mode of mining?

Mr. KIMES. We mine by shafts.

Mr. BRECKINRIDGE. In some cases I suppose you have scaffolds?

Mr. KIMES. Yes, sir.

Mr. BRECKINRIDGE. Do you sometimes dig from the surface?

Mr. KIMES. The principal mode is to mine my shafts 20 feet in diameter, and to go down till we go through the clay bed.

Mr. BRECKINRIDGE. How far below the surface do you usually strike the vein of clay?

Mr. KIMES. It would average 15 feet in our section.

Mr. BRECKINRIDGE. How thick is the clay?

Mr. KIMES. Sometimes as much as 75 feet thick; others would not run over 15 feet thick. On an average china clay in its different variations would run about 45 to 50 feet thick in the bed.

Mr. BRECKINRIDGE. How much do you generally calculate on getting out per hand per day while excavating—of course I suppose there has to be some preparatory work done?

Mr. KIMES. We can by running twenty-four hours produce 20 tons per day with the labor of sixty men.

Mr. BRECKINRIDGE. But that includes a great many men besides miners. I mean with miners proper.

Mr. KIMES. We have about forty men engaged in mining.

Mr. BRECKINRIDGE. Forty men working, say, ten hours, would get out 20 tons of clay?

Mr. KIMES. Yes, sir.

Mr. BRECKINRIDGE. Where is this clay mostly worked up?

Mr. KIMES. The principal centers in this country are Trenton, N. J., East Liverpool, Ohio, and along the Ohio River. There are four potteries in Baltimore, three or four in Boston and surrounding country, three in Wheeling, W. Va., and three in Cincinnati.

Mr. BRECKINRIDGE. They are pretty well distributed?

Mr. KIMES. Yes, sir.

Mr. BRECKINRIDGE. Your clay, I suppose, is principally consumed in Baltimore?

Mr. KIMES. And East Liverpool, Ohio.

Mr. BRECKINRIDGE. Western points, I suppose, are supplied from western deposits?

Mr. KIMES. To some extent.

Mr. BRECKINRIDGE. How far is your mine from tide-water, and what is the port of shipment?

Mr. KIMES. The nearest point to tide-water would be Wilmington or Philadelphia, about 45 miles to each place, or perhaps not quite so far to Wilmington. We ship to

the different pottery centers of New York and elsewhere by rail. We do not ship except by rail.

Mr. BRECKINRIDGE. How far are you from Trenton ?

Mr. KIMES. We are about 75 miles. The freight to Trenton is \$1.26 per ton. The freight from New York to Trenton is about 60 cents per ton.

Mr. BRECKINRIDGE. Do you ship mostly in bulk as coal is shipped ?

Mr. KIMES. Yes, sir.

Mr. BRECKINRIDGE. How long has this industry been established in this country ?

Mr. KIMES. I am hardly able to state. I succeeded in the business by assuming control of an estate of which I am a member. My successor was a pioneer in the clay business, and was engaged more or less in it for 30 years.

Mr. BRECKINRIDGE. How far back, so far as your knowledge extends, has it been an extending industry ?

Mr. KIMES. Twelve or fifteen years.

Mr. BRECKINRIDGE. And then according to your knowledge up to twelve or fifteen years ago there was very little clay mined in this country ?

Mr. KIMES. Yes, sir.

Mr. BAYNE. What is this duty equivalent to ad valorem ?

Mr. KIMES. I am not able to say from the statistics that I have.

Mr. BAYNE. What is unwrought clay worth ?

Mr. KIMES. In the neighborhood of \$5 to \$8 a ton.

Mr. BAYNE. What is wrought and manufactured clay worth ?

Mr. KIMES. The value of imported clay is from \$5.03⁷/₁₀ to \$6.66 per ton in England—American clay is worth from \$9 to \$15 per ton at potteries.

Mr. BAYNE. About 50 or 60 per cent.

Mr. KIMES. Yes, sir.

TRENTON, N. J., January 1, 1890.

DEAR SIR: As you will remember, the hearing given by your committee to the clay manufacturers yesterday was interrupted in order to allow a representative of the glass industry, who was ill, to be heard.

At the suggestion of the other members of our committee I desire to present to the notice of your committee, in connection with the remarks of Mr. Kimes and Wilson, the following brief statement of facts from the business of our company (The Golding & Sons Company) during the period from 1883 to 1889, inclusive.

In 1883 our annual output reached its highest point, 8,000 tons; the spot value was the highest for the period mentioned, and we employed from one hundred and thirty to one hundred and forty men.

During this period our business has declined 37 per cent., or from 8,000 tons to 5,000 tons annually.

The spot value of our clay has declined about 12 per cent. Wages have remained substantially unchanged. Our working force is reduced to about eighty men.

In the time mentioned we have partially developed three adjoining clay farms and with fair results.

From a careful consideration of the situation, I believe that an advance to the old rates of duty on foreign clays would result in an enlarged home market without advancing prices to the potters, because the advantages of increased development of clay deposits at home would be sufficient to offset the tendency to re-establish the old prices.

With great respect, I remain, yours, very truly,

EDWIN GOLDING,

From Committee of Clay Miners and Manufacturers' Association.

The above remark showing the decline of china-clay mining is concurred in by the Clay Miners' Association.

Respectfully, etc.,

JESSE B. KIMES,

Secretary.

Hon. WILLIAM MCKINLEY,

Chairman Committee on Ways and Means.

MARBLE AND GRANITE.

STATEMENT OF DAVID CLARKSON.

Mr. DAVID CLARKSON, of New York, addressed the committee on the subject of the tariff on marble, and presented the following paper:

To the Hon. the Committee on Ways and Means, House of Representatives.

Your attention is especially called to the operation of the tariff act of 1883 upon this industry.

Under that act block marble pays 65 cents a cube. Marble sawed pays \$1.10 a cube. Reduced to ad valorem, block marble pays equivalent to 90 per cent. on the invoice value after deducting the cost of transportation from Carrara to the vessel, while marble sawed pays only equivalent to 57 per cent. ad valorem.

The effect of this discrimination has led to the building of large mills in Italy, whilst since 1883 but two marble mills have been built in this country, several have been closed or have ceased to be used as such, and the importation of sawed marble slabs has largely increased and is constantly increasing.

All that this industry asks is that the irregularity of the present tariff be so adjusted that the mills in this country may be enabled to produce and sell a slab of marble from the imported block as cheap as the imported slab. This can not be done under the existing tariff, as will appear from the following statement:

The cost of imported slab, three-quarter inch thickness, free on board, is....	\$0.12
Freight, at \$6 per ton of 14 cubic feet, is .....	.02½
Duty, at the rate of \$1.10 per cubic foot, estimating sixteen slabs to a cube..	.07
Cost per superficial foot of slabs sawed in Italy, landed in the United States .....	.21

Slabs sawed in the United States from imported block marble—

Average cost block marble per cube at the quarries of Carrara.....	.72
Transportation charges to vessel at Leghorn or Genoa.....	.36
Cost free on board per cube.....	1.08
Freight, at \$6 per ton of 14 cubic feet, is.....	.43
Duty .....	.65

Cost of a cube in block..... 2.16

A cubic foot of imported block marble will only yield eleven slabs of three-quarter inch thickness, because of nearly 30 per cent. waste in sawing—

One-eleventh of \$2.16 is.....	Cents 19.63
Cost of sawing slabs of three-quarter inch in the United States.....	6

Cost to produce slabs in this country, per superficial foot.....25½

We have taken slabs three-quarter inch thickness, as that thickness constitutes the larger part of the importation.

Having made evident, as we think, the irregularity of the tariff as it applies to this industry, we venture to submit the following rates for the consideration of the honorable the Committee on Ways and Means:

“Marble of all kinds, in block, rough or squared, 40 cents per cubic foot.

“Marble, sawed, dressed, or otherwise, including marble slabs or marble paving tiles, not exceeding 1 inch in thickness, 9 cents per superficial foot; if over 1 inch in thickness, \$1.10 per cubic foot.

“Or to strike out all after the word tiles and insert as follows: one dollar and ten cents per cubic foot. But in measurement no slab shall be computed at less than 1 inch in thickness.”

Under the foregoing rates slabs of three-quarter inch can be imported at 23½ cents

per superficial foot. Slabs of three-quarter inch can be produced in United States at 23½ cents per superficial foot.

Respectfully submitted.

Robert C. Fisher, David Bailie, of Samuel Bailie & Son, Crawford Maxwell, Patrick H. Feeney, of Feeney & Devanny, James Dougherty, of Dougherty & Rist; David Clarkson, of Pells & Co., New York committee.

Joseph Baird, of John Baird & Sons, Joseph E. Schell, Joseph E. Schell & Son, Philadelphia committee.

Charles Torrey, Bowker, Torrey & Co., Charles E. Hall, Chas. E. Hall & Co., Boston committee.

W. H. Evans, W. H. Evans & Son; Hugh Sisson, H. Sisson & Son, Baltimore committee.

W. Goodall, Wm. Goodall & Son, J. McDonough, Cincinnati committee.

John A. Davidson, Davidson & Sons, Chicago committee.

NEW YORK, January 7, 1890.

POSTSCRIPT.

We append the following statement, because we are reminded that the American marble interest in their petition to the Committee of Ways and Means, dated January 30, 1888, included the following clause: "That the duty on blocks of 65 cents per cubic foot is equivalent to an ad valorem duty of 90 per cent." The Government returns state it to be 53.08 per cent. (See report of "Imports entered for consumption for the year ending June 30, 1887.")

We did then, and do again, declare the foregoing clause to be misleading, for the following reasons:

The custom-house invoices of block marble of several of the shippers since the rate of the duty was made specific continue in form as before the "tariff act of 1883" by including in said values the transportation charges which by that "act" should have been excluded from said invoices.

The fact that the Government returns, as stated by the American marble interest, make the existing duty of 65 cents a cube in block marble, equivalent to only 53.08 per centum ad valorem, is of itself conclusive evidence that the transportation charges continue to be included instead of excluded, for otherwise the per centum of 53.08 on market value at the place of production, namely, the quarries of Carrara, would be \$1.22 per cubic foot, a price we venture to assert never obtained or asked.

This statement is made so that the present specific duty reduced to ad valorem may be verified, as stated in this petition as 91 per centum.

We would further submit, and in so doing believe that the quarry interest of the United States will concur, that if the present tariff of 65 cents per cubic foot on block marble is retained that the clause relating to sawed marble slabs, etc., should in equity be amended as follows:

"Marble sawed, dressed, or otherwise, including marble slabs and marble paving tiles, not exceeding 1 inch in thickness, 11 cents per superficial foot; if over 1 inch in thickness, \$1.35 per cubic foot."

Under this proposed amendment three-quarter inch, slabs can be imported at 25½ cents per superficial foot, and can be produced in United States at 25½ cents per superficial foot.

In behalf of committee,

DAVID CLARKSON.

GRANITE.

STATEMENT OF HON. E. A. MORSE.

Hon. E. A. MORSE, a representative from the State of Massachusetts, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I have received several communications from my constituents who are engaged in the granite business in Quincy, and instead of troubling the committee by reading the several communications I have here the features arranged in this paper, and it will not take me three minutes to read them:

I am utterly astonished to learn that there is any member of the Massachusetts delegation that should appear before this committee and recommend a lowering of the duty on granite. The tariff bill which passed the Senate at the last session called for an advance of the present duty of 25 per cent. I think the duty should be advanced 50 per cent., and I am sure that any man who pretends to represent Massachusetts and asks for a lower duty than the present or that in the Senate tariff bill of the last session, however much I might respect him, I am sure that he entirely misrepresents the State.

I have in my district (the Second Massachusetts) the city of Quincy, containing from 12,000 to 15,000 inhabitants. The principal industry of this city is the quarrying and finishing of granite.

This business employs a large capital and gives employment to thousands of skilled workmen. These workmen are men of intelligence and industry, and second to no mechanics in the country. Since this reduction in the duty has been proposed, I have received communications from members of the Granite Cutters' Union of Quincy, composed of over 600 members, protesting against any reduction, and demanding an increase of the present duty on granite.

Under the present duty, between January, 1889, and January, 1890, \$49,950 worth of Scotch granite came to Boston alone, 10 miles from the quarries at Quincy.

In the name of the manufacturers and workmen of Quincy, I demand that the present duty shall be so increased as to protect my constituents, the manufacturers and workmen of Quincy, from the competition of the poorly paid laborers of Europe.

At this very hour, while I am speaking, there is lying in front of the new Drexel building in Philadelphia eight Scotch granite pillars. When they are erected they will stand as a monument to the fact that the present duty on granite is insufficient to protect the American workmen from the competition of the poorly paid laborers of Scotland. This granite has been quarried, wrought, and has crossed the Atlantic, and has been laid down in Philadelphia cheaper than American granite. If the duty on granite is to be reduced, there would be but one alternative for the granite manufacturers of Quincy and New England, either to close the granite quarries at Quincy and other quarries in New England, and turn these honest workmen out of employment, or to reduce their wages to the level of the wages of the laboring men of Europe.

I believe in American markets for American granite, and in American wages for American workmen.

I have to say, Mr. Chairman, that there is on the way here a memorial from the Granite Cutters' Union of Quincy addressed to this committee on the subject of duty on granite. I understand other papers have been put in here and printed, and I ask that that memorial may be incorporated in what I have to say.

The CHAIRMAN. It will be.

QUINCY, January 25, 1890.

To the Senate and House of Representatives in Congress assembled :

At a meeting of the stone-workers of Quincy, Mass., it was voted that the president and secretary of Quincy Branch Granite Cutters' National Union be authorized to petition the Ways and Means Committee, Wm. McKinley, jr., chairman, through their Congressional Representative, Hon. Elijah A. Morse, praying that the duty on dressed granite be increased from 20 per cent. ad valorem to 50 per cent. ad valorem.

DAVID CRAMOND, *President.*

JOHN N. KELLEY, *Corresponding Secretary.*

The above petition represents seven hundred granite cutters of Quincy, Mass., sixty tool sharpeners, and two hundred and fifty granite polishers. This is to be followed shortly by a petition from the granite manufacturers of Quincy.

ELIJAH A. MORSE,

Member Congress Second Massachusetts District.

IEWS OF WILLIAM H. MITCHELL.

QUINCY, MASS., January 27, 1890.

DEAR SIR: The existing low tariff of 20 per cent. on dressed or finished granites has resulted in the shipment of large quantities of Scotch and other foreign finished granites to this country, at prices (owing not to cost of the rough granite, but to the lower prices paid labor abroad for finishing same) considerably less than the same work can be produced here, thereby materially affecting our business.

The Granite Manufacturers' Association, of Quincy, Mass., practically representing the entire granite industry of this city, at a meeting held January 25, 1890, unanimously voted that we petition your honorable body that the tariff on all foreign-dressed granite be increased to 50 per cent. ad valorem.

Very respectfully yours,

GRANITE MANUFACTURERS' ASSOCIATION,

HENRY McGRATH, *President.*

WM. H. MITCHELL, *Secretary.*

Hon. WILLIAM MCKINLEY, Jr.,

Chairman of Committee of Ways and Means.

VIEWS OF CHAS. CLEMENTS, OF BOSTON.

BOSTON, January 17, 1890.

DEAR SIR: I understand some effort is being made to advance the duty on Scotch granite importations, and in connection with others interested in this product, I beg to enter a most earnest protest and to ask of your honorable committee a hearing, when facts and figures will be submitted that will show most conclusively that the present rate of duty is as high as it would be possible to levy unless citizens of the United States who, by descent or from having formerly been subjects of other countries, are to be discriminated against by reason of having from one or from various reasons a disposition to select other than domestic products.

The amount of red granite quarried in this country is entirely inadequate to supply the demand, and it would work a hardship against any one wishing such a granite on account of preference for that color. The present duty with ocean freights and cost of handling already make a total cost that is higher than American granite can be furnished for using same grades of stock for lower bases.

My interest is rather a divided one, being an owner of an American granite quarry and supplying largely all of the American granites. Looking at the matter in the light of exact information, it is impossible to see what interest or class of producers or handlers would be benefited by an increase while many interests would be injured.

Before taking action in this matter, if your honorable committee will call for such information as they think important to reach a conservative and fair conclusion, I shall be pleased at any time to submit such as may be in my power.

Yours very respectfully,

CHAS. CLEMENTS.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

GRANITE BUILDING STONE.

VIEWS OF JONES BROTHERS, OF BOSTON.

DEAR SIR: As manufacturers and producers of American granite and importers of Scotch granite, we beg to submit for the consideration of your committee the following facts and reasons why there should be no change in the present tariff on granite.

About the only granite imported to this country is Scotch, hence we confine ourselves in comparison on that basis. Owing to superior facilities—railroad communications and natural conditions—for quarrying in America we are enabled to produce our stone and put it on the market at a very much lower price than the quarries of Scotland, so that imported stone for building material—for which purpose fully 90 per cent. of the granite produced is consumed—is completely excluded. For monumental purposes the same conditions hold good on rough material, and as we own quarries and manufacture granite in Barre, Vt., we will use the price of that material as a basis for comparison on monumental work.

Barre granite is quarried and sold in the rough at a profit at 80 cents per cubic foot in blocks containing 40 cubic feet and under, while Scotch granite in pieces of this size costs on cars in Aberdeen, Scotland, 9 shillings and 9 pence per cubic foot, or \$2.36. Add to this the present duty of 20 per cent, which would make it \$2.83 against 80 cents. The average wages paid skilled granite cutters in America is \$2.75 per day, and in Scotland 5 shillings and 6 pence, or \$1.37. Add to this the present duty of 20 per cent., making \$1.65 against \$1.75.

Barre granite: A stone containing 40 cubic feet, say 2 by 4½ by 4½, would cost

in the rough in Barre granite, at 80 cents a foot.....	\$32.00
It would require twelve days to cut same into a plain block, at \$2.75 per day.....	33.00

Total cost in Barre granite.....	65.00
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Scotch granite: 40 cubic feet of Scotch granite, at \$2.83 per foot.....	113.20
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Twelve days labor, at \$1.65 per day.....	19.80
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Add to this freight from Aberdeen to Boston, 3½ tons, at 25 shillings per ton, £4 3s.....	20.80
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Total cost of Scotch granite on cars here.....	153.80
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To prove the correctness of this computation we can send, if desired, the printed price-lists of both materials.

Our interests in American granite are far greater than those of imported granite, and we consider the present duty ample to protect our interests. Should there be any increase in the duty the burden would fall on the consumers who insist on purchasing that material, because we have no American granites of similar shades to those of the different red and gray Scotch granites.

Yours respectfully,

JONES BROTHERS.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

ARGUMENT OF CHARLES H. MORE, OF BOSTON.

In view of the present agitation relative to a revision of the tariff on certain commodities now under consideration in your committee, we take the liberty to write you in relation to the proposed change in the present duty on Scotch and other granites imported into this country.

We wish hereby to protest against any increase in the present rate of 20 per cent. ad valorem, as it is sufficiently high already to prevent its being imported into this country to any extent, certainly not enough to affect or restrict the manufacture and sale of American granites for monumental purposes. We do not think it is ever imported for any other use.

As you will see by the heading on this sheet, we are interested in the manufacture and sale of American granites as well as the importation of foreign stone; in fact, our books show that we manufacture and sell three times as much domestic granite as foreign, so we contend that our statements should have triple weight and force with your committee.

The cost of the rough stock of Scotch, Swedish, or German granite is fully double that of American on the average, as the price-lists will show. To this increase there is of course to be added the duty of 20 per cent. after the stones are finished and the freight from the quarries to this country, so you see what a tremendous advantage is given the American manufacturer right on the start. So great is this difference that it is scarcely ever overcome in the finishing of the work for monuments of any importance, so that the same monument costs more laid down in New York than when built at our own quarries.

To prove this we are ready to submit any number of estimates on the same design, sizes, and finish in both foreign and domestic granites. More than all this, there are no red granites quarried in this country that are desirable for monumental purposes, and this is the main reason for what little demand there is for foreign granites, and it would be very unjust and unreasonable to thus prohibit the importation of these granites, which any increase in the present duty would certainly cause.

Respectfully submitted,

CHAS. H. MORE & Co.

ARGUMENT OF E. C. WILLISON, OF BOSTON.

I learn that there is now a movement on foot to advance the tariff on finished Scotch granite. Being an importer, and thoroughly posted on the bulk of the Scotch granite importations, I beg to submit the following facts, setting forth why there should be no advance, but, rather, a reduction on tariff on finished Scotch granite of at least 10 per cent.

Scotch granite in the rough has advanced 10 per cent. within the past thirty days; labor per day has advanced as an average, from 5 shillings to 5 shillings 6 pence, or about 10 per cent. advance on day labor.

Scotch granite in the rough is now higher than any American granite in the market, except Westerly granite, and it is conceded by my representative at Aberdeen that before another two months has passed the agitation of the American labor unions, which are now working Great Britain and the Continent, will bring about further advance of labor at Aberdeen.

In my past trade I can show that not over one-fifth of the finished granites I have shipped is Scotch and Swedish granites, four-fifths being American granites, that is, Quincy, Barre, Concord, Westerly, and other popular granites.

On large and expensive finished monuments, Scotch granite is higher than any American granite in the market, except Westerly granite. The same job in Quincy granite can be furnished from 8 to 12 per cent. less, of Barre granite about 15 per cent. less, and in Concord granite from 20 to 25 per cent. less. Where, then, is the justice of advancing on Scotch granites?

I trust that everything possible will be done against these movements, as it certainly is brought about by jealous-minded American dealers, who are not aware of the facts in the case.

I am, dear sir, yours, truly,

E. C. WILLISON.

VIEWS OF IMPORTERS.

Imported freestone comes here in rough blocks only. It is purely a raw material. Every dollar's worth of imported freestone requires \$3 to \$4 worth of American labor to be expended upon it to fit it for building purposes.

Under the circumstances it could with justice be admitted free, and certainly should not have a prohibitory duty upon it.

The bulk of imported freestones come from Scotland, and all imported stones differ entirely from the American in color and texture, and do not interfere with the sale of the latter, because the foreign are sold here at a higher price. A large share of the domestic stone sold in this market sells from 5 to 30 cents per cubic foot less than the foreign; it can not therefore be claimed that American quarries are injured by the competition of foreign stones. Imported stones do not come here freight free or "as ballast" (as has been stated), but, on the contrary, pay freight of 48 cents and upwards per foot, from which there is no rebate or deduction. Any higher duty than the present (\$1 per ton) will be prohibitory, and we claim the duty should be materially decreased or taken off entirely.

There are only six importers of freestone in the United States, and their entire sales do not amount to as much as any one of a dozen of American quarries. So small a business can not seriously damage any native industry.

The Scotch stone meets a want of architects and owners who desire to produce certain effects, and they therefore pay its slight extra cost, but they would not pay more.

American capital only is employed in this business, and it is therefore in effect an American industry.

Inasmuch as the business is a very small one, the capital employed entirely American, the foreign stones being sold at a higher price than the domestic and supplying a demand that none other can fill, we present the foregoing facts, asking a fair and just consideration of them.

G. P. SHERWOOD,

On behalf of importers of foreign building stones.

NEW YORK, *December, 1889.*

1888, duties paid.....	\$15,645.05
1889, duties paid.....	15,183.44
Decrease.....	461.61

FLAX, JUTE, AND HEMP.

STATEMENT OF MR. EDMUND A. WHITMAN.

WASHINGTON, D. C., December 7, 1889.

MR. EDMUND A. WHITMAN, of Boston, addressed the committee, and read the following paper :

Mr. Chairman and gentlemen, in appearing before you to urge the removal of the duties now imposed on raw flax, I may at the outset state briefly the arguments advanced in favor of and against this proposal. In favor of the proposal, we urge, in brief, that the present rates of duty have now been in force for nineteen years, and the growing of flax in the United States has steadily decreased during that time, so that at the present day the amount of fine flax fiber produced here is too small to be taken into account. While, also, we have the soil and climate suitable for flax growing, and have grown fine flax in the past, yet its culture requires so much arduous manual labor and technical skill that our farmers generally prefer to turn their attention to other crops where the use of machinery is possible. Thus, the present duties, intended to be protective, stand merely as a burden to the manufacturer, without compensatory advantage to the farmer; and by handicapping the linen industry, they prevent the establishment of new mills that might encourage the growth of flax by the proximity of a home market. Furthermore, the linen manufacturers must have quality in their fiber at any cost, and it is now, and under the very highest duties it will be for a long time, impossible to get the highest grades of flax grown in our country. To sum up our position, the present duty does not help the farmer a particle, and handicaps the manufacturer.

Against our position you will hear but two arguments: One, that so long as there is a possibility that flax may be grown in this country, even the present very small protection should not be removed; and secondly, that if the manufacturer consents to the removal of the duty on the raw material, he can not consistently resist a reduction of the duty on the manufactured product, and that, in the present state of trade, he can not consent to. As some persons state this argument, the protected interests of this country must stand together, and when one duty goes there is danger that the whole structure will fall.

I do not appear before you as an expert, although I have given much study to the subject of flax, and it is unnecessary that I should do so, for you have expert testimony ready at hand in the reports of Government officials. Congress and the Department of Agriculture have by no means neglected the flax-grower. In 1865 Congress appropriated \$20,000 for a commission to investigate the whole subject of flax growing in the United States; and the matter has been frequently dealt with in numerous valuable and exhaustive reports by the Department of Agriculture. I shall therefore take my facts on which my argument is based mostly from reports of Government officials that can readily be referred to.

Let me remind you that up to the tariff act of 1861, raw flax had always been on the free list, with the exception of a few years. With flax on the free list, the census of 1860 shows the production of nearly 5,000,000 pounds of flax fiber in the United States. In 1861, a nominal duty of \$15 per ton on all grades of flax was imposed. I say nominal, for this amounted to less than 3 per cent. ad valorem on dressed flax. With this duty, the production of flax increased until in 1870 the census showed a product of 27,000,000 pounds. In that year also a tariff bill raised the duty from \$15 to \$40 a ton for dressed flax, and from \$15 to \$20 for undressed; the difference being that the former is the fiber cleaned from the tow and chaff. With this duty the amount of flax fiber produced steadily decreased until in 1880 the census showed a product of but 1,500,000 pounds; and to-day, in 1889, no one is rash enough even to guess at the quantity of flax fiber produced, so insignificant is the amount. With no duty, we raised 5,000,000 pounds; with a small duty 27,000,000, and with a higher duty, practically none at all. That the tariff had nothing to do with the matter will be understood when we remember that the enormous increase from 5,000,000 to 27,000,000 pounds between 1860 and 1870 was coincident with the scarcity of cotton due to the war, and as soon as the supply of cotton was restored to the normal, the production

of flax fiber rapidly fell off. In 1879, Mr. Charles R. Dodge, one of the most competent experts in the country on the flax question, said in his exhaustive report, prepared at the instance of the Department of Agriculture: "It is impossible to estimate the amount of American dressed flax consumed at the present time. It is a ridiculously small amount at best." To-day, I repeat, the amount of American flax produced is insignificant. No linen mill in this country can depend upon the American flax for its raw material. It is needless to pile up statistics. It must be generally admitted that except for a few spasmodic efforts, the raising of American flax fiber is practically a non-existent industry, and that the tariff has not only not encouraged it, but has not prevented it from languishing and dying out.

To the question what is the reason for this state of things, the answers are two. First, that the culture of flax is so laborious and requires so much technical knowledge that the American farmer can not be induced to engage in it even with a prospect of a good profit; and, secondly, because the linen mills in this country are few and the market for flax fiber is too small and too far away to stimulate the farmer.

The American farmer is accustomed to the use of machinery in his work. He plows, plants, cultivates, and reaps by machine. Labor is too expensive for him to employ many hands to do what can be done by machine. In the culture of fine flax fiber, however, he finds a crop where the use of machinery is out of the question, and where hand labor is a necessity. The soil, for instance, must be as carefully treated as for the finest garden, and the earth must be plowed and replowed and thoroughly harrowed and manured. In the European countries where fine flax is raised, no farmer thinks of planting more than a quarter or a half acre in flax; this being all he can successfully attend to. Then, too, the sowing must be done by hand, and as weeds are fatal to the crop, every weed must be carefully removed. In Belgium and France, where the finest flax is grown, this weeding is done by the farmer's wife and children, on their hands and knees. The plant, when grown, can not be cut by machine, but must be pulled by hand, and carefully dried. This much the farmer must do if he wishes fine flax, and this the American farmer will not do.

The proper preparation of the soil is too expensive, careful weeding is a hopeless task with the luxuriance of our native weeds, and the American farmer does not care to put his wife and children on their hands and knees doing such work. Nevertheless, all authorities agree that this careful cultivation is essential to the production of fine long fiber. It is true that the American farmer sows much flaxseed. Over 1,000,000 acres are annually sown with flax in the United States. The ground is plowed, the seed is thinly sown, the plant grows luxuriantly, and, when the seed is ripe, is cut by the reaper and the seed separated by the thrasher, leaving the straw in a tangled mass. The amount of such flax that is annually burned to get rid of it is estimated at 1,000,000 tons, and yet fine dressed flax is worth \$500 a ton. If you ask if this rough flax straw can not be metamorphosed into the \$500 a ton product, the answer is that you might as well expect to pick fine Jacqueminot roses from a wild sweet-briar. It is the care in cultivation that makes or mars the fiber. Our American product yields only a short, coarse fiber fit only for upholsterer's tow. All authorities agree that raising flax for the seed, as is done by our Western farmers, is entirely incompatible with the production of a fiber suitable for fine linen thread or yarn. Yet the flaxseed industry is a valuable one. The crop for 1883, the last year for which I have the figures, was estimated at 12,000,000 bushels, valued at \$13,500,000. This is indeed a valuable crop, yet it can not be too strongly emphasized that this production of seed is at the expense of the fiber.

How valuable this crop is may be seen when it is understood that the value of flax seed annually grown in this country exceeds the value of all the flax fiber raised in Great Britain and Ireland, equals the value of the celebrated Belgian flax crop, is far in excess of the value of the Dutch crop, and is four or five times more valuable than all the flax fibers, straw, and tow of flax now imported into this country for domestic manufacture, while it is of ten times greater value than all the manufactures of linen imported, other than woven fabrics, which are not manufactured here except in limited quantity. The two Dakotas alone produce flax seed to the extent of double the value of all the flax fiber imported. The farmer has already sufficient protection for this industry of seed-raising in the duties on linseed-oil and oil-cake, the two products of the seed. For these the farmer finds a ready market with an assured and steady demand for the oil-cake, which has proved itself a valuable food for cattle. But the farmer must choose between his seed crop and fiber production; he can not have both from the same field. It may now be seen why the farmer does not grow fine flax. To put it in the words of farmers quoted to the Tariff Commission in 1883 (p. 995): "We could not undertake the preparation of flax fiber for manufacturing purposes; it is altogether out of our power to do so; we have not the knowledge or the time for it;" or, again, another farmer was quoted as saying: "If I was to cultivate flax especially for its fibers, I would have to bestow a great deal more labor and care on it, and have to sow four times as much seed, and I prefer my present mode of culture." Or listen to the summing up by the Congressional Commission in 1864, after

a long and careful investigation. They say: "The raising of marketable flax for long line imposes too many burdens on the grower, and is produced at too great a sacrifice of seed to warrant its extensive cultivation in this country. * * * It seems to be better adapted to countries of humid climate, and of comparatively small areas of cultivation, subdivided among a dense population, accustomed to cheap hand labor." Even the Flax and Hemp Spinners' Association seem to have adopted this view, for in the Hudson River region, formerly famous for its "North River flax," this association offers prizes for hemp growing; and the flax mills there are making special inducements to the farmers to raise hemp, a crop requiring much less careful cultivation than flax.

The difficulty of the repugnance of the farmer to the cultivation of fine flax is, so far as it goes, insurmountable, but a further difficulty in the way of the farmer lies in the lack of a ready market. It must not be supposed that the flax plant when gathered is in a marketable condition. The flax fiber must first be separated from the woody pith, and that operation, which is done by hand, is a dirty and disagreeable operation, requiring great technical knowledge and skill, and the success of the process determines largely the value of the fiber. The details of this process need not be gone into. Suffice it to say that as yet no successful method has been discovered for doing this work by machinery, and that much of it must still be done by the grower of the flax. I understand that experiments have been made tending to show the feasibility of performing these processes by machinery, but even assuming that these inventions are successful, they are of no value to the farmer who does not reside in the near vicinity of a mill. With these difficulties in the way, it will be readily seen that the absence of any considerable home market for flax acts as a final discouragement to farmers; for one must admit that in spite of the protection accorded to the linen industry, it is a small one. In 1883, a prominent manufacturer told the Tariff Commission that \$10,000,000 would cover the capital invested in this industry. There has been no great increase since that time; in fact, some flax-spinning mills have recently been turning their attention to the spinning of hemp. In 1888 we paid nearly \$6,000,000 in duties on imported linen goods. The path of the industry is strewn with wrecks of unsuccessful linen mills. The Flax and Hemp Spinners' Association, in their memorial to the Tariff Commission in 1883, represented that "several millions of dollars have been expended by more than fifty flax-spinning mills in an effort to manufacture linen goods in the United States; but although capital was not lacking the American Linen Company, of Fall River, Mass., the Willimantic Linen Company, the United States Linen Company, the Sprague Linen Company, and many others had to abandon business * * * so that the present manufacturing establishments number about one dozen." The Congressional Commission in 1864, in referring to the same fact, attribute the failure to the insufficient home supply of raw material and the high duty on foreign stock.

I would urge upon you that the manufacture of linen does not receive any encouragement by having raw material of sufficient quality grown on the spot. It would not develop, but cease to exist unless supplied with material from abroad. The development of the manufacture is the only means of encouraging the production of superior flax. The market must be created for the farmer, or he will not attempt the growth of a crop requiring care and skill. The manufacture of fine yarns and linens necessitates a selection from the flax raised in various countries. The different soils and climates and the treatment of the fiber after it is gathered produce widely varying grades of flax. In order to produce a varied line of linens, the manufacturer should have all flax-growing countries open to him. We should aim to foster the spinning industry which exists, and it should not be injured to benefit an industry that does not exist.

The manufacture of linen can best be encouraged by the introduction of the raw material, whether dressed or undressed, free of duty; and with this development the farmer will in time find a profitable market open to him.

In this connection, it is interesting to note that while raw cotton has long been on the free list, yet the imports of that article have been rapidly increasing. Four million pounds, valued at \$500,000, imported in 1887, have become 8,000,000 pounds, valued at \$1,200,000, in 1889, and yet the cotton-grower does not complain.

Meeting now, briefly, the arguments advanced against our proposal, I have already said much bearing on the argument that so long as the possibility of raising flax in this country exists, the small duty should not be removed. If I have shown anything, however, it is that the present duty has not been in the least a help to flax-growing, and it would be even if it were much larger. What the farmer needs is not protection; the soil and climate are as much a protection to the flax-grower as to our cotton-grower or the wheat-grower. Rest assured that if with our varied soil and climate the American farmer does not compete with the foreign flax-grower, it is because he does not wish to, and not because he has insufficient protection. What he needs is a ready market and instruction and encouragement in the tedious process of flax culture, and no duty can supply the place of these. I chal-

lenge any one to say what benefit this duty has been to the farmer or is likely to be. The most that can be said is that the duty is intended as protection to the farmer, even if it does not actually operate as such. The only answer to this hope for the future argument is to point to the past and show the uselessness of a protective duty in stimulating flax culture.

The other argument needs only to be stated to show its fallacy. It is, in effect, that the manufacturer of linen can not consistently ask for protection without according it to the flax-grower, and that if he assents to the removal of the duty on the raw material he must expect an attack on the duty on the finished product. This argument leaves out of account that, while the manufacturer, who is to be protected, exists, the flax-grower can hardly be said to exist in this country. I venture to assert that the whole value of American fine flax produced this year does not equal the amount of the duty paid on the imported flax at the ridiculously low rate of 7 or 8 per cent. ad valorem. It seems to be forgotten, also, that every duty should stand on its own merits, and that the protective system does not attempt to justify any duty that is not necessary for the protection of the industry for the sake of which it is imposed. Any duty which is not protective in its nature can make no claims for its retention on the protective system. Therefore, it comes with ill grace from manufacturers to insist on the retention of the duty on something that can not be protected, because it does not exist, merely because they fear an attack on their own protection. It is for the growers to come forward and state the reasons why they wish the duty retained. They should show themselves and be ready to give the approximate number and location of the flax-growers, the amount of capital invested, and the extent of the benefit to the growers from the duty. The nation pays about \$150,000 annually in duties on the raw material. The growers must show that the benefit to them from this duty outweighs the injury to the manufacturer and the consumer who pay the duty. I challenge them to show anything of the kind.

But it may be said that, as in the case of the wool schedule, part of the duty on the manufactured product is compensatory for the duty on the raw material; that is, that the duty on the finished product, varying from 30 to 40 per cent. ad valorem, is made up of the duty necessary to protect the manufacturer plus the duty imposed on the raw material, and that the manufacturer had rather pay the small specific duty on his raw material than run the risk of an adverse re-adjustment of the ad valorem duty on the finished product. A glance at the history of the legislation disposes of this view of the case. The manufactured product has been subject to a duty of at least 25 per cent. ever since 1816. The duty was placed at 30 per cent. in 1861, when the specific duty of \$15 per ton was imposed on the raw material, and when the duty on the raw material was increased to its present figure in 1870 no change was made in the duty on the finished product. The tariff of 1883 reduced the duties on the finished products but made no change in those on the raw material. Thus the two sets of duties have been imposed as independently of each other as if they were on different subject matters, and there is no basis for the assertion that any part of the duty on the manufactured article is compensatory for the duty on the raw material.

Our proposal is that the duties on raw flax in all its various forms be removed. The duties are at present \$40 per ton on dressed and \$20 per ton on undressed flax; \$10 per ton on tow and \$5 per ton on the straw—all specific duties, the larger duties varying from $7\frac{1}{2}$ to $8\frac{1}{2}$ per cent. ad valorem. The imports of raw flax have been constantly increasing, the imports for 1889 amounting to 7,896 tons, valued at over \$2,000,000, as against 5,446 tons in 1881 and 1,927 tons in 1870. The duties paid on raw flax in 1888 amounted to \$139,567; in 1887, \$154,508. With the additional advantage to the manufacturer from the removal of these duties he will be the better able to compete with the foreign manufacturer. At the present time little if any fine linen cloths are made in this country. Our manufactures consist of twine, thread, and coarse fabrics. Our imports of linen goods in 1888 amounted to \$16,500,000 and in 1887 to over \$15,000,000. There is no reason why much of this enormous amount of linen could not have been manufactured in this country; at least every opportunity should be given to American capital and labor to extend into this broad field, and certainly such hindrances as duty on a raw material not grown in this country should be removed.

We have built up a great industry in weaving silk in this country. The raw material can be produced here, but nevertheless raw silk is on the free list, and in 1889 we imported over 5,000,000 pounds of raw silk valued at \$15,500,000 to feed our silk manufactures, and in the same year our imports of raw flax were valued at only \$2,000,000. Give the flax manufacturers a chance to develop their industry without the drag of a tax on their raw material, which does and must come from abroad, just as the silk manufacturer is given free scope for his industry, although silk raising is far from impossible and actually exists in some parts of our vast country. We ask that the duties be entirely removed from all grades of raw flax, the dressed and the undressed, and we do so with a full understanding of the claim that is made that the

dressed flax is a manufactured product, and, as such, is entitled to a protection. A little consideration, however, will show how very little there is in this distinction. The undressed flax is the fiber from which the woody pith has been removed by a mechanical process far more laborious than the later process to be described. Before this fiber is in a condition to be spun, the short fibers, or tow, and the bits of chaff and bark must be combed out. This combing, or hackling as it is called, is a simple drawing of the flax over a steel comb until the fiber is clean; not a very intellectual process, and not one that requires any very high degree of intelligence, but this is the process for which protection is asked. How many persons there are engaged in this industry in the United States I cannot say, but the dozen or so linen mills can hardly employ more than a few hundred men, and yet in 1887 the protection paid for these men amounted to nearly \$34,000. The Flax and Hemp Spinners' Association published in 1886 a table of the average rates of wages in the flax-spinning trade in Europe and America, but they omitted the hacklers, who were perhaps of not sufficient importance to appear in this table.

Moreover, let me ask the hackler what good the duty does him. From 1884 to 1887 the imports of hackled flax increased less than 20 per cent., while the imports of undressed flax showed a gain of 75 per cent. in the same time. This does not look as though the hackler was suffering from insufficient protection, and yet in the very next year (1888) the imports of dressed flax jumped from 1,236 tons to 1,696, and imports of undressed flax fell from 4,645 tons to 3,136 tons, showing that for this year the American manufacturer found it cheaper to have his flax hackled abroad. Can the manufacturers tell us what has become of the faithful hacklers who served them in previous years, and can they tell us why this was when the protection to the hackler was unchanged? Has the tariff anything to do with it? The hackler's knowledge of handling flax gives him a position in the mill that his employer appreciates and can utilize, and we need have no fears for the future of the hacklers with the raw material on the free list.

If the American manufacturer could use the tow combed out in this hackling process more could be said for this duty, but in some cases, I am informed, the manufacturer finds it necessary to re-export this tow to countries where it can be used to better advantage than it can here. Is it not absurd to compel the manufacturer to import a waste product which he is forced to re-export?

Furthermore, what is the basis for this difference in the duty between dressed and undressed flax? It was never heard of prior to 1870, when a private need and particular interests secured the differentiation. Before that time the duty was uniform at \$15 per ton, and the hackler did not complain. Why should those interests shelter themselves now behind a cry in behalf of the hackler? There is as much propriety in taxing dressed and undressed flax at different rates as there would be in taxing reeled silk and admitting the cocoons free, because the reeling is a mechanical process entitled to protection. Yet both reeled silk and cocoons are on the free list, and the amount of reeled silk imported is annually increasing and the amount of cocoons decreasing to the apparent detriment of the American reeler. Yet no one can question that the American silk industry is a gainer by the present rule. Eighteen and a half million of dollars worth of raw silk as against \$2,000,000 worth of raw flax imported in 1889, show this. Why, for instance, while raw cotton is on the free list should not a duty be imposed on the ginned article as a protection to the American cotton manufacturer? Ginning cotton is an analogous operation to the hackling of flax. Both processes are necessary to prepare the fiber for spinning. Yet persons who would laugh at the idea of a duty on ginned cotton while the unginned was admitted free seriously insist on a similar distinction in the flax industry. Let it be recognized that dressed flax is in every sense of the term a raw material and should be treated as such. No manufacturer of linen represented here can say that the duty on the raw material is a benefit to him. If he says that it is a benefit to any one else, then it is incumbent on him to prove his assertion and to show by facts and statistics the amount and extent of the benefit he claims. We challenge him to do this.

We boldly and confidently deny that the present duties on raw flax are a benefit to either manufacturer or grower; nay, rather a hinderance to both by limiting the industry of the former and thus restricting the market of the latter.

If Congress desires to make any change in the tariff at all there is no better place to begin than on the duty on raw flax, dressed and undressed. It is a duty for which the protective theory furnishes no excuse, for it is not in any sense a protective duty. It is a tax pure and simple; a tax that, however much needed in time of war, is not needed in the present state of the revenue, and we submit that the highest interest of the flax and linen industry in this country requires that this tax should be removed.

The CHAIRMAN. Is it impossible to grow flax both for the seed and fiber?

Mr. WHITMAN. It is, because where the flax is grown for seed the fiber is coarse.

The CHAIRMAN. Will you state about what proportion of flax goods and goods into which flax enters as a component part consumed by the people of this country is made here and what proportion imported?

Mr. WHITMAN. As to the actual amount produced, I can not say because the two do not come so much in competition. It is made mostly into thread and twine.

The CHAIRMAN. You have substantially an American market for the amount of goods you produce?

Mr. WHITMAN. Yes, sir.

The CHAIRMAN. Do you not know how they compare in value with the foreign product?

Mr. WHITMAN. I could not state the amount of annual production except to say that the capital invested is \$10,000,000.

Mr. CARLISLE. As a matter of fact, this importation is not in competition with you at all?

Mr. WHITMAN. I do not so understand it.

Mr. CARLISLE. Why could not the duties be reduced?

Mr. WHITMAN. That is what I hope to impress upon this committee.

Mr. CARLISLE. Your argument is that you could not endure a reduction of duties on the finished product?

Mr. WHITMAN. I should say there is a possibility that linen goods could be made in this country.

Mr. CARLISLE. There has been a duty on flax for eighty-four years, and still that is not made here.

Mr. WHITMAN. It has not been so large as on other things. We have had a duty of 35 cents since 1840.

Mr. CARLISLE. Would it not be like trying to produce oranges in Pennsylvania?

Mr. WHITMAN. I do not think a duty would help.

Mr. CARLISLE. You think the price could be put up so as to compensate linen manufacturers? I believe you said it was possible to do it.

Mr. WHITMAN. Yes, sir; it is possible.

Mr. CARLISLE. After eighty-four years of production this industry has not been established in this country?

Mr. WHITMAN. No, sir.

Mr. CARLISLE. Do you see any reason why the duties should not be largely reduced?

Mr. WHITMAN. None unless the manufacturers might need some protection. I am not prepared to say how much would enable them to manufacture.

Mr. CARLISLE. How much capital is invested in the manufacture of flax?

Mr. WHITMAN. Ten millions of dollars.

Mr. CARLISLE. About how many men are employed?

Mr. WHITMAN. I can not tell.

Mr. CARLISLE. Are you a manufacturer yourself?

Mr. WHITMAN. I am not.

Mr. FLOWER. Have you any particular reason to state why the flax industry has gradually gone down year after year?

Mr. WHITMAN. I suppose it is partly owing to the fact that cotton goods are used so much. For the last century we have raised a great deal of cotton in this country.

Mr. FLOWER. Do you remember the time in the State of New York and New England when every farmer, when he bought a place, would sow it in flax, and when tow linen breeches were worn to a great extent?

Mr. WHITMAN. I think that was the case, but I do not remember.

Mr. FLOWER. As the country gets settled, the flax-grower is moved west, but it was the first crop in the olden times.

Mr. WHITMAN. In New York and at the North they raised fine flax.

The CHAIRMAN. What interest do you represent?

Mr. WHITMAN. The spinning industry in Massachusetts.

The CHAIRMAN. If you had free flax, what duty would you want on the product?

Mr. WHITMAN. I do not think I should ask any change in the tariff on the finished product.

The CHAIRMAN. You would not advise a reduction?

Mr. WHITMAN. No, sir; I think not.

STATEMENT OF A. R. TURNER, JR.

Mr. A. R. Turner, president of the Flax and Hemp Spinners and Growers' Association, appeared before the committee. He said:

Mr. Chairman and gentlemen of the committee, I would like to know who Mr. Whitman, the attorney from Boston, represents, and also to know who are the owners of the mill.

Mr. WHITMAN. I represent Finlayson, Bousfield & Co., flax spinners at Grafton, Mass., and J. R. Leeson & Co., flax and linen goods, Boston.

Mr. TURNER. In presenting our views in relation to the flax and hemp schedule, we hand you a statement of imports for 1888 compiled from official reports.

Mr. CARLISLE. Do I understand that you represent the growers and manufacturers?

Mr. TURNER. I am president of the Flax and Hemp Spinners and Growers' Association.

Mr. Turner submitted the following papers:

Duty-paying imports of the United States.

[Home consumption.—For the year ending June 30, 1888.—Compiled from official reports.]

	Articles.	Invoice values.	Duties paid.	Duties reduced to ad valorem.
				<i>Per cent.</i>
1	Gunpowder and explosives	\$382,187.41	\$312,842.42	81.86
2	Tobacco and manufactures of	12,314,428.66	9,734,987.35	79.05
3	Sugar, candy, molasses, etc.	68,973,214.36	52,007,879.89	75.40
4	Rice	2,434,813.22	1,796,817.75	73.80
5	Liquors—spirituous, malt, etc.	10,636,366.86	7,663,244.19	72.23
6	Lead, and manufactures of	208,227.00	146,310.25	70.26
7	Chicory root	187,012.00	121,188.22	64.80
8	Glass and glassware	7,721,453.31	4,789,251.52	62.16
9	Wool, and manufactures of	61,220,148.26	36,942,607.24	60.34
10	Earthen and china ware	6,262,337.59	3,568,276.56	56.98
11	Salt	1,128,070.92	552,693.75	54.41
12	Silk, manufactures of	32,942,629.03	16,351,685.48	49.64
13	Zinc, spelter, etc	227,942.40	105,027.08	46.07
14*	Tin, manufactures of	32,798.61	59,328.66	45.00
15	Hops	1,053,232.55	467,861.56	44.42
16	Varnishes	85,400.88	37,731.27	44.16
17	Fancy articles	7,237,822.46	3,022,742.22	41.76
18	Iron and steel, manufactures of	51,079,969.71	21,283,832.45	41.67
19	Brass, and manufactures of	301,090.13	123,624.47	41.06
20	Cotton, manufactures of	28,706,702.67	11,491,897.37	40.03
21	Umbrellas, parasols, shades, etc.	154,613.23	60,605.09	39.19
22	Copper, and manufactures of	378,931.36	120,934.64	38.89
23	Marble, stone, and manufactures of	976,622.56	372,569.68	38.15
24	Chemicals, drugs, dyes, etc.	12,814,525.85	4,622,441.94	36.07
25	Carriages and parts	181,276.74	63,446.86	35.00
26	Clays or earthen	320,803.44	109,898.17	34.26
27	Metals, etc	3,024,565.33	1,025,632.67	33.91
28	Paints and colors	1,239,091.57	411,795.14	33.23
29	Art works, paintings, etc.	1,440,752.78	482,225.83	30.00
30	Brushes	630,845.26	189,253.59	30.00
31	Leather, and manufactures of	11,671,497.21	3,479,248.89	29.81
32	Fruits and nuts	15,106,551.08	4,477,535.21	29.64
33	India rubber, gutta percha, manufactures of	295,527.89	85,665.03	28.99
34	Soap of all kinds	481,047.22	139,398.06	28.98
35	Gold and silver, and manufactures	632,296.23	180,904.56	28.61
36	Hair, and manufactures of	152,651.00	43,446.70	28.46
37	Flax, hemp, jute, etc	39,612,738.10	10,302,095.32	26.01
38	Clocks, watches, and parts	3,046,056.24	530,566.42	25.93
39	Oils	1,165,558.18	292,363.22	25.11
40	Books and printed matter	2,882,550.36	720,609.77	25.00
41	Musical instruments	1,827,628.39	456,907.12	25.00
42	Vegetables	7,081,758.66	1,755,650.65	24.79
43	Provisions	2,055,942.32	506,150.13	24.62
44	Buttons	3,705,308.20	853,309.68	23.03
45	Coal and coke	2,968,678.08	665,755.69	22.43
46	Hats, bonnets, hoods, etc	5,748,751.83	1,241,915.45	21.60
47	Fish	3,065,585.27	645,506.83	21.06
48	Mattings for floors (of vegetable substances, etc.)	994,589.84	205,358.96	20.65
49	Hay	978,672.77	200,809.51	20.52
50	Furs, and manufactures of	4,811,412.44	971,195.86	20.19
51	Animals	4,661,849.06	932,369.81	20.00
52	Cement	1,896,876.19	379,375.23	20.00
53	Ginger ale	126,987.49	25,397.50	20.00
54	Wax, and manufactures of	21,336.07	4,267.21	20.00
55	Paper, and manufactures of	2,377,577.11	468,919.56	19.72
56	Seeds	1,997,699.81	385,052.14	19.27
57	Wood, and manufactures of	9,381,280.61	1,685,060.17	17.96
58	Grease	342,413.00	56,692.30	16.55
59	Bristles	1,072,056.00	148,574.52	13.86
60	Breadstuffs	8,215,337.07	1,115,811.23	13.58
61	Minerals	170,580.50	21,698.06	12.72
62	Jewelry and precious stones	11,032,310.74	1,182,334.34	10.72
63	Cocoa, prepared and manufactured, including cocoa butter, up to 1888	178,058.61	11,714.89	6.58
64	All other articles	5,086,714.26	1,339,478.24	26.33
	Total	468,143,773.98	213,509,801.57	45.60

* The value of tin cans is returned with the value of their contents under free fish, which explains the large amount paid for duties.

Amounts of additional and discriminating duties, also the values of all merchandise withdrawn from warehouse on which the duty has been remitted, have been excluded from the computation of the average ad valorem rate.

Summary of the principal duty-paying imports that amount to over \$10,000,000 in invoice value.

	Articles.	Invoice values.	Duties paid.	Duties reduced to ad valorem.
				<i>Per cent</i>
1	Sugar, candy, molasses, etc.	\$68,973,214.36	\$52,007,879.89	75.40
2	Wool, and manufactures of	61,220,148.26	36,942,607.24	60.34
3	Iron and steel, and manufactures of	51,079,969.71	21,283,832.45	41.67
4	Flax, hemp, jute, etc.	39,612,738.10	10,302,095.32	26.01
5	Silk, manufactures of	32,942,629.03	16,351,685.48	49.64
6	Cotton, manufactures of	28,706,702.67	11,491,897.37	40.03
7	Fruits and nuts.	15,106,551.08	4,477,535.21	29.64
8	Chemicals, drugs, dyes, etc.	12,814,525.85	4,622,441.94	36.07
9	Tobacco, and manufactures of	12,314,428.66	9,734,987.35	79.05
10	Leather, and manufactures of	11,671,497.21	3,479,248.89	29.81
11	Jewelry and precious stones.	11,032,310.74	1,182,334.34	10.72
12	Liquors—spirituous, malt, etc.	10,636,366.86	7,663,244.19	72.23

Summary of the imports, duties, and the amount of protection given to fibers and textiles.

	Articles.	Invoice values.	Duties paid.	Duties reduced to ad valorem.
		<i>Dollars.</i>	<i>Dollars.</i>	<i>Per cent</i>
1.	Wool, and manufactures of	61,220,148.26	36,942,607.34	60.34
2.	Flax, hemp, jute, and manufactures of	39,612,738.10	10,302,095.32	26.01
3.	Silk, manufactures of	32,942,629.03	16,351,685.48	49.64
4.	Cotton, manufactures of	28,706,702.67	11,491,897.37	40.03

The average duty.

1.	Wool, and manufactures of	60.34
2.	Silk, manufactures of	49.64
3.	Cotton, manufactures of	40.03
4.	Flax, hemp, jute, and manufactures of	26.01

Fibers and textiles.—Statement of the average per cent. of ad valorem duty upon manufactured goods, with the average duty on raw material.

Articles.	Average ad valorem duty.	
	Manufactured goods. Not including duty on raw material.	Raw material.
1. Wool	68.31	33.63
2. Silk	49.64	Free.
3. Cotton	40.03	Free.
4. Flax, hemp, and jute	34.39	14.39

The above covers an average of all items included in each classification; some items in each classification have more, and some less, than the average protection.

Importation of manufactured flax, hemp, and jute, and other vegetable substances, by countries, for the fiscal year ending June 30, 1888.

	Flax.		Hemp, and substitutes for.		Jute.		Sisal grass and other vegetable substances.	
	Tons.		Tons.		Tons.		Tons.	
Austria-Hungary			28	\$3,518				
Belgium	1,092	\$278,532	363	75,313				
China			250	38,000				
France	360	98,047	2	202	18	\$1,135		
Germany	7	1,165	579	68,353	6	267		
England	233	44,882	11,871	1,899,469	2,207	90,761	1,134	\$191,460
Scotland	861	404,584	220	37,282	511	30,859		
Ireland	1,116	573,220	230	35,754				
Nova Scotia, New Brunswick, and Prince Edward Island					89	2,828		
Quebec, Ontario, Manitoba, and N. W. Territory	1,067	184,747				55		
British Columbia	9	1,223						
British West Indies								1
British Honduras					112,332	3,251,454		
Australasia—British Possessions	13	1,327						
Japan			1,299	214,006				
Mexico							35,267	5,239,432
Netherlands	392	102,750						
Russia on the Baltic and White Seas	521	111,612	543	66,811				
Cuba				10				1
Philippine Islands			32,562	4,496,119				
Total	5,691	1,802,089	47,947	6,934,867	115,163	3,377,369	36,401	5,430,894

Importation of manufactures of flax, hemp, and jute, and other vegetable substances, or of which flax, hemp, and jute shall be the component material of chief value, by countries, for the fiscal year ending June 30, 1888.

	Bags, bagging, and like manufactures.	Burlaps (except bagging for cotton).	Brown or bleached linen, ducks, canvas, puttings, cotton, bottom, dippers, crincheons, huckabacks, handkerchiefs, and lawns.	Cables and cordage.	Thread, twine, and pack thread.	Yarns.	All other.
				Pounds.		Pounds.	
Argentina Republic.							\$160
Austria-Hungary	83		\$ 205,021		\$58		51,362
Belgium	647		291,912			\$1,752	101,629
Brazil							30
Canada			1		1,612		28
Chile	6,506						275
Denmark			679				39
France	1,655		258,543		5,333	2,069	1,075,824
Ecuador							35
Germany	6,830		1,397,378	4,537	293	3,052	426,796
England	191,718	\$342,653	2,224,946	15,113	31,391	228,510	562,446
Scotland	29,933	3,493,960	3,615,568	6,886	246,739	563,322	315,073
Ireland	779	1,192	6,032,751		228,635	397,520	222,815
Nova Scotia, New Brunswick, and Prince Edward Island	1		92	140	16		3
Quebec, Ontario, Manitoba, and the Northwest Territory	1,029	4	84	2,267	266		5,455
British Columbia			25		1,009		48
British West Indies.							224
British East Indies.							57,156
Hong Kong	1,040,068	332,156					313
British possessions in Africa and adjacent islands.	9		191		3		20
British possessions in Australasia.				2,000	150		
Italy					171	777,892	82,194
Japan	112	20			5		9,224
Malacca	761		84	3,799	464		16,478
Netherlands	766	5,977	226		2		26,624
Dutch East Indies	25						1,386
Azore, Madeira and Cape Verde Islands.							1,653
Russia on the Baltic and White Seas			133				1,869
Russia on the Black Sea.			46,629	525,647	56,456		19,083
Spain			317				
Cuba	10		64				101
Philippine Islands.							116
							12

[illegible]

Summary of imports, including both entries for immediate consumption and withdrawals from warehouse for consumption, for the fiscal year ending June 30, 1888.—Flax, hemp, jute, etc.

	Rates of duty.	Quantities.	Values.	Duties.	Ad valorem rate of duty.
<i>Unmanufactured.</i>					
Flax, hemp, jute, and other textile grasses and vegetable substances, and manufactures of.					
Flax:					<i>Per cent.</i>
Hacked known as "dressed line"	\$40 per ton.	1,696,5517 tons	\$928,608.00	\$67,862.07	7.31
Not hacked or dressed	\$20 per ton.	3,136,0865 tons.	735,079.00	62,721.73	8.53
Straw	\$5 per ton.	254 ton	9.00	1.27	14.11
Jute of.	\$10 per ton.	901,217 tons	157,555.00	9,012.17	5.72
Hemp of.	\$10 per ton.	11,847,5683 tons	1,791,941.00	296,189.21	16.53
Manilla and other like substitutes for hemp not specially enumerated or provided for.	\$20 per ton.	431,622 tons	73,362.00	4,816.22	6.88
Jute.	\$20 per ton.	36,964,4993 tons	5,207,732.00	924,112.47	17.75
Jute butts.	\$15 per ton.	17,05 tons	2,574.00	255.75	9.94
Sisal grass.	\$5 per cent.	18,898.07 tons	798,555.00	159,711.00	20.00
Other vegetable substances not specially enumerated or provided for.	\$15 per ton.	69,894,977 tons.	1,821,344.00	349,424.89	19.18
	\$15 per ton.	32,776,9566 tons	4,824,642.00	491,654.07	10.19
	\$15 per ton.	1,516,101 tons	255,779.00	22,741.48	8.89
Total unmanufactured.			16,597,150.00	2,388,002.33	14.39
<i>Manufactures.</i>					
Thread, twine, and pack thread, flax, or linen.	40 per cent.		610,282.90	244,105.16	40.00
Yarns:					
Flax.					
Hemp.	35 per cent.	1,574,364 lbs.	188,148.56	65,852.00	35.00
Jute.	35 per cent.	641,458 lbs.	77,900.00	27,296.50	35.00
Bagging for cotton, or other manufactures not specially enumerated or provided for, suitable to the uses for which cotton bagging is applied composed in whole or in part of hemp, jute, jute butt, flax, gunny bags, gunny cloth, or other materials, valued at 7 cents or less per square yard.	35 per cent.	13,495,885 lbs.	639,742.05	223,999.72	35.00
Bags and bagging and like manufactures, not specially enumerated or provided for (except bagging for cotton), composed wholly or in part of flax, hemp, jute, gunny cloth, gunny bags, or other material.	14 cents per lb.	22,098 lbs.	463.00	331.49	71.59
Brown and bleached linens, duck, canvas, paddings, cot bottoms, diapers, crash, buckram, cloth, gunny bags, or other material.	40 per cent.		751,632.79	300,663.12	40.00
a-backs, handkerchiefs, and lawns, of flax, jute, or hemp, or of which flax, jute, or hemp shall be the component material of chief value.	35 per cent.		14,193,291.28	4,967,651.96	35.00
Envelops of flax, jute, or hemp, or of which flax, jute, or hemp, or either of them, shall be the component material of chief value (except such as may be suitable for bagging for cotton).					
Not exceeding 60 inches in width.	30 per cent.		3,529,119.00	1,058,735.70	30.00
Exceeding 60 inches in width.	40 per cent.		541,619.00	216,647.50	40.00

Carpets and carpeting, of flax.....	40 per cent.	369.13	147.05	40.00
Carpets and carpeting, hemp or jute.....	6 cents per sq. yd.	59,300.00	14,967.50	25.24
Grass cloth, and other manufactures of jute, ramí, China and sisal grass, not specially enumerated or provided for.....	35 per cent.	35,363.00	12,377.05	35.00
Oil cloths for floors, stamped, painted or printed, and all other oil cloth (except silk oil cloth) and waterproof cloth, not otherwise provided for.....	40 per cent.	333,256.95	135,302.78	40.00
Sail duck, or canvas for sails.....	30 per cent.	17,862.00	5,358.00	30.00
Sheetings, Russia and other, of flax or hemp, brown or white.....	35 per cent.	3,788.00	1,325.80	35.00
Cables and cordage:				
Cables and cordage, tarred.....	3 cents per lb.	53,410.00	15,055.38	28.19
Cordage, manilla, untarred.....	28 cents per lb.	568.40	7,675.00	33.76
Cordage, all other, untarred.....	38 cents per lb.	3,151.00	823.78	27.00
Embroideries (flax or linen) or manufactures of linen, if embroidered or tambooured in the loom or otherwise, by machinery or with the needle, or other process, not specially enumerated or provided for.....	30 per cent.	88,417.22	26,525.16	30.00
Laces and insertings, flax or linen.....	30 per cent.	1,250,932.00	377,079.60	30.00
Seines and seine and gilling twine.....	25 per cent.	20,657.57	5,164.40	25.00
All other manufactures not specially enumerated and provided for:	40 per cent.	70,842.58	31,937.03	40.00
Of flax, or of which flax shall be the component material of chief value.....				Free.
Of flax, duty remitted; for use of the United States.....				
Of flax, jute, hemp or manilla, or of which flax, hemp, jute, or manilla shall be the component material of chief value.....	35 per cent.	513,999.10	179,899.70	35.00
Of grass.....	30 per cent.	16,844.37	4,753.38	30.00
Total manufactures.....		23,015,583.10	7,914,093.00	34.39
Total, flax, hemp, jute, etc.....		39,612,738.10	10,302,095.33	26.01
Oils, not elsewhere specified:				
Flaxseed or linseed.....	25 cents per gall.	3,435.38	1,855.00	54.00
Hempseed and rapeseed.....	10 cents per gall.	60,645.90	15,745.69	25.96
Seeds, not elsewhere specified:				
Hempseed.....	4 cent per lb.	48,386.00	7,274.45	13.03
Linseed or flaxseed.....	20 cents per bush.	1,505,498.60	292,263.54	19.41
RECAPITULATION.				
Total dutiable (covering all imports).....		468,143,773.98	213,509,801.57	.....
Total free of duty (covering all imports).....		244,104,851.46	.....	.....
Total entries for consumption.....		712,248,626.44	213,509,801.57	.....

The reports show the position of the imports of flax, hemp, and jute, and the relative position of our schedule in comparison with other leading articles of import. Of sixty-three leading articles of import, thirty-six have a greater protection than the flax, hemp, and jute schedule; in fact no item of leading import has so small protection.

If you take the twelve leading items of imports, our schedule ranks fourth in value; or if you consider the entire list of imports, including those on the free list, our schedule is fifth in value. Classed among the textiles, we rank second in value of imports, but at the foot of the list in the matter of protection.

The printed tables also give a detailed statement of duty on raw materials and on manufactured goods, as well as showing the quantities received from the different countries.

The official report for 1889 is not yet issued, but through the courtesy of the Chief of Bureau of Statistics of Treasury Department, we are enabled to present to you a summary of imports for 1889.

Flax, hemp, jute, etc., and manufactures of, entered for consumption, including both entries for immediate consumption and withdrawals from warehouse for consumption during the year ending June 30, 1889.

	Value.	Dnty collected.	Average ad valorem duty.
Unmanufactured	\$18,467,822.30	\$2,482,746.30	<i>Per cent.</i> 13.44
Manufactures of	25,955,222.78	8,926,802.12	34.39
Total	44,423,045.08	11,409,548.42	25.68

FIBERS AND TEXTILES—PER CENT. OF DUTY COLLECTED.

	Unmanu- factured.	Manufac- tured.	Average ad valorem duty.
Wool	34.31	67.14	58.99
Silk	Free.	49.61	49.61
Cotton	Free.	39.99	39.99
Flax, hemp, jute, etc	13.44	34.39	25.68

We submit to you that we have not the same protection accorded to other industries, and the reasons for the large imports is, that the present rates of duty will not admit of many lines of goods in the flax and hemp schedule being manufactured in this country at a profit.

The United States is said to be the largest consuming country in the world of linens, and it is possible with reasonable protection to develop a large linen industry within our own borders.

The Department of Agriculture are paying special attention to the subject of fibers, and we present herewith an extract from the report of Hon. J. M. Rusk, Secretary of the Department of Agriculture, and to which we request your special consideration:

THE TEXTILE FIBERS.

[Extract from first report of Hon. J. M. Rusk, Secretary of Agriculture.]

"I have given much thought since assuming my duties to the subject of fibers, a subject whose importance can not be overestimated, and I have found a wide-spread interest in the matter of a promotion of the cultivation and manufacture of flax, jute, and ramie, and other textile fibers. The correspondence of the Department on this subject has become very large. In the States of Indiana, Illinois and all the North-west, large amounts of flax are raised for the seed alone. The question now is, can not the fiber be utilized also? While the cultivation of jute and ramie can hardly be classed, as yet, beyond the experimental stage, enough has been grown to justify the belief that in most of the Southern States they can be produced in abundance and of good quality.

"The question, therefore, is not so much whether this country can produce all these fibers, as whether the farmer can find a market for those he may produce. The manual

labor heretofore necessary in the separation of the fiber from the stalk has, in competition with the cheaper labor of other countries, rendered it impossible for the fiber industry here to maintain an economic standing, and our only hope lies in the invention of decorticating machines, that shall take the dry stalk, or the green one, as the case may be, and produce in one, or at most two operations, the fiber in a short time with a minimum of cost, and without the primitive manual labor incident to the rotting, breaking, hatcheling, pounding, etc.

"Within the last five years the mechanical genius of both continents has been directed to the invention of machinery to accomplish these results. It is claimed emphatically that there are one or more such for the rendering of flax. Several machines and processes for the rendering of the ramie fiber, which is far more difficult than that of flax, are claiming public consideration, but the tests of their efficiency at this date, as reported to this Department, have not fully demonstrated their economic success; still there has been such substantial progress made in the last five years, that we seem to be approaching the solution of the problem.

"Seeing the importance of this subject, I have taken advantage of the presence at the Paris Exposition of a gentleman versed in this subject, and have commissioned him to investigate all the fiber machines on exhibition there, to visit all the flax and hemp growing countries of Europe, to examine the flax machines in operation, and the ramie machines wherever tested, and to report thereon fully. I am seeking for information from every quarter likely to give it, and to do all that can be done to promote an industry that will, if successful, save to this country \$20,000,000 annually, and which may take the place of raising of wheat and other cereals in States where their production is not now profitable. I shall ask from Congress an appropriation to enable me to prosecute a more extended investigation of this subject."

The consideration now being given to the subject of flax culture and linen manufacture in this country is attracting the attention of foreign textile journals, and the Irish Textile Journal, of Belfast, a recognized authority, in referring to this subject, states as follows: "The main difficulties which have hitherto stood in the way in competing with European countries in flax growing and manufacturing are not changed; the climatic circumstances, dear labor, and inexperience are the same adverse factors as formerly." In another issue they say that "while other fibers may perhaps be widely grown, flax certainly can."

The same journal refers to flax culture in Russia, and that additional attention is being paid to it "now that the supply of other cereals is so much in excess of the demand."

It will be seen that the opinions of our foreign competitors are that "flax can be grown here," but that "climatic circumstances, dear labor, and inexperience" are barriers to our progress as manufacturers.

We regard climatic circumstances as not of serious moment, and believe we can overcome any difficulties in this direction. That we pay, and must continue to pay more for labor we admit; and if you will give us fair protection we will manufacture our threads, twines, yarns, and linens here, and in time overcome any disadvantage we now have from inexperience.

The extracts from foreign publications are as follows:

FLAX CULTURE IN THE UNITED STATES.

[Quotation from editorial in Irish Textile Journal, Belfast, November 15, 1889.]

"From the files of American papers which reach us, we find that the question of flax cultivation for the fiber, with a view to the development of a linen industry, continues to supply the press with a 'live' topic to write about. In nearly every instance of late, reference is made to the new 'five-minute process of retting flax' as the El Dorado which is to revolutionize the whole business in the future. That some further attempts to revive the manufacture of linen goods we doubt not will be made from time to time, but the main difficulties which have hitherto stood in the way in competing with European countries in flax growing and manufacture are not changed; the climatic circumstances, dear labor, and experience are the same adverse factors as in 1873, when the Parliamentary report then published set out the reasons why all previous attempts to found a large industry of the kind had failed. Though we say this, it is nevertheless incumbent on us as manufacturers of linen goods to still further, if possible, improve upon the past in the variety and style of our fabrics, so that we may hold the foremost place with our competitors in this important market."

FLAX CULTURE IN THE UNITED STATES.

[Quotation from editorial of the Irish Textile Journal, Belfast, December 15, 1889.]

"Although the fuss about flax culture in the United States had almost dwindled away, fresh attention will be directed to the matter by the recent report of the Secretary of Agriculture, in which considerable prominence is given to the prospect of

saving the country an annual expenditure of some \$20,000,000 through the cultivation and profitable treatment of such textile fibers as flax, jute, and ramie. There is, it must be said, every difference between departmental administration on the other side of the Atlantic and this, and, although we have the advantage in some respects, we may well envy the way in which officials there keep in touch with public necessities, and the freedom and energy with which they endeavor to lead public opinion and effort towards improvement. The question has arisen, whether the fiber of flax can not be utilized instead of the straw being thrown away, or, at best, plowed in to help the next crop. Jute and ramie, may, perhaps, be widely grown, but flax certainly can. It is generally planted on the extreme edge of cultivation. The settler takes it up to more effectually conquer the land he is bringing into subjection, but deserts it soon after for better-paying cereals. Thus flax is generally the high-water mark of advancement, although in some of the older States—in Indiana, Illinois, and along the Northwest—large areas are planted for the sake of the seed. But in many localities various causes have combined to render wheat-growing unprofitable, and if flax, as a fiber crop, could replace it, a double benefit would be gained. With full recognition of the difficulties of labor cost which stand in the way, the Secretary believes that we are approaching the solution of the problem of how to treat fiber stalks by machinery, and that, in view of the substantial progress of the past five years, it will not be long before cortical fibers, and flax among them will require very little human labor to prepare them for use.

"We may feel quite certain that no means will be left untried, nor expense spared in securing what advantage can be gained for American agriculture and industry; and although we may feel tolerably safe, intrenched behind our established trade, we shall watch with close attention the progress of these State-aided experiments and inquiries.

"PROGRESS OF FLAX CULTURE AND MANUFACTURES IN RUSSIA.

"Similar causes are stimulating the flax supply of Russia, more profitable occupation of the vast arable area of the Empire being eagerly sought after, now that the supply of wheat and other cereals is so much in excess of demand. With India and the United States pouring in increasing quantities of corn, it is time for wheat-growing countries to turn to some other crop not so generally grown, and Russia has already an extensive and flourishing culture of flax only needing development. Its progress has already been remarkable, the exports having increased from 34,679 tons in 1824-'26, to 68,158 tons in 1848-'50, and again to 116,778 tons in 1887, with every prospect of further extension. This quantity is still far below the export of 1884, which amounted to 178,620 tons, although that likewise fell short of the maximum export of 288,554 tons in 1881. A peculiar, and in some respects enviable feature of Russia flax culture, is that peasants raise a larger quantity than landed proprietors. Very little is really known of the industrial virtues and power of the great kustar population on which the trade of Russia so largely depends; and when we think of textile fibers being brought completely under the control of machinery, we need to remember that Russia has an immense population able to labor, with considerable hereditary skill, and so poor, so able to adapt themselves to circumstances, that they can compete with all the resources of Birmingham in lockmaking, and hold their own in coarse fabrics against all the mechanic development of Great Britain. Home-spun linen prepared by the peasants amounted in 1884 to 116,700,000 yards. An official return by Consul-General Way states that the first mills were introduced into Russia in the sixteenth century. In 1809, Russia possessed 202 mills and 18,727 looms, and manufactured 16,530,000 yards of huen. Little by little, prices of mill products having declined, the number of mills was reduced. Thus in 1830, Russia had 190 mills; in 1853, 171; and in 1863, 109. During the last years, however, an improvement has been noticed, and the most recent statistics of mills and workmen give these results:

Year.	Russia in Europe.		Poland.	
	No. of mills.	No. of workmen.	No. of mills.	No. of workmen.
1880.....	158	24,631	15	9,339
1881.....	153	23,688	14	7,298
1882.....	154	32,170	18	7,425
1883.....	160	35,991	21	8,402
1884.....	166	38,966	19	7,810

Another interesting table, covering a wider period, gives the values of flax products exported, approximately in pounds sterling :

Year.	Yarn.	Sail-cloth.	Flemish linen.	Raven's duck.	Towel-ing.	Crash.	Table linen.
1860	12	20 400	2, 300	8, 620	.....	41, 300	3, 220
1865	1, 880	8, 160	4, 300	9, 540	2, 000	88, 800	8, 140
1870	153, 240	23, 560	220	3, 540	.....	37, 240	24, 280
1875	19, 720	9, 000	4	2, 320	120	21, 860	7, 240
1880	7, 600	13, 140	32	1, 540	.....	49, 100	20, 560
1885	12, 840	8, 720	232	2, 200	504	35, 440	.....

Referring again to the large importations of linens to the United States we find by statistics of the exports from the United Kingdom that the United States has been their largest customer, and from their own record of exports we compile the following table, which shows that the United States received 52 per cent. of their exports in "plain unbleached or bleached linens." This only covers a part of their exports of linens, but covers many grades which should be manufactured in the United States.

Exports from United Kingdom of Great Britain of plain unbleached or bleached linens.

Year.	Quantities exported.	Declared values exported.	Quantities exported to the United States.	Declared values of exports to the United States.
	<i>Yards.</i>		<i>Yards.</i>	
1883	152, 163, 000	\$4, 408, 454	78, 169, 400	\$2, 329, 267
1884	143, 672, 800	3, 961, 692	69, 632, 100	1, 942, 528
1885	138, 186, 600	3, 653, 817	69, 839, 700	1, 817, 286
1886	152, 218, 000	3, 792, 822	83, 116, 500	1, 965, 570
1887	152, 605, 500	3, 860, 070	81, 910, 900	2, 058, 553
1888	161, 531, 800	3, 749, 088	88, 598, 500	2, 003, 428
1889 for 9 months	127, 759, 100	2, 942, 532	74, 306, 100	1, 650, 691

	Yards.	Value.
Total exports plain unbleached or bleached linens for six years and nine months	1, 028, 136, 800	\$26, 368, 475
Portion of the above sent to the United States	545, 573, 200	13, 767, 323
Per cent. of quantity sent to the United States	53+	.....
Per cent. of value sent to the United States	52+	.....

We to-day ask for an increase of duty on some grades of linen goods that we may have a home production for our home market.

We recommend the following rates of duty : Flax straw, \$5 per ton ; flax not hackled, \$20 per ton ; tow of flax or hemp, \$10 per ton ; hemp, \$25 per ton ; dressed line of flax, \$60 per ton in place of the present rate of duty of \$40 per ton.

The gentleman who first spoke, and who favored the admission of dressed line of flax free of duty, if I am correctly informed, represents the Grafton (Massachusetts) Flax Mills, owned and operated by Finlayson, Bousfield & Co., of Johnstone, Scotland. With the admission of dressed line of flax free of duty they could have the dressing done abroad by cheap labor, and the product of their labor brought to this country to the injury of American spinners who do all their work here and to the injury of the workers employed in dressing flax.

The present rate of duty of \$40 is insufficient protection on dressed line of flax, and \$60 as asked is only a fair protection.

The first gentleman who spoke has asked about hacklers and where they have gone. There are two hacklers here to-day. They come independent of our association. They are not members of our association, and I did not meet them until this morning. Anything they ask will entirely concern themselves, not but that we are willing to work with them. Their special interest is the workingman, and they are here to state their own case. Possibly they can tell where some of the hacklers have gone.

Linen weaving is limited in the United States, but it is possible to develop a large manufacturing business if sufficient protection is given.

The Boston Thread and Twine Company, of Boston, Mass., recently made about 500,000 yards of linen crash, but have discontinued this department of their business because the crashes could not be made at a profit. They also made small lots of towels and other grades of linens, but found it impossible to do a profitable business in these goods against foreign competition. [Samples of the woven linens referred to were exhibited.]

We ask for a duty of 3 cents per pound and 50 per cent. ad valorem on all linen coarser than 1600. (No. 1600 covering a linen counting 16 threads to three-sixteenths of an inch or 85½ threads to the inch).

We recommend a duty of 50 per cent. ad valorem on threads, twines, yarns.

We recommend a duty of 50 per cent. ad valorem on all other goods in the flax, hemp, and jute schedule, not specially enumerated.

We recommend the present duty be retained of \$25 per ton on manilla hemp; \$15 per ton on sunn hemp; \$15 per ton on Sisal hemp, and \$15 per ton on other vegetable substances not specially enumerated.

The duty, if retained on these fibers, will aid to stimulate the consumption of American hemp binder twine. This twine has been used largely the past season, and the last crop of American hemp is said to be 12,000 tons, and it is predicted that 15,000 to 20,000 tons will be raised this year. New machinery is being perfected for the breaking and preparing of hemp, and with every prospect of success.

Samples of American flax grown at Green Bay, Wis., were shown, also the dressed line from this flax, which is of excellent quality.

The statement was made by the first speaker that free flax would encourage a linen industry in the United States, and that the duty placed on flax since 1860 had retarded linen manufacturing, citing the lack of success of the United States Flax Spinning Company, the American Linen Company, and others in support of his statement.

The CHAIRMAN. What period do you refer to when flax was free?

Mr. TURNER. To the year 1853. I understand flax was free at that time.

Mr. FLOWER. Could they use American flax at that time?

Mr. TURNER. Crashes were made from American flax and tow, and the finer goods, I may say, were not.

Reference to records in my possession show that the failure of the linen manufacture was due to lack of protection, and not to the duty upon flax fiber. I will quote as follows:

"American Linen Manufacturing Company, Fall River, Mass., was organized in the year 1852, and commenced manufacturing in the year 1853. The first year they purchased flax of the value of \$138,000 and commenced the manufacture of a variety of goods, consisting of crashes, coatings, sheetings, pillow linen, damask towels, napkins, table-cloths, huckabacks, etc. Crashes were made from Western flax and tow. The finer goods were manufactured from Irish and Russian imported by the company. These goods were sold in Boston, New York, Philadelphia, and Baltimore. The business was commenced with a capital of \$1,000,000, and was run at a loss from the first and continuously until the year 1857, and was then stopped for about eight months, when the finer goods were abandoned altogether, a portion of the coarse work was put into a small building and run for a time, when that was abandoned, and the company decided to change to cotton. In the meantime the capital was practically sunk, and the capital was reduced to \$400,000. The linen manufacture in Fall River commenced too early, and everything was done at too great a disadvantage to compete with imported cloths."

(Samples of linens as made by the American Linen Manufacturing Company were shown.)

"The United States Flax Manufacturing Company, Central Falls, R. I., started in 1865 to make fine linens. Paid in capital \$225,000. The linens could be made at less cost in Europe, and principally for this reason the enterprise proved a failure."

"Willimantic Linen Company, organized in 1854. The original object of this company was the manufacture of linen goods, such as crash, toweling, and shoe-thread. The business was soon interrupted by the failure of the supply of flax from southern Russia, in consequence of the Crimean war in 1854-'55, and the attention of the company was turned to the manufacture of spool cotton."

The CHAIRMAN. What is the present duty on twine?

Mr. TURNER. Forty per cent.

The importation last year of flax yarns was 788,000 pounds, and of hemp 602,000 pounds. The value of linen thread was \$572,691. We wish, if possible, to be able to make all of that class of goods. It is in close competition with the foreign article as we stand to-day.

A table of wages (compiled some time since, but which in its main features holds good to-day) is submitted, showing comparative wages in Europe, and in the United States.

Average rates of wages paid in the flax-spinning trade, Europe and America.

[Mark, equal to 23.8 cents. Ruble, equal to 50 cents. Franc, equal to 19 cents.]

	Prussia, Silesia. (Work 72 hours per week.)		Rhineland. (Work 72 hours per week.)		Germany. (Work 72 hours per week.)	
	Per week of 60 hours.	Equal to U. S. currency.	Per week of 60 hours.	Equal to U. S. currency.	Per week of 60 hours.	Equal to U. S. currency.
	<i>Marks.</i>	<i>Dollars.</i>	<i>Marks.</i>	<i>Dollars.</i>	<i>Marks.</i>	<i>Dollars.</i>
Sorters	8.34	2.00	15.84	3.75	12.10	2.88
Roughers	6.67	1.60	12.50	3.00	9.60	2.30
Machine-workers	4.60	1.15	7.50	1.78	6.05	1.46
Spinners	6.67	1.60	9.17	2.18	7.92	1.98
Reelers	6.67	1.60	9.17	2.18	7.92	1.98
Roving	5.84	1.40	8.34	2.00	7.10	1.70
Carders	5.84	1.40	7.92	1.88	6.90	1.65
Spreaders	5.00	1.20	7.92	1.88	6.45	1.55
Drawing	5.00	1.20	7.50	1.78	6.25	1.50
Doffers	3.75	.90	5.84	1.40	4.80	1.13

	Russia, Eastern. (Work 81 hours per week.)		Russia, Western. (Work 72 hours per week.)		France. (Work 72 hours per week.)		United States. (Work 60 hours per week.)	Great Britain.
	Per week of 60 hours.	Equal to U. S. currency.	Per week of 60 hours.	Equal to U. S. currency.	Per week of 60 hours.	Equal to U. S. currency.	Per week of 60 hours.	Per week of — hours.
	<i>Rubles.</i>	<i>Dollars.</i>	<i>Rubles.</i>	<i>Dollars.</i>	<i>Francs.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>
Sorters					20.00	3.85	12.00	4.86
Roughers							12.00	4.86
Machine-workers	1.60	.80	2.00	1.00	7.00	1.35	5.00	1.46
Spinners	2.20	1.10	2.25	1.12	10.50	2.02	7.00	1.82
Reelers					17.50	3.37	7.00	1.34
Roving	1.28	.64	2.25	1.12	10.50	2.02	5.00	1.58
Carders			2.25	1.12	11.50	2.20	6.00	2.19
Spreaders	1.29	.60	2.25	1.12	10.50	2.02	8.00	1.70
Drawing	1.08	.54	2.25	1.12	9.50	1.85	5.00	1.95
Doffers	1.00	.50	1.50	.75			3.50	1.34

Machinery in the United States is to-day idle because of the foreign competition in threads and yarns, the competition from Italian spinners of carpet yarns being very severe.

Mr. BAYNE. Can you approximate the production in this country of flax and hemp?

Mr. TURNER. The amount of hemp is about 12,000 tons. The amount of flax will be small—I should say under 500 tons.

Mr. BAYNE. I see the flax raised for the year ending June 30, 1889, was 7,816 tons, and the importation of hemp was 55,000 tons.

Mr. TURNER. What class of hemp?

Mr. BAYNE. Hemp and substitutes for. That does not refer to jute and sisal.

Mr. TURNER. There was imported in 1889, 35,000 tons of manilla, 35,000 tons of sisal, 30,000 tons of jute fiber, and jute butts cover 65,000 tons, and here is where manufacturers would be benefited to a certain extent by having free raw material.

On the other hand we do not wish entirely to depend on foreign countries for our fiber. Our name indicates our association as growers and manufacturers. There are flax-growers in the West, in the Dakotas, Michigan, and other States, and the sample of flax shown you comes from Green Bay, Wis. We stand ready to-day to give a good price for that flax. It is some of the best western flax we have seen in five years, being perhaps equal in character to the average imported flax. We offered him 11 cents for it in that form.

Mr. BAYNE. Is the production of flax increasing or decreasing the production of the raw material?

Mr. TURNER. I think it is in *statu quo*, with great eagerness being shown by farmers.

Mr. FLOWER. Is it true that farmers of New England first put in a crop of flax and

from it made tow linen crashes? It has gradually moved to the West. After the land was cleared, the industry has gone out of the old States.

Mr. TURNER. It goes with civilization. They have put the land to the cultivation of more profitable crops.

Mr. FLOWER. The old loom which used to be in the farmers' houses has gone, and they buy cotton in the place of the linen?

Mr. TURNER. To-day we are importing linens for our use.

Mr. FLOWER. What firm do you represent in this Flax and Spinners' Association?

Mr. TURNER. Ross, Turner & Co.

Mr. FLOWER. Have any firms in your association any foreign connections where they manufacture?

Mr. TURNER. Yes, sir; and they join with us in asking to increase the duty on "dressed line."

Mr. GEAR. You stated that during the past two years the flax raised in the West was not adapted to this use. In other words, that it requires a special method of cultivation to produce this product.

Mr. TURNER. It grows upon a straight stock, and it must be a long fiber.

Mr. GEAR. Could a farmer in my State, where he sows the seed, put it to commercial uses generally?

Mr. TURNER. I believe it is now possible to take off that short fiber with machinery.

Mr. GEAR. Is it adapted to commercial uses?

Mr. TURNER. It could be put into coarse goods, but not into the finer fabrics.

Mr. GEAR. It simply gives way in the market from the other side.

Mr. TURNER. We should make coarse linens; we import flax fabrics at 35 per cent. If we had a fair protection we would make these goods out of American flax.

Mr. McKENNA. Can the two be joined?

Mr. GEAR. They can make coarse goods out of them, he says.

Mr. TURNER. That is true.

Mr. FLOWER. Is it true that this linen and flax comes from Russia, Germany, and Italy, and requires great care to produce it and put it in shape, and the care that it requires would take the whole time of a farmer? I would not be certain whether that is used as a substitute for that raised in Italy. Are you familiar with that?

Mr. TURNER. There is quite a lot of this Italian flax or hemp used. It is a whitish fiber.

Mr. FLOWER. A great deal of labor is bestowed on it. Do you use in this country any of it in making linen?

Mr. TURNER. The Italian hemp is used a great deal.

Mr. FLOWER. The plant does not look like our hemp or flax. They call it by some peculiar name. It is a fine product, requires great attention, and has to be grown with a great deal of care; and it is my opinion that our farmers would not spend the proper amount of time on it.

Mr. TURNER. We have the climate and we have the soil. The time will come when it will be done.

Mr. FLOWER. Will the time come here, with 20 people to the square mile while those people have 180 or 300 to the square mile, when we will cultivate flax here after our manner, while they in Italian countries cultivate it often on their hands and knees?

Mr. TURNER. There are machines, perhaps not perfected, for pulling flax, and the time will come when it will be done in large quantities and it will go into American markets.

Mr. FLOWER. Will the climate of Russia raise this fine flax?

Mr. TURNER. They raise good grades of flax in Russia.

Mr. GEAR. Is this specimen shown as good flax as you ordinarily import?

Mr. TURNER. Yes, sir.

Mr. GEAR. This is an American growth?

Mr. TURNER. It is an American growth. It was raised by Eugene Bosse, and grown at Green Bay, Wis.

Mr. BRECKINRIDGE. Could it be grown both for seed and fiber on the same crop?

Mr. TURNER. We do not do that now.

Mr. BRECKINRIDGE. Do they in any part of the world?

Mr. TURNER. I understand that they raise a crop of seed and a crop of fiber on land in climates where the weather is not too moist. It is successfully raised for both.

Mr. BRECKINRIDGE. But you do not know of its ever having been profitably cultivated both for seed and fiber from the same stalk in this country?

Mr. TURNER. It has been done.

Mr. BRECKINRIDGE. Do they get a full crop of seed in that way?

Mr. TURNER. They will secure a fair crop of seed in that way.

Mr. BRECKINRIDGE. Is it profitable to grow flax with a view of getting seed and fiber off the same stalk?

Mr. TURNER. I believe it is.

Mr. BRECKINRIDGE. Do you know it, or believe it?

Mr. TURNER. I believe it.

Mr. BRECKINRIDGE. Do you know anybody that does it?

Mr. TURNER. I have been in Iowa myself; I have talked with a man who made an experiment, and I heard him say that they could do it.

Mr. BRECKINRIDGE. It was simply an experiment?

Mr. TURNER. It was not on a very large scale.

Mr. MCKENNA. It is a question of training the stalk?

Mr. TURNER. A stalk must be kept straight.

Mr. MCKENNA. If it is kept straight can it be allowed to go to seed without the fibers deteriorating?

Mr. TURNER. Yes, sir.

Mr. MCKENNA. It does not consist in the amount of seed that is put into the acre

Mr. TURNER. It takes a bushel and a half, or 2 bushels to the acre.

Mr. GEAR. Do you know what the average crop of seed is now?

Mr. TURNER. A bushel of seed will grow 12 bushels.

Mr. GEAR. How will the ordinary growth of flax to the acre be in fiber?

Mr. TURNER. About 300 pounds.

Mr. LA FOLLETTE. How much is it worth a pound?

Mr. TURNER. We have offered for this 11 cents a pound.

Mr. LA FOLLETTE. What does \$5 per ton for duty on flax amount to, reduced to percentage?

Mr. TURNER. Five dollars duty on flax amounts to 14 per cent.

Mr. LA FOLLETTE. What does \$20 per ton on dressed flax amount to?

Mr. TURNER. To 8.53 per cent. The greater the duty, the greater the production of fiber.

Mr. LA FOLLETTE. Do you think that this protective duty is enough on that industry?

Mr. TURNER. I think it is, with freight added.

Mr. LA FOLLETTE. Do you think that it represents the difference in the cost of labor of producing flax between the producer in this country and his foreign competitor?

Mr. TURNER. I should think it would depend on whether they carried on the same methods. I should be inclined to doubt it if we carried on the same methods that they do.

Mr. LA FOLLETTE. How much of an item is the freight?

Mr. TURNER. Freight is quite an item, amounting to 20 shillings from England, 40 shillings from Russia, 45 from Italy, or about 2 cents per pound. Another item working against flax is that "dressed line" comes in at an ad valorem rate of duty less than raw flax. Raw flax is 8.53 per cent. and "dressed line" is 7.31 per cent.

Mr. CARLISLE. You represent the Association of Flax Spinners and Growers?

Mr. TURNER. Yes, sir.

Mr. CARLISLE. How many growers are there in your association?

Mr. TURNER. I should say six or eight out of an association of thirty-five.

Our association was originally formed by a few manufacturers, and as its title indicates, we aim to co-operate with flax and hemp growers that by co-operation we may consume the fibers which can be raised in the United States. We have a few growers in our association, and will at all times work with them to encourage the growth of American flax and hemp, and we hope for the day when we may even be exporters of flax and hemp fibers. Improved machinery is needed, but we believe that American enterprise, with a true progressive spirit, will in time overcome many obstacles, and aid in placing the flax and hemp industry in all its branches on a prosperous basis.

We submit that we have not had fair protection in the past, and ask you to consider our claims and give the protection asked, and in return we promise an established industry of great magnitude.

FLAX AND HEMP MEN PRESENT.

The following members of the Flax and Hemp Spinners and Growers' Association were in attendance at the hearing before the Ways and Means Committee:

A. R. Turner, jr., president, of Ross, Turner & Co., Boston, Mass.

G. H. Torr, of Smith & Dove Manufacturing Company, Andover, Mass.

William Barbour, of Barbour Flax Spinning Company, of Paterson, N. J.

J. W. Wallace, of Dunbar, McMaster & Co., Greenwich, N. Y.

Charles E. Bonte, of John Bonte's Sons Company, Cincinnati, Ohio.

Abram Bentley, of Bentley & Gerwig Company, New Brighton, Pa.

E. A. Hartshorn, of Cable Flax Mills, Schaghticoke, N. Y.

R. W. McKery, of Kentucky River Mills, Frankfort, Ky.

John H. Ross, of Boston Thread and Twine Company, Boston, Mass.

C. F. Wyman, of R. B. Storer & Co., Boston, Mass.

Frank Travers, of Travers Bros., New York, N. Y.
 R. Buchman, of James Thompson & Co., Valley Falls, N. Y.
 — Donovan, of A. Moore & Co., Philadelphia, Pa.
 — Scott, of J. F. Scott & Bro., Lexington, Ky.
 Charles Boyce, Boston, Mass.
 R. B. Symington, of Marshall & Co., Newark, N. J.
 J. S. Coey, of Marshall & Co., Newark, N. J.
 William Allen, of A. H. Hart Company, New York, N. Y.
 — Nelson, of H. B. Nelson & Co., Lexington, Ky.
 P. H. Brundage, New York, N. Y.
 John T. Bailey, of John T. Bailey & Co., Philadelphia, Pa.

STATEMENT OF MR. LESLIE COMBS.

Mr. LESLIE COMBS, of Lexington, Ky., next addressed the committee, as follows:

Mr. Chairman and gentlemen of the committee, I came here expecting that hemp would be helped by arguments made here by the gentlemen interested in the Flax and Hemp Growers and Spinners' Association.

I am entirely unprepared with any set argument. I feel strongly on the subject, however, and it seemed to me that the recommendations of that association were so inadequate for the protection of hemp that it was necessary that some statement of our views should be made.

I would like to premise my remarks by calling attention to the fact that this association asks an increase of duty on flax products as follows: "Dressed line," from \$40 to \$60 per ton; and on all manufactures from flax a uniform 50 per cent. duty, an average increase of about 15 per cent. If this is necessary I am a protectionist, and I believe in it, but when they come to our industry they are only willing to recommend that sisal and manilla remain at the same rate, while they refuse to make any recommendation as to jute, which is one of our principal competitors, and the cheapest fiber in the market.

Hemp was developed to a growth at one time in this country of 83,000 tons. Cheap jute was brought in; and hemp, dependent largely upon bagging for its market, was reduced in production to 2,500 tons at one time in the United States. There will be a strong effort made here by the jute, sisal, and manilla manufacturers to strengthen their competition with hemp by putting jute, sisal, and manilla upon the free list. It seems to me that it is not fair in these gentlemen, who profess to be protectionists, to come before you and argue on that line. Jute manufacturers now have a duty on the manufactured article of 30, 40, and 45 per cent. They only pay on their raw material $7\frac{1}{2}$ per cent. So on the lowest grade of manufactured goods they have a protection of $22\frac{1}{2}$ per cent. It seems to me that if this is not sufficient for them to manufacture goods in the United States, that the proper line of argument for them to take is to make an exhibition to this committee that will induce it to give them the protection that is necessary. But this is not their request. They not only want an additional protection, but they want that additional protection in a way that will injure and drive their principal competitor—American hemp—out of the market. They say they must have this duty off the jute or they can not go on. It is a fact that there have been three additional jute manufactories established in the United States in the past year. Is that an indication that the business is being conducted at a loss? They do not offer to the American people a reduced price on their manufactured article; they do not say give us free jute and we will compete in the markets of the world with our manufactures; but they say give us free jute and we will make more money.

Hemp, I venture to say, contains a larger percentage of labor when it is put on the market as a raw material than any other product in the country; certainly any to which my attention has been called. The average crop is, at the outside, 8 hundred-weight=900 pounds to the acre. It costs in labor—not in seed, not in horse labor, not in rent or interest or time in supervising, or anything of the sort—\$18.90 an acre to raise 900 pounds of hemp.

Mr. CARLISLE. Is that actual labor?

Mr. COMBS. Yes, sir; actual labor.

Mr. CARLISLE. You say it is \$18.90. Are you certain that is the figure?

Mr. COMBS. After looking at my memoranda, to be exact, I will say it is \$17.93.

Mr. BRECKINRIDGE. This is the labor on one acre of hemp?

Mr. COMBS. Yes, sir; to produce 8 hundredweight, or 900 pounds.

Mr. BRECKINRIDGE. That brings it to what state?

Mr. COMBS. That brings it to a bale; not a commercial bale, but the farmer's bale.

Mr. GEAR. Are you a grower of hemp?

Mr. COMBS. Yes, sir. I think I will be borne out by the gentlemen here who are

acquainted with the condition of the agricultural laborers in Kentucky, in saying that, on account of the production of crude hemp we employ 75,000 negroes in the blue-grass region of Kentucky at better wages than any agricultural labor in any portion of the country south of Mason and Dixon's line commands. A larger percentage of them live in their own homes than any other farm labor in any part of the United States.

THE CHAIRMAN. Do you mean that they are all employed in raising hemp?

MR. COMBS. Not at all. It is the production of hemp in which they make these good wages that fixes this higher scale for all labor. Hemp is growing in production both as a raw material and as a manufactured article. At one time the production a few years ago was reduced to 2,500 tons. It has been found to make first-class binder-twine; and owing to the development in that direction the product of American hemp binder-twine has doubled each year for the last three years. By the discovery of a cheap method of handling it they are raising it very cheap in Illinois and Nebraska. They do not raise as good hemp as we do in Kentucky. They do not raise it for the same purpose that ours is raised. It is short and sells for \$3 a hundred. Ours is a stronger and longer fiber and sells for \$5 a hundred. Only a short time before I left home an order was received from the West for 1,000 bushels of seed for raising hemp.

I came here expecting to be able, with the assistance of my associates, and by the assistance of my friends of the Hemp and Flax Growers' Association, to raise protection on hemp, and I believe, if jute and jute butts could be raised to a cent a pound, that in five years Kansas, Nebraska, Missouri, Iowa, and Ohio would raise hemp of the new process short sort at a price that would furnish bagging for all the Southern country at two-thirds the price they have paid for cheap jute. But I am willing now to get my hat back from the congregation, and if you leave jute where it is, and leave sisal and manilla where they are, we will abide by it; and I am satisfied from the development that is going on we will be successful. Jute is an inferior fiber. One-half of it is manufactured into binder-twine. They dye it to look like hemp, and ninety-nine one-hundredths of farmers do not know it from hemp. It has been forced on them and hemp has been hampered by that fact. They are learning, however, to distinguish it. The jute men, the sisal men, and the manilla men are talking unfairly in their clamor demanding the raw material free. If they can demonstrate to you gentlemen that they have not sufficient protection in manufacturing their production, let them ask additional protection. It is unfair at the same time to increase their protection and destroy their principal rival, and the only marketable fiber that exists in this country. It came out very plainly to my mind that there is a great deal of sectionalism in this. We, the hemp growers and manufacturers, are located in Kentucky and Ohio. One man west of the Alleghanies in Pennsylvania, Mr. Herman, stands by us. I should think that our Western industries are entitled to the same protection as our Eastern manufactures, and I think it is unfair for them to go before the country asking the farmer to take from his pocket a dollar for every recommendation made in this list, and when they reach a farmer's product refuse it the benefit of the system.

MR. CARLISLE. What is 800 pounds of hemp in the bale worth?

MR. COMBS. It varies very much in price. We are getting now \$5 per cwt.; that is, \$40 for the 900 pounds.

MR. CARLISLE. You get \$40 an acre, and \$17.93 is expended in labor; almost 50 per cent. is labor.

MR. COMBS. I think that is a very large percentage.

MR. CARLISLE. You have stated there is more labor employed in the production of hemp than in almost any other raw material. That is worth about \$40 at the farm.

MR. COMBS. In the cities adjacent to the farm.

MR. CARLISLE. In Frankfort, Ky., in the penitentiary, is it not used in manufacturing?

MR. COMBS. Not now; it was formerly.

MR. CARLISLE. I think there is a manufactory in Frankfort where they make twine. Is it not a fact that what has injured the industry is that iron and steel are used as a substitute for hemp in elevators and ships and for binding purposes?

MR. COMBS. It is a fact that at Frankfort we get very good prices for hemp of the best quality for twine. Hemp used to go into ship-rigging, but that is discarded in a large measure for wire cordage.

MR. CARLISLE. What is the annual production of hemp in the United States?

MR. COMBS. It went as low as 2,500 tons. It has increased lately. I suppose it is 12,000 tons now.

MR. CARLISLE. Jute is used for bagging?

MR. COMBS. They are buying that more than ever for bagging.

MR. CARLISLE. Could you make hemp now as cheaply as they make that cheap bagging?

Mr. COMBS. If they should get jute under 2 cents a pound our bagging in America would be driven out of the market.

Mr. CARLISLE. What would it cost to produce that grade of hemp?

Mr. COMBS. Hemp of a character suitable for bagging could be grown at a low price.

Mr. CARLISLE. What would it cost to produce it?

Mr. COMBS. Three dollars a hundred.

Mr. CARLISLE. If you could undersell jute bagging and make money, why don't you?

Mr. COMBS. Jute bagging is not bearing that price.

Mr. CARLISLE. You would pay a higher price for it?

Mr. COMBS. Yes, sir.

Mr. CARLISLE. Whom would it benefit?

Mr. COMBS. It would foster the production of hemp at the West of a common sort and cheap price.

Mr. CARLISLE. If it would be to your injury and make hemp cheaper, why do you want it?

Mr. COMBS. I am talking on general principles. I do not think all these gentlemen appear to represent their selfish interest.

Mr. CARLISLE. You would not go into the production of that kind of hemp yourself?

Mr. COMBS. I have not investigated far enough into the matter to know.

Mr. CARLISLE. If you cut the price of this bagging and baling increased, could you?

Mr. COMBS. I will say it would depend upon the price of the bagging and baling.

Mr. CARLISLE. It would increase the price of jute?

Mr. COMBS. Do you think the price of jute bagging is controlled now by the price of jute?

Mr. CARLISLE. I do not know. Is there a trust?

Mr. COMBS. I read the testimony of one of the members of the trust before the Committee on Manufactures in the last Congress in which he openly declared it was a trust; that they proposed to make all the money out of it they could. That was the statement of Mr. Gratz.

Mr. CARLISLE. It would enable them to keep up the trust and therefore keep up the price.

Mr. COMBS. I am not an expert in the manufacture of these articles. I looked upon it entirely as a farmer. My understanding is that they are enabled to do it because they are manufacturing with a foreign fiber, and that all they have to do is to make a combination and control the prices.

Mr. CARLISLE. If the duty was taken off they could not do that?

Mr. COMBS. If the duty was taken off raw material they could.

Mr. CARLISLE. Couldn't everybody go into the business of importing?

Mr. COMBS. What figure one-half a cent a pound would cut would be governed by the amount of capital that would be required.

Mr. CARLISLE. It must cut some figure or they would not want it. What I am trying to get at is, what is the effect of it?

Mr. COMBS. I could not answer that.

Mr. MCKENNA. Do you know whether the importers go and buy up the product of the mills of other countries?

Mr. COMBS. That is my information.

Mr. MCKENNA. You do not know what it could have been bought for some years ago?

Mr. COMBS. I know they made a contract with a jute mill in Louisville.

Mr. CARLISLE. Did they charge it to the consumer?

Mr. COMBS. If it had been American fiber they could not have done so.

Mr. CARLISLE. Can not they make it out of cotton?

Mr. COMBS. They do make it out of cotton, but it costs about twice as much as the jute at the high price.

Mr. CARLISLE. Are they making bagging out of other material?

Mr. COMBS. They are making it out of pine fiber, or straw. I do not know how successfully.

Mr. BAYNE. Did you say that the production of hemp went down at one time to 2,500 tons?

A GENTLEMAN. That was about 1869.

Mr. BAYNE. It is up now to what amount?

Mr. COMBS. To 12,000 tons.

Mr. BAYNE. That is for a big year?

Mr. COMBS. There was a time when we made the bagging for covering all the cotton.

Mr. BAYNE. What year was that?

Mr. COMBS. That was in 1850.

Mr. BAYNE. How does the present price of bagging compare with that?

Mr. COMBS. It is very much higher; I allude to the time when hemp, during the latter part of the sixties or in 1870, when they were making bagging out of flax refuse, and things of that sort.

Mr. GEAR. How do you break your hemp?

Mr. COMBS. By hand labor.

Mr. GEAR. Why do you do it that way?

Mr. COMBS. Because there has heretofore been no practical power break. My attention is almost daily drawn to breaks, from all parts of the country, that are being invented to accomplish that purpose.

Mr. GEAR. What does it cost you to break it?

Mr. COMBS. One dollar and twelve cents per hundred.

Mr. GEAR. That is \$20 per ton?

Mr. COMBS. It is \$22.40 per ton.

Mr. GEAR. If you had a machine that would break it you could probably reduce that price?

Mr. COMBS. They claim that a machine would break hemp at \$5 a ton.

Mr. GEAR. What do you pay for labor?

Mr. COMBS. I pay, by the year, \$15 a month and board.

Mr. CARLISLE. What is the profit in growing an acre of hemp in an ordinary year at the ordinary price?

Mr. COMBS. I will tell you how I calculate it. The manual labor of course is fluctuating when you come to the breaking of it. It costs according to the product. The other charges are fixed charges and are governed by the acreage. My friends from Lexington think I place the average production too high. If this is a fact I have cheapened the cost of it below what actually exists. But I will give you the figures. At 8 hundred-weight to the acre, or 900 pounds, it will cost \$34.60 to raise it, including everything.

Mr. CARLISLE. Do you count interest on the plant?

Mr. COMBS. I allow for existing rates of rent by the year.

Mr. CARLISLE. What do you allow per acre for rent?

Mr. COMBS. Ten dollars.

Mr. CARLISLE. Is that the average rental in Kentucky?

Mr. COMBS. That is the average rental of hemp land.

Mr. CARLISLE. It sells for \$40?

Mr. COMBS. Yes, sir.

Mr. CARLISLE. You make \$5.40 an acre, or \$5.35 including transportation.

Mr. COMBS. I make my estimates from my farm. Many others would have to haul it 6, 8, or 10 miles. If you own the land the profit is \$15.40 per acre.

Mr. CARLISLE. Suppose the same acreage was cultivated in corn or tobacco?

Mr. COMBS. I am unable to say as to tobacco. I am not familiar with the crop.

Mr. CARLISLE. Does it not yield sometimes \$25 an acre, and even more?

Mr. COMBS. Frequently.

Mr. CARLISLE. It is therefore much more profitable than hemp.

Mr. COMBS. It is more profitable in its direct returns. It impoverishes the land. There are few farmers who are willing to raise tobacco.

Mr. CARLISLE. What would be the profit on cultivating corn?

Mr. COMBS. I can make a calculation. Corn at \$1.50 a barrel—I do not believe there are over 8 barrels grown to the acre, and when you deduct the rent of the ground there is an actual loss.

Mr. CARLISLE. How about raising feed for stock? That is a great grazing country, too.

Mr. COMBS. Yes, sir.

Mr. CARLISLE. Do not you feed corn to stock?

Mr. COMBS. Yes, and sell it to the distillers.

Mr. CARLISLE. It is quite profitable, I believe. Some facetious Kentuckian has computed that they raise so many bushels of corn, which is made into whisky, besides what is wasted in making bread. [Laughter.] You do not waste very much of it up there?

Mr. COMBS. No, sir.

Mr. CARLISLE. You think it is profitable to feed to stock?

Mr. COMBS. No, sir; that was a suggestion of yours.

Mr. FLOWER. You have said there was none wasted.

Mr. COMBS. I believe we feed it to stock at a loss.

Mr. CARLISLE. What is the area of hemp-producing land in Kentucky as nearly as you can tell it?

Mr. COMBS. I think I can name most of the counties. There is Fayette, Bourbon, Jessamine, Scott, Clark, Montgomery, Madison, Mason, Boyle, Woodford, Mercer, Shelby, Franklin, and Henry.

Mr. CARLISLE. Take Henry County, for instance: What proportion of the area of that county is fit for the cultivation of hemp at a profit?

Mr. COMBS. I would rather you would get me on some county I know something about. I was never in Henry County.

Mr. CARLISLE. Do you not know that only a very small proportion of that county can be used for growing hemp?

Mr. COMBS. I know there is not a great deal of hemp grown in Henry.

Mr. CARLISLE. Is it grown profitably in Montgomery County?

Mr. COMBS. Montgomery County would produce it. She is rich enough to produce good tobacco.

Mr. CARLISLE. In the counties of Fayette, Woodford, Scott, Bourbon, and Clark is there anything like one-half of each county that is suitable for the production of hemp?

Mr. COMBS. If you can tell me the proportion, in your opinion, of the blue grass sod in those counties I can tell you the proportion suitable for hemp. It requires first-class blue grass land.

Mr. CARLISLE. They have not abandoned the raising of fine stock?

Mr. COMBS. No, sir. Fine stock consumes a small proportion of the agricultural product. Much of our country is in grass and it is largely used in grazing common stock, mules, horses, cattle, and to some extent sheep.

Mr. GEAR. Is there not plenty of land in Illinois, Indiana, Missouri, and other western States adapted to the growth of hemp?

Mr. COMBS. Any quantity of it.

Mr. GEAR. Any land that will grow blue grass will grow hemp?

Mr. COMBS. Yes, sir. Hemp is now being raised in Mississippi, Missouri, Illinois, and Nebraska, besides Kentucky.

STATEMENT OF MR. WILLIAM BRIGHT.

After the committee resumed its session, Mr. WILLIAM BRIGHT, of New Jersey, made a statement in the interest of the flax dressing trade.

The CHAIRMAN. Do you represent the labor employed in this business?

Mr. BRIGHT. Yes; it is in the interest of the flax dressing trade that we appear before you. This is the first and most important process in the manufacture of flax, and is, we might say, the only process requiring skilled labor. This is supposed to be protected by a duty of \$40 per ton, but this is not even half enough to protect those employed in the dressing of it. We ask you in the name of fair dealing to increase the duty from \$40 to \$90. The importing of dressed line into the United States is a thing that is no benefit to the country whatever, and is wholly unnecessary.

There are hundreds of flax-dressers in the United States who are at present unemployed owing to the increased importation of dressed line. Why then should it be imported? Why should the manufacturer who has his headquarters in Europe and his annex in the United States, be allowed to have his flax dressed in Europe at the low scale of wages and import it here to the injury of our trade, and the American manufacturer as well? The manufacturer who would prefer having his flax dressed in the United States is compelled to resort to importing it in order to compete with European firms, who can import to their branch factories here, which proceeding gives them an advantage of about \$45 per ton. Increase the duty by \$50, and if there is any advantage given American labor, would the honorable committee not do themselves credit by granting it to us, so that instead of a decrease in labor in this branch of industry, there would be an increase, and encouragement for more energy to produce in our markets an article which would deserve the name of American product.

The goods manufactured from imported dressed line is no benefit to the consumer. They are sold at as high a price as the goods made from the flax dressed here. The cost of dressing a ton of flax in Europe is \$35. In the United States the cost is \$64. The duty on 1 ton of rough flax is \$20, and as it takes almost 2 tons of rough flax to produce 1 ton of dressed line, you can see that the importer can get his ton of 2,240 pounds for \$40, while the firm who would give employment to American flax-dressers have to pay almost that amount duty, for the quantity of rough flax required to produce a ton of line, or in other words, duty on the material to produce 1 ton, 2,240 pounds, is more than the cost of dressing the same quantity in Europe amounts to. In the year 1888 there was 1,696 tons of dressed line imported into the United States, an increase of 460 tons over 1887; 1,696 tons would give steady employment to 200 hacklers for twelve months without considering the number of roughers, machine boys, etc., required, who are paid as proportionately high wages here as the hackler. In the shop where we are at present employed there have been fifty flax-dressers discharged within the last eighteen months. In every shop throughout the States where hacklers are employed the same story can be told. Our condition will be worse now than before, as dressed line is being imported from Canada at present, and some of it

has been imported to the factory we are employed in. If there is enough protection would this be the case?

I would also say that the process of dressing flax is not simply what Mr. Whitman says it is. It is a great deal more. It requires much skill in the combing of the flax and in the sorting of the fiber. In one bale of flax there may be from six to eight and sometimes ten sorts, each one finer than the other, and it requires great skill to sort them. I have here some samples of dressed flax and also of rough flax [exhibiting] which I would like the committee to examine.

Mr. BRECKINRIDGE. How much is the rough flax taxed at present?

Mr. BRIGHT. Twenty dollars per ton.

Mr. BRECKINRIDGE. Does it take 2 tons of this rough flax to make 1 ton of dressed line?

Mr. BRIGHT. Yes.

Mr. BRECKINRIDGE. What is the freight to this country on this rough flax?

Mr. BRIGHT. I can not tell you. It is about the same as on the dressed line I suppose.

Mr. BRECKINRIDGE. You say that the cost of dressing flax in Europe is \$35 a ton?

Mr. BRIGHT. Yes.

Mr. BRECKINRIDGE. And the cost here is how much?

Mr. BRIGHT. Sixty-four dollars.

Mr. BRECKINRIDGE. That is an increase in cost of \$29 a ton?

Mr. BRIGHT. Yes.

Mr. BRECKINRIDGE. And the present duty is \$40 per ton?

Mr. BRIGHT. Yes.

Mr. BRECKINRIDGE. That leaves a margin of \$11 a ton beyond the difference in cost, and still you want an increase of duty. Why do you ask an increase?

Mr. BRIGHT. It takes 3,700 pounds of rough flax to make 1 ton of dressed line.

Mr. BRECKINRIDGE. And you are taking into consideration the duty on rough flax?

Mr. BRIGHT. I am speaking of the disadvantages we labor under with the present duty.

Mr. BRECKINRIDGE. If the present duty is to continue on rough flax, what do you then want?

Mr. BRIGHT. We want a proportionate difference on the dressed line.

Mr. BRECKINRIDGE. Your calculations are based solely on the cost of labor?

Mr. BRIGHT. Yes, they are based on that.

Mr. BRECKINRIDGE. If your calculations are based solely on the cost of labor, you have got now \$11 a ton more protection than the difference in the cost of labor for dressing a ton of flax. The difference in the cost of labor is \$29 a ton, and you have got a protection of \$40.

Mr. BRIGHT. I do not understand you.

Mr. BRECKINRIDGE. You pay \$29 a ton more for dressing flax here than is paid in Europe.

Mr. BRIGHT. Yes.

Mr. BRECKINRIDGE. Then to put you on an equality with Europe you would want just \$29 a ton protection on dressed flax, while you have got \$40 a ton protection; so that you do not seem to need anything on that score. Why do you put the protection you need at just \$90 a ton?

Mr. BRIGHT. I think that a duty of \$90 a ton would be an encouragement to the business here.

Mr. BRECKINRIDGE. You have got to show us why \$90 a ton is necessary to enable your people to pay the wages that are paid here and to conduct the business of dressing flax. Have you any demonstration to make of it, or do you put it at haphazard?

Mr. BRIGHT. By comparing the wages in the two countries.

Mr. BRECKINRIDGE. State that comparison. Give us the facts.

Mr. BRIGHT. It costs \$35 for dressing a ton of flax in Europe and \$64 here.

Mr. BRECKINRIDGE. What advantage has Europe over you on that score? It is not \$29 a ton?

Mr. BRIGHT. Yes, \$29 a ton.

Mr. BRECKINRIDGE. Then you pay \$29 a ton more wages here, and would need a duty of \$29 a ton (not counting freights) to equalize you. But you have already got \$40 a ton, and you are now asking for \$90 a ton. By what mode of reasoning do you arrive at a duty of \$90 a ton?

The CHAIRMAN. Do you not count the duty on raw flax in your estimate?

Mr. BRIGHT. Yes, \$20 a ton; and then it takes 3,700 pounds of rough flax to make a ton of dressed line; and the importer gets that dressed line in at a duty of \$40 a ton.

Mr. BRECKINRIDGE. I wish you would figure out the cost that enters into the operation—the duty on the rough flax, the cost of labor in Europe, and the cost of labor here, and the result and duty needed to enable you to do this business here.

As you have not the figures now, you can make up the statement and hand it to the stenographer afterwards.

Mr. Bright subsequently handed in the following written statement in reply to Mr. Breckinridge's question:

Thirty-seven hundred weight of rough flax to produce 1 ton of dressed line, duty	\$37.00
Cost of dressing in United States	64.00
Wages and duty	101.00
Wages in Europe	35.00
Duty	40.00
Total	75.00
Balance in favor of European spinner on hacking alone	26.00

Roughing and machining wages are almost double in the United States what they are in Europe, which gives the importer of dressed line an advantage of at least \$45.00.

LINEN FIRE HOSE.

NEW YORK, *January 13, 1890.*

GENTLEMEN: We beg to call the attention of your committee, to the injustice in the operations of the present tariff, in its relations to the manufacture of linen hose in this country.

The present advalorem duty is 35 per cent. upon linen hose, but as it is the same upon the yarn which forms the raw material of hose manufacturers in this country, the tariff of course affords no benefit to them; but it is on the contrary employed as an agency for doing serious injury to the interests of American hose manufacturers.

Linen hose differs from most articles of trade from the fact that its value depends almost entirely upon its ability to hold water under pressure, and its quality can not be judged from its appearance except, while under those conditions, even by the most expert manufacturers.

It therefore affords especial opportunities for undervaluation, unless custom-house appraisers are to be provided with hydrostatic pumps and gauges, and foreign manufacturers have not been backward in availing themselves of the opportunities presented.

In a letter addressed to the Secretary of the Treasury dated September 4, 1885, we presented evidence showing that the lowest grade of linen hose suitable for fire protective purposes could not be manufactured in Great Britain for less than 926 pence per 100 yards, and similar conditions still exist, but we nevertheless find, that while at the present time the largest discount given upon that grade of hose in the English market is 65 per cent. or 1,050 pence per 100 yards, the British manufacturers when invoicing the same goods to his own agent in this country, invoices them at 70 and 7 per cent. discount or 837 pence per 100 yards, thereby showing that actual cost of hose is not necessarily considered when making invoices for custom house purposes only.

As we pointed out in our letter already referred to, hose of a suitable quality for fire protective purposes cannot be made from yarn that costs in Great Britain less than 11 pence per pound, but even that grade the manufacturers' mutual insurance companies of this country, are endeavoring in the interests of safety to drive from the market, and to substitute for it the best grades that can be manufactured, so that a specific duty that would have a tendency to reduce the importation of the inferior grades would be protective in a double sense.

We therefore beg that your committee will carefully investigate this matter, and we are confident that you will be persuaded by the facts of the case that a specific duty upon linen hydraulic hose that will relieve the American manufacturers from competition with illegal undervaluations of imported hose, that will secure to the government revenues of which it is now in part defrauded, and will incidentally assist the mutual fire insurance companies of this country in their endeavors to afford better fire protection to the property of the country, will best serve the interests of the government, the users of hose, and the American manufacturer.

We annex hereto a copy of the letter to the Secretary of the Treasury referred to, also letters sustaining our statements respecting price of linen hose in Great Britain, and the requirements of the manufacturers' mutual insurance companies with respect to linen hose, the latter, not only as proof of their endeavors already cited, but also to show that after a long series of experiments with hydraulic hose, they consider the hydrostatic test as the only proof of the quality of hose.

We therefore recommend that in the forthcoming tariff under the heading of flax, linen, hemp or jute, the following:

"Hydraulic canvas linen hose, composed of wholly or in part of flax, linen, hemp or jute — per cent. ad valorem, and 25 cents per pound specific duty."

The ad valorem duty to be such that may be established on linen yarns, as the manufacturer of linen hose must import their yarns for it, and whatever ad valorem duty may be imposed on linen yarns, should be added to the manufactured hose.

The 25 cents per pound specific duty on the manufactured hose will be the only protection the American manufacturer can have against undervaluation of the foreign article.

Respectfully submitted,

EUREKA FIRE HOSE COMPANY.
JUNIOUS SCHENCK,
Vice President and Treasurer.

The COMMITTEE ON WAYS AND MEANS.
Washington, D. C.

NEW YORK, *December 14, 1889.*

DEAR SIR: Since writing you to-day perhaps you can, through Major McKinley, do for us all that is required to protect our industry.

We are the largest manufacturers in this country of what is known as linen hose, sample of which we inclose you.

The linen yarns from which this is made we import from Dundee, Scotland, and pay 35 per cent. duty; the foreign manufacturers pay the same duty, 35 per cent. upon the manufactured article, but when they come to pay the 35 per cent. duty upon the manufactured article they undervalue the market value of these goods about 40 per cent., and the result is they pay the 35 per cent. duty upon a 40 per cent. undervaluation.

We have been fighting this fraud for several years, but we can not sustain ourselves for the reason that it is hard to specify or prove what the market value is where the goods are manufactured, and it is here where the tariff is weak and allows this fraud to go through.

We have calculated this, and we find that in addition to 35 per cent. ad valorem duty that to protect ourselves against fraud of undervaluation that 25 cents per pound specific duty should be added; and we would be much obliged if you will show this letter to Major McKinley and ask him to add a clause in the new tariff under the heading of flax, linen, or hemp "hydraulic hose 35 per cent. ad valorem and 25 cents per pound specific duty."

We ask this addition to the tariff for our rights and protection to the American manufacturers of this class of goods.

Respectfully,

EUREKA FIRE HOSE COMPANY.
JUNIOUS SCHENCK, *Secretary.*

HON. WILLIAM C. WALLACE,
House of Representatives.

NEW YORK, *September 4, 1885.*

DEAR SIR: In accordance with the invitation extended by you to the manufacturers of the country to state their views with respect to the operation of the tariff in its relations to the classes of goods which they severally manufacture, we would respectfully submit for your consideration the following statement of facts relating to the manufacture and sale of "flax, canvas, or linen hydraulic hose." That such hose is invoiced by manufacturers in Great Britain to their agents in this country at a rate which is below the market rate in England for the purpose of making the market of the United States an outlet for their surplus products we believe that the report of the United States Treasury agent, Col. George C. Tichnor, in October, 1884, who investigated this question in England, will fully demonstrate, and it is our present intention and endeavor to make it plain to you that from the prices at which these goods are sold in this country such must necessarily be the case. We will first show by letters and invoices from reputable yarn manufacturers (which we annex) what has been the prevailing price of flax hose yarns in Great Britain during the present season. The B quality of one manufacturer about corresponds with the No. 1 quality of the other, and these qualities are as low as can be used economically in the manufacture of a good marketable grade of hose, and are as poor as any reputable yarn-maker desires to sell. We tried during the past year some of the next grade lower but

found that owing to the excessive waste from dirt and its inferiority in strength the cost of the hose was even more than when the usual quality B or No. 1 was used.

Messrs. Watson & Shield, of Dundee, and Messrs. Richards & Co., of Aberdeen, Scotland, are both very large manufacturers of yarn, and we are confident will sell to us as low as any English manufacturer can buy. We also buy B quality yarns of Messrs. Marshall & Co., of Leeds, through the agency in New York. Their prices are duty paid, but correspond to those of others. If necessary we can furnish additional proof to establish the fact that 11 pence per pound has been the lowest market price for a fair quality of hose yarn during the past season. The usual weight of $2\frac{1}{2}$ -inch hose of the quality referred to in this statement is not less than 64 pounds per 100 yards, and the shrinkage in weight of yarn and waste in manufacture is not less than 3 per cent., or, say, 66 pounds are required for each 100 yards of hose woven, making the cost of material per 100 yards 726 pence. We have endeavored to procure statements from British manufacturers of their estimates of the cost of manufacture per yard of this quality of hose, and directly and indirectly we have received several such estimates, the lowest of which was 2 pence per yard. Probably the most reliable statement of all was one which we received from an English manufacturing concern, who, ostensibly proposing to commence the manufacture of hose, wrote to the makers of the loom chiefly used by the English hose manufacturers, asking those makers to quote their prices for looms and to furnish them with a detail statement of the production of those looms, the cost of manufacture of hose, profits, etc.

The loom makers estimate was $2\frac{1}{2}$ pence per yard for labor, power, maintenance, etc. We will, however, for our present purpose, adopt 2 pence per yard as the estimated cost, that being, we believe, the lowest price for which it is possible to produce the hose. One hundred yards, therefore, would cost 200 pence to manufacture, which, added to 726 pence, the cost of material, makes 926 pence per 100 yards as the actual cost of $2\frac{1}{2}$ -inch hose manufactured in Great Britain.

This $2\frac{1}{2}$ -inch hose has been imported into this country during the present season invoiced at 2s. 6d. per yard, less 70 per cent., and frequently at 65 and 5 per cent. discount, when a discount of 50 and 10 per cent. from list prices is a fair average discount allowed by manufacturers there for home market. One hundred yards, at 2s. 6d. per yard, equals 3,000 pence, and less 70 per cent. equals 900 pence per 100 yards, or 26 pence per 100 yards less than the actual cost of manufacture in Great Britain, based upon the lowest estimate of cost. Better qualities of yarn cost about $13\frac{1}{2}$ pence per pound, and the hose made from these qualities of yarn is manufactured in Great Britain exclusively upon hand-loom, and consequently costs very much more to produce than the lower grades. The foregoing statement of facts, which we know the most careful investigation of the subject that may be made will fully sustain, demonstrates that there must necessarily be crookedness somewhere, which consists in invoicing their products for this market through special agencies at a much greater discount from price lists than those allowed in their home markets; therefore placing their goods here upon which duty is paid far below the market value there. We do not wish to be understood as advocating a policy of either free-trade or protection, but simply one that will not discriminate in favor of foreign manufacturers, feeling confident of our ability to take care of ourselves under any just law properly enforced; but it appears only justice to American hose manufacturers either that they should receive their raw material duty free, and be thereby enabled to compete in the markets of the world, or, upon the other hand, such duty should be imposed upon foreign-made hose as will give the American manufacturers a slight advantage in the home market. Of course it is understood by you that the present tariff would afford hose manufacturers no protection, even were it possible to collect it fairly upon foreign hose, as the rate of duty upon yarn and the manufactured hose are equal, the yarn being made in Great Britain from flax grown in Russia.

We have omitted any reference to costs of freight, consul fees, discount for cash, etc., as they are about the same per pound upon yarn and hose. This company possesses improved machinery and facilities for manufacturing flax hose equal to those of any hose manufacturer in the world, our machinery enabling us to overcome to a great extent our disadvantage in the price of labor; but notwithstanding all our advantages, we are unable, in consequence of foreign competition and undervaluation to do much more than procure a retail trade in this class of hose.

In consideration of the foregoing facts, we respectfully submit that a specific duty per pound of hose seems to us the fairest means of collecting a duty upon these goods and such tax should be high enough to protect American manufacturers in all grades of hose; and not only to do that, but we also think that while the tax upon our raw material is maintained, thereby prohibiting us from entering foreign markets, we should be entitled to some benefits from the operations of the tariff as compensation for that disadvantage.

A specific duty that would equal the present tariff upon the best qualities of hose would be not less than 25 cents per pound of hose, and it seems to us that such a rate upon all grades of hose would be no more than American hose manufacturers are justly

entitled to receive whenever a revision of tariff laws should be undertaken; and in the meantime we would respectfully petition that if possible, such ruling shall be made under present laws as will prohibit the foreign article from being sold in the United States at a price less than that prevailing in the English markets. We therefore recommend for amended tariff legislation the following: That "flax, canvas, or linen hydraulic hose" shall pay a duty of 25 cents per pound.

Respectfully,

EUREKA FIRE HOSE COMPANY.

JUNIUS SCHENCK,

Secretary and General Agent.

The SECRETARY OF THE TREASURY,
Washington, D. C.

The undersigned manufacturers fully concur in the above.

NEW YORK BELTING AND PACKING COMPANY,
RUSSELL MANUFACTURING COMPANY,
E. DEMING, *Treasurer.*
G. A. EBERLE.

STATEMENT OF MR. ABRAM BENTLEY.

MR. ABRAM BENTLEY, of New Brighton, Pa., said:

Mr. Chairman and gentlemen: I do most earnestly recommend that the duty as it now is be retained on manilla, sisal, and jute, as these are the fibers that compete most seriously with flax and hemp, and these latter fibers can be grown successfully and profitably in this country.

According to the census of 1870, flax was grown in twenty-seven States and Territories for fiber purposes, and hemp was cultivated largely in Kentucky and Missouri. At that time the flax and hemp production was an important and growing industry, but since then it has been declining and is now almost ruined.

We mention the following as among the principal causes of this declension:

First. During the war and for some time afterward, the premium on gold was that much additional protection to the producers of flax and hemp; and when the premium disappeared altogether the production was no longer profitable. Hence, very much less flax and hemp is grown in the United States—that is, for fiber purposes.

Second. About the year 1873, the duty was reduced on jute butts, which caused them to be used largely in manufacturing cotton bagging in place of flax and hemp tow as formerly. The flax scutching mills then attempted to overcome this difficulty and compete with the jute butts by using unrotted flax straw in making cotton bagging.

But soon the flax mills met another great difficulty. About 1875, the cotton exchanges and boards of trade passed resolutions forbidding the use of the unrotted flax-bagging on the ground of its staining the cotton when wet; and its exposure to rains was a common occurrence, as it had to be piled out waiting transportation.

The flax-bagging men became discouraged; many of them failed utterly. They had no market for their bagging or their tow, and the farmers no market for their straw; hence the flax was not grown.

The cotton-growers are now reaping the reward of the folly of their course by having to pay a much higher price for their bagging.

No "bagging trust" would have been possible if bagging had still been made from flax and hemp as formerly supplied from mills and factories all over the land.

Flax is now grown for the seed only, and thousands of acres of fiber are allowed to go to waste, and that for want of a market; and there is no market because jute butts come in almost free.

Again, if flax and hemp growing had been properly fostered our farmers would not have been compelled to use binding cord made from manilla and sisal, and that at a higher price, but would be using that made from our own products, thus adding to the prosperity of our agricultural interests.

I am glad to know that the Agricultural Department of the Government is now investigating this very matter of promoting the growth of flax and hemp in the United States. Also that it is making inquiries as to the methods pursued in Europe for that end.

I am fully persuaded that the interests of all parties will be best promoted by growing our own flax and hemp. It will make us less dependent upon foreign products. It will employ our own labor and capital, and will insure to consumers a supply of such articles in that line as they need, as well as furnish to our manufacturers the needed raw material.

If the duty were taken off manilla, sisal, and jute, as proposed in the Senate bill of last session, the advantage would only be temporary. It has been clearly demon-

strated that increased demand always increases the price. Manilla and sisal have doubled their prices since 1880 on account of the large quantities consumed for binding cord, and jute has advanced fully 1 cent per pound in the last two years.

I have here in my hand a list of bagging mills that are located in Ohio and Indiana. I will only mention a few of them: The Alliance Bagging Mill, the Cuyahoga Falls Bagging Mill, and the Warren Mill. There are five of them in Ohio and four in Indiana. These bagging mills derive their raw materials from scutching mills located in Indiana and Ohio. There was a number of scutching mills that were buying the straw from the farmers at that time. They were putting the coarser product of the flax straw into bagging which was consumed at these mills. They scutched the flax fiber which was bought by the manufacturers of flax twine. We ourselves drew our supply within a radius of about 100 miles of our works. We did not have to go into foreign countries at all for our supply of flax. If that condition of things had continued we would have had ample flax in this country for all the consumption needed. That is my opinion about it.

These nine bagging mills (with the exception of one, I believe) went out of existence when they could no longer use the flax in competition with jute butts, or because their machinery was not adapted for jute butts. I am not an expert in flax bagging or in jute bagging. I have been employed in my father's mills since 1850, and am now at the same business. I spent my life in manufacturing flax and hemp twines, and I indorse every word Mr. Combs said in regard to the protection of flax and hemp fiber, especially the hemp. We have used very little but hemp fiber in our mills in recent years. I can not recollect what the entire consumption of cordage and twines is which we supply by hemp fiber. I believe that at one time every bale of cotton in the country was baled by rope made from hemp and flax fiber, and every yard of bagging was made from hemp and flax fiber.

Mr. FLOWER. And now iron has superseded that?

Mr. BENTLEY. Iron has superseded the rope; and jute bagging has superseded the hemp and flax bagging. My idea is that the proper way to encourage the cultivation of flax is to develop the skutching mill. These skutching mills all derived their straw from farmers in their immediate neighborhood, who grew flax both for seed and fiber purposes.

Mr. BRECKINRIDGE. Do you mean that one crop of flax would be for the straw and another for the seed?

Mr. BENTLEY. No, sir. They produce both seed and straw from the same crop.

Mr. BRECKINRIDGE. But that straw did not yield this kind of flax product [indicating sample].

Mr. BENTLEY. It did not yield that quality.

Mr. BRECKINRIDGE. But it yielded flax straw?

Mr. BENTLEY. Yes; straw that we paid 18 cents a pound for to the skutching mills.

Mr. BRECKINRIDGE. Explain what a skutching mill is.

Mr. BENTLEY. Here [exhibiting sample] is the straw as it is grown. These two samples here [indicating] represent the different methods of cultivation. This sample [indicating] is cultivated both for the seed and for the straw. I do not know whether the yield, per acre, of seed is as great. It is much better for fiber.

Mr. BRECKINRIDGE. But the plant is cultivated mainly for the fiber?

Mr. BENTLEY. No; about equally, I believe. Both crops (seed and fiber) are considered necessary to make a profitable flax crop.

Mr. BRECKINRIDGE. But the fiber is better with this kind of top [indicating sample] than with this dispersed plant [indicating another sample].

Mr. BENTLEY. Certainly. That fiber [indicating] they put into what they call the bagging tow. It did not pay to take the same care in rotting it as though it was for cloth fiber. I mean that it was not necessary to take the same care in rotting it as when it was for skutched flax. In developing the fiber the skutching mills had to employ expert labor to superintend and manage the rotting, which was a very delicate operation. If the flax was allowed to remain too long; the fiber was spoiled for skutching purposes but was not entirely spoiled for bagging purposes. After it was rotted sufficiently they dried it and brought it to the mills, and they put that part of it which was adapted for skutching purposes aside and used up first the tow, that was only used for bagging. When the bagging tow was worked up they would take out the long flax and prepare it for cloth.

Mr. BRECKINRIDGE. Then the skutching mills handled the long flax and handled the seed flax also?

Mr. BENTLEY. They handled both.

Mr. BRECKINRIDGE. And the functions of the skutching mills were to separate the seed from the plant, and the fiber from the stalk?

Mr. BENTLEY. No; I think you have a wrong idea about it. The farmer would take the seed from the stalk and sell the straw to the skutching mills before it was rotted.

Mr. BRECKINRIDGE. And the skutching mills handled only the straw?

Mr. BENTLEY. That was all, except sometimes when they acted as agent, when they bought the seed and sold it.

Mr. BRECKINRIDGE. And they brought both stalks into use for commercial purposes?

Mr. BENTLEY. Yes.

Mr. BRECKINRIDGE. The less valuable stalk was generally for bagging tow?

Mr. BENTLEY. Yes, until it was superseded by the iron ties.

Mr. BRECKINRIDGE. Would the flax from seed stalk be used for rope at that time?

Mr. BENTLEY. Yes, when rope was made. This specimen [exhibiting] is the head of the plant. It was grown in O'Brien County, Iowa, last year.

Mr. GEAR. Grown specifically for that purpose?

Mr. BENTLEY. Yes.

Mr. GEAR. Is jute the strongest competitor with flax.

Mr. BENTLEY. Yes; I think it is, and also with American hemp.

Mr. GEAR. Has the product of hemp increased last year?

Mr. BENTLEY. Yes; according to my information. It has increased within the last four or five years considerably.

Mr. GEAR. Is it not a fact that the foreign jute has actively driven out, practically, the manufacture of cloth from American flax?

Mr. BENTLEY. Yes, sir; there is very little flax fiber produced in this country today.

Mr. GEAR. Do you know the fact that in Iowa and Illinois within the last ten years quite a number of mills have been established for separating this coarse fiber [indicating a sample] from straw?

Mr. BENTLEY. Yes.

Mr. GEAR. Do you know whether those mills are in business still or not?

Mr. BENTLEY. Some of them are in business producing what we call a coarser tow.

Mr. GEAR. Therefore the secret of it is that the flax straw which might be utilized by American labor goes to waste now?

Mr. BENTLEY. Yes.

Mr. GEAR. If this trade were properly fostered that industry could be prosecuted in the Western States in converting this raw material into flax?

Mr. BENTLEY. I have no doubt of it. I have no doubt that if this coarser product of the scutching mills could be utilized in making bagging it would do more to establish the flax-growing industry in this country than any other thing that could be done.

Mr. FLOWER. At the present price of jute bagging can you make bags from this at a profit?

Mr. BENTLEY. I am not familiar with the manufacture of bagging.

Mr. FLOWER. What is dressed flax worth a ton?

Mr. BENTLEY. We get now most of our supply from Canada. We pay from 11 to 12 cents a pound for it.

Mr. BRECKINRIDGE. I wish you would explain the difference between scutched flax and any other flax.

Mr. BENTLEY. This sample [indicating] represents scutched flax from Canada.

Mr. BRECKINRIDGE. In what does the process of scutching consist?

Mr. BENTLEY. The ordinary method pursued when we were getting American flax from our immediate neighborhood was this: They used to run it through a series of rollers—

Mr. BRECKINRIDGE. Something like breaking hemp, I suppose?

Mr. BENTLEY. The great bulk of the hemp to-day is broken with the ordinary old hand-break which they used in ancient Egypt. It is a series of fluted rollers that breaks the flax into short lengths and leaves the fibers intact. After it is broken it passes through a series of circular scutching knives set in a pulley and that revolve very rapidly. As the knives revolve they knock out the woody particles.

Mr. BRECKINRIDGE. It is a process somewhat akin to hackling, I suppose?

Mr. BENTLEY. No, sir. Hackling is the next process in manufacturing. It is usually done by the spinning mills.

Mr. BRECKINRIDGE. This scutching is a cruder, separating process?

Mr. BENTLEY. Yes; it simply knocks the woody matter out of it.

Mr. BRECKINRIDGE. Flax that is brought to a final finished state by another method than scutching—how is that treated?

Mr. BENTLEY. I will describe how it is done for bagging, although I am not a practical scutcher. When you want a long fiber, scutching is the way the flax is treated. When you want simply the tow, it is run into some device for breaking the sheaves. It tears the flax up into tow. That is the method as distinguished from scutching.

Mr. BRECKINRIDGE. I understand you to say that the scutching process is the one that was usually employed where the straw of the flax was to be used for bagging purposes?

Mr. BENTLEY. No, sir; you misunderstand me. That is the process that is used for spinning purposes.

Mr. BRECKINRIDGE. And the other is the process where the straw is used for bagging purposes?

Mr. BENTLEY. Yes, sir. I would like to say a few words in regard to hemp. In my judgment it has been the greatest factor in keeping down the price of binding twine in the last two years. We were the first to manufacture binding twine out of hemp instead of out of any other fiber. That was in 1875, and since that time we have manufactured more or less every year. For the last two years we have probably manufactured about 200 tons each year. I think there were about 2,000 tons of hemp binding twine used last year. If it had not been for hemp binding and for jute binding twine last year, I believe that the alarm of the farmers would have been realized. They would have had to pay a much higher price for their manilla and sisal binding twine.

The CHAIRMAN. That is, they have made the product cheaper to the farmer?

Mr. BENTLEY. Yes; and I believe that if properly fostered American hemp could supply the entire demand of this country for binding twine, and I want to see the day come when it will do so.

Mr. LA FOLLETTE. For every ton of jute imported, how much flax is displaced?

Mr. BENTLEY. About the same.

Mr. LA FOLLETTE. One ton of jute will displace 1 ton of flax?

Mr. BENTLEY. Perhaps a little more. There is more waste in flax fiber.

Mr. LA FOLLETTE. Then a ton of jute is at least equal to a ton of flax?

Mr. BENTLEY. Yes.

Mr. BRECKINRIDGE. You speak of hemp twine bringing down the price of binding twine; you have to make this twine out of good article of hemp, I suppose?

Mr. BENTLEY. Yes; out of strong Kentucky hemp.

Mr. BRECKINRIDGE. Is it not also made out of jute butts?

Mr. BENTLEY. No, sir; I think not. Jute twine made for that purpose is made out of the very highest grades of jute. We import a great deal more jute butts than we do jute—68,000,000 pounds of the one against 21,000,000 pounds of the other.

Mr. BRECKINRIDGE. The average price of this jute that is used for the finer purposes is set down here at \$42 a ton.

Mr. BENTLEY. That must be a mistake. The average price would probably be from 4½ to 4¾ cents per pound for the high grades.

Mr. BRECKINRIDGE. But jute runs down to \$26 a ton.

Mr. BENTLEY. That is for jute butts.

Mr. BRECKINRIDGE. Twenty-six dollars a ton is the average, including the high and the low, according to the custom-house statistics. According to the same statistics the tow of hemp averages \$174 a ton. Now, how can an article made from that which is \$174 a ton bring down the price of an article made from another material that costs only \$42 a ton? Has not the \$42 a ton article brought down the other?

Mr. BENTLEY. Yes.

Mr. BRECKINRIDGE. Then that is the reverse of what you stated. You spoke of this flax straw being used for bagging purposes and for baling.

Mr. BENTLEY. It was.

Mr. BRECKINRIDGE. Is it not a fact that the cotton exchanges throughout the country refused to receive cotton baled in flax bagging?

Mr. BENTLEY. Yes, when the flax bagging was manufactured from the unrotted straw.

Mr. BRECKINRIDGE. Did you ever see any of it manufactured in such shape that the cotton exchanges would receive it?

Mr. BENTLEY. Yes, sir. The entire cotton crop was originally (before jute bagging came into use) baled by flax bagging and by bagging made from hemp.

Mr. BRECKINRIDGE. Was not the use of flax bagging only a temporary resort, and was it not discontinued because of the introduction into the cotton of the woody particles of that cheap flax which had to be used for that purpose?

Mr. BENTLEY. No. I do not think that they refused to receive cotton baled with flax bagging until they began to use unrotted flax straw; and then the fiber when it got wet stained the cotton. But when the flax was rotted and put through the regular proper process the bagging was, I believe, thoroughly acceptable to the cotton balers.

Mr. BRECKINRIDGE. This flax straw which you speak of is an article introduced at a comparatively low price—\$35 a ton; but my own belief is that the flax straw proved to be an utterly unsuitable article for baling purposes; that you had to use a high grade of flax in order to get it free from impurities, and that you had to resort to jute butts. Now, if you take flax that is not hackled it comes to \$234 a ton and yet the people are using jute butts at \$26 a ton.

Mr. BENTLEY. That quality of flax was not put into the cotton bagging.

Mr. BRECKINRIDGE. To get such bagging as would be accepted carried up the price

perhaps not to be \$234 a ton, but to something approximating that high amount. Is it not a fact now that you are trying to displace the consumption of one article by the introduction of another worth almost ten times as much?

MR. BENTLEY. I believe that the flax bagging was thoroughly acceptable to the cotton balers until they commenced using the unrotted straw, as I said before.

MR. BRECKINRIDGE. What is the price now of the flax that would make a good bagging free from woody fiber?

MR. BENTLEY. I do not know of any being produced in the United States.

MR. BRECKINRIDGE. Do you know the value of flax of that kind?

MR. BENTLEY. I do not know of any being produced at all. When it was used it was probably worth 3 or 4 cents a pound. The short particles of the flax were just as acceptable for bagging purposes as this [indicating sample], which can be put to much finer purposes.

MR. BRECKINRIDGE. Do you believe that this [indicating sample] could be made free from woody fiber and produced at from 3 to 4 cents a pound?

MR. BENTLEY. Yes, I am sure of it, because I know that it has been done.

MR. BRECKINRIDGE. That would be from \$60 to \$80 a ton, instead of a commodity costing only \$26 a ton.

MR. BENTLEY. Yes.

MR. BRECKINRIDGE. Do you think that would be fair to the people who consume it?

MR. BENTLEY. Yes, I believe it would be fair. I ask the same protection for the parties who used to produce the tow and who are ready to produce it to-day as the manufacturers are having, in order to protect them from the underpaid labor in India where this jute fiber is produced and where the compensation for day's labor is only 10 cents.

MR. BRECKINRIDGE. Is it fair to compel our people to use that which costs \$60 a ton when they can procure an equally good article at \$26 a ton?

MR. BENTLEY. The jute butts from which this fiber is produced is selling from 3½ to 3¾ cents per pound in New York.

MR. BRECKINRIDGE. Twenty-six dollars a ton is the import price of these jute butts?

MR. BENTLEY [Showing a table of prices]. The price of this jute butt on December 1, 1889, runs from 1¼ to 2¾ cents per pound.

MR. BRECKINRIDGE. That is a great change from what it has been continuously during the last ten years.

MR. BENTLEY. We do not buy any jute butts, and I do not know anything about it. But I do not believe in compelling our American farmers and laborers to compete with Indian labor at 10 cents a day.

MR. FLOWER. Can jute be raised in this country?

MR. BENTLEY. I do not know. I believe it can be raised; but I doubt whether it will be until the condition of things changes.

MR. FLOWER. What difference does it make to us when we do not raise jute in this country whether the laborers who raise it get 10 cents a day or \$10 a day?

MR. BENTLEY. The difference that it makes to us is that it cuts out the flax fiber which our labor is prepared to produce.

MR. GEAR. Which is the highest per square yard—jute bagging or flax bagging?

MR. BENTLEY. Flax bagging used to be rated at from 2 to 2½ pounds to the yard. I do not know the rate of jute bagging.

MR. GEAR. Is it not a fact that the very lowest grade of jute is used for this bagging?

MR. BENTLEY. Yes; the butt ends.

LETTER FROM THE CHAS. C. JACOBS CORDAGE COMPANY.

The Chairman submitted the following letter:

CINCINNATI, December 31, 1889.

DEAR SIR: We find it impossible to be present at the meeting of the Flax and Hemp Spinners and Growers' Association to be held in Washington, January 3, 1890, but as you are representing us from Ohio we hope you will consider our petition just the same and do all you can to prevent the reduction of duty on manilla, sisal, jute, or any other hemp and flax fibers. Such a course would ruin the growers of this country and be most disastrous to the manufacturers, especially in the West. Their interest is large and their capital invested would be lost.

Very respectfully, yours,

THE CHAS. C. JACOBS CORDAGE COMPANY.
CHAS. C. JACOBS, *President*.

HON. WILLIAM MCKINLEY,
Chairman of Ways and Means Committee.

STATEMENT OF MR. F. L. BABBOT.

Mr. F. L. BABBOT, of New York, stated that the jute plant grew somewhat like a corn stalk, to the height of 8, 10, 12, or 14 feet. Almost all of it was grown in India. It had a pith like a corn stalk. It had also a thin bark on the outside which resembled somewhat the outer covering of the corn stalk. When it was to be prepared for market the plant was cut down (the upper part forming the jute), leaving a stubble that was as much like the stubble of the corn stalk as anything he could compare it to. This stubble was known as the jute butt of commerce. The upper part of the plant was the jute, not the jute butt. These distinctions had to be kept clearly in mind, because the butt went into one kind of fabric and the jute into various other kinds of much higher grades. The pith was estimated at between 8 and 9 per cent. of the weight of the jute stalk. When it was cut down it was put into pools, where it was allowed to remain until the pith became loosened. Then it was taken up and thrown on the bank and dried, when it was done up in bundles averaging about 80 pounds to the bundle. From there it went to the buyers in Calcutta. He made this explanation so that there might be no mistake between jute and jute butts. He proceeded as follows:

Mr. Chairman and gentlemen, the average annual consumption of jute in the United States for the years 1886, 1887, and 1888 was 97,000 bales of 400 pounds to the bale. The average annual consumption of jute in the world outside of the United States for the same period was about 3,033,000 bales; that is to say, the United States manufactured about 3 per cent. of the jute product of the world during that time. To put it in another way: The average annual consumption of Dundee for this same period was in round numbers about 1,150,000 bales, or about twelve times that of the United States. Calcutta and vicinity consumed annually during this period in round numbers about 1,000,000 bales of jute, or more than ten times that of the United States. The consumption of jute has increased in this country from 25,000 bales in 1876 to 125,000 bales, the estimated consumption for 1889.

According to the board of trade returns of Dundee, Scotland, as printed in the Dundee "Prices Current and Trade Report" of January 16, 1889, there were shipped from that single port during the year 1888 to the United States 130,291,400 yards of jute cloth, exclusive of bags, or about 90,000,000 pounds. The largest quantity exported to any other country was 26,000,000 yards, or 104,000,000 yards less than were shipped to the United States. During the same year there were exported to the United States 16,681,800 pounds of jute yarn, or 12,000,000 pounds more than were shipped to any other country. These figures represent the quantity of jute goods received from Dundee alone. We can not give the importations from any other European ports, nor from Calcutta, but it is a well-known fact that large quantities of burlap are shipped to New York from Calcutta, and that the Pacific slope is supplied almost exclusively from that source. We regret very much that we can not give the exact figures in this case, but they would be enormous, as more grain is handled in bags there than in the East.

The Blue Book of India, published early in the year 1889, shows that there were employed in the year 1888, in jute mills in India, 50,713 hands. The last reports we had from Dundee gave the number employed in this industry there as about 48,000, although the number is usually stated in round figures as 50,000. The number employed in the mills of the United States, according to the last report which we have at hand, is 3,325, which we believe is somewhat increased at present.

The following table will show the wages paid per week in Dundee, Calcutta, and America. The figures were given by superintendents of mills in each of those places:

	Dundee.	Calcutta.	America.
Preparers	\$2. 00	\$0. 30-0. 90	\$5. 00
Spinners	2. 50	. 64-0. 96	6. 50
Reelers	2. 75	. 48	7. 50
Weavers	2. 75	. 96-1. 60	6. 50
Mechanics	6. 50	. 70-1. 28	15. 00
Foremen	8. 00	1. 10-2. 24	18. 00
	24. 50	3. 70-7. 46	58. 50

This table shows that we pay about two and one-half times as much as they do in Dundee, and about eleven times what is paid in Calcutta for the same class of help. This ratio of wages between the United States and Dundee fairly represents the dif-

ference between the cost of labor for a pound of the same goods in both places, as the Scotch worker is about as efficient as our own. We regret that we can not state the comparative efficiency between our own and Indian labor on a given quantity of goods, but have quoted the weekly wages of the two countries, knowing that they would practically demonstrate the great odds against us. Dundee produces the finer goods, the coarser qualities having been displaced to a very large extent by the cheaper product of the Calcutta mills.

According to the Dundee "Price Current and Trade Report" of December 4, 1889, the average price of jute in the month of December for the past eighteen years in Dundee has been 3.24 cents per pound, upon which, allowing the same freight rates and fixed charges as existing at present, the duty would be $\frac{4}{10}$ cents per pound.

The average price of yarns of a medium grade for eighteen years in Dundee, as given in the "Price Current and Trade Report" is about 5.20 cents per pound, while the higher grades of yarn would certainly have averaged 6 cents per pound for this same period. On the basis of 6 cents per pound for the finer grade of yarn the ad valorem duty at present of 35 per cent. would equal $2\frac{1}{10}$ cents per pound.

The average price of 10½-ounce burlap (the cheapest of all grades) per pound in Dundee during the month of January since 1874, as given by a large consumer, was about 7 cents, upon which the duty at 30 per cent. ad valorem would be $2\frac{1}{10}$ cents per pound.

The freight rate from Dundee to New York to-day is about one-sixth of a cent. per pound; from Calcutta to New York, three-tenths of a cent per pound. Freights from Calcutta often go much below three-tenths of a cent, as we have imported jute at the rate of two-tenths of a cent per pound.

We have seen that the average rate of duty on burlap for the past fifteen years has been equal to $2\frac{1}{10}$ cents per pound, and that the average rate of duty upon raw jute for that period has been $\frac{4}{10}$ cents per pound, leaving a net protection per pound on burlap of 1.56 cents, or, in other words, that a duty of 20 per cent. on the raw material has equaled a duty of 7½ per cent. on the manufactured article.

The average price of a pound (2 yards) of 8-ounce burlap in Dundee for the past twelve months has been 7.20 cents, as given by the Bemis Bros. Bag Company, of Boston; the duty upon the same at the present rate of 30 per cent. ad valorem has been 2.16 cents per pound, or about the average of the past fifteen years as above stated.

The present condition of this industry shows that we can now manufacture in this country only a few grades of yarn and some specialties, and that with a duty on the raw materials we are the smallest producer though the greatest consumer of jute goods.

We would suggest a specific duty on burlap, instead of 30 per cent ad valorem as recommended in the recent Senate bill, because it would simplify all computations of cost and remove the temptation to undervaluation which now exists. An expert can not distinguish the difference between 10, 10½, or 11-ounce burlap with accuracy, and yet this small shade difference often represents the margin between profit and loss. We further ask a specific duty because it shows the exact conditions that we must meet. We have shown that the ad valorem duty of 30 per cent. is equivalent to a specific duty of $2\frac{1}{10}$ cents per pound.

Large consumers of burlap wish to have this rate of duty reduced, but we believe that consumers and manufacturers would unite in the recommendation of a specific duty of 1½ cents per pound on all burlap under 60 inches in width, with raw jute free. This rate would reduce the present duty $\frac{1}{10}$ cents per pound, or 16 per cent.

We believe that if the Senate bill with this modification should become a law it would tend to upbuild an industry that would employ a large amount of capital and thousands of our people.

The following companies manufacture jute goods in some form, viz: Dolphin Manufacturing Company, Paterson, N. J.; Chelsea Jute Mills, New York City; Planet Mills, Brooklyn; Tucker and Carter Cordage Company, Brooklyn; Allentown Spinning Company, Allentown, Pa.; John Good, Brooklyn; Travers Bros., New York City; Schlechber Jute Cordage Company, Philadelphia; J. T. Bailey & Co., Philadelphia; Finley & Co., Philadelphia; Wilmington Manufacturing Company, Wilmington, Del.; Thos. Jackson & Co., Reading, Pa.; Sutherland & Edwards, Paterson, N. J.; Pearson Cordage Company, Boston; Ludlow Manufacturing Company, Ludlow, Mass.; William Deering & Co., Chicago, Ill.; Hooven & Allison, Xenia, Ohio; California Jute Mills, San Francisco, Cal.

We ask for a duty of 1½ cents per pound on all burlap under 60 inches in width, with free raw jute; if the present duty is maintained on raw jute we would ask for a specific duty of $2\frac{1}{10}$ cents per pound.

If an ad valorem duty on burlap is to be retained (which both the American mills and the importers think unwise), it should not be less than 30 per cent., even with free raw jute.

Our industry has increased five-fold in the past thirteen years, and has reached a position where the manufacturing of burlap must be entered upon or its further growth retarded. Our recommendations of duty are as low as we can make them to secure this future development. The distinction in duty on burlap between goods over and under 60 inches in width has, we believe, been maintained in all recent bills on this subject, and is the law to-day. The wider goods are produced at a greater cost and have to be made with much more care. The duty upon these should certainly be 10 per cent. more than on ordinary burlap. Such is now the case, the one being 30 and the other 40 per cent. ad valorem. These goods are now made here, but not as largely as they would be with free jute.

We believe the discussion has shown that jute has not driven Kentucky hemp out of the market. The warmest advocate of this fiber admitted that the production of Kentucky hemp went from 80,000 tons (we believe) to 2,500 tons in 1869, at which time jute mills were almost unknown in America.

We wish to add that the "Flax and Hemp Spinners and Growers' Association," after kindly hearing our arguments, passed a resolution not to make any recommendations concerning raw jute or the jute schedule, believing that the fiber had a different sphere of usefulness from their own. We think we can therefore say that the arguments made before you against free raw jute were without the sanction of this association, and mainly by a single hemp-grower who was unfamiliar with the comparative nature and uses of these two fibers, which are almost as different as cotton and hemp. His principal argument presented was against jute for harvest-twine, while he admitted that only 2,000 tons of Kentucky hemp harvest-twine were made last year when the conditions were unusually favorable for its manufacture, and that the Kentucky hemp-twine sold at 12 cents a pound and jute at $2\frac{1}{2}$, even with the duty on the raw material of the latter.

Mr. FLOWER. Is this industry in a trust?

Mr. BABBOTT. No, sir. We do not use jute butts. We use the upper part of the plant fiber. The trust has been on the jute butts.

I have received the following telegram from the Dolphin Manufacturing Company:

BROOKLYN, January 4, 1890.

To FRANK L. BABBOTT (care Ways and Means Committee):

Unless this Congress gives free raw jute we can no longer continue the unequal struggle against Dundee competition on carpet yarns. For the last five years we have kept our mills running with eight hundred hands, solely with the expectation of free raw jute.

THE DOLPHIN MANUFACTURING COMPANY.

Now, in regard to Kentucky hemp, of which we have heard so much this morning. By the courtesy and at the invitation of the president of the Flax Growers and Flax Manufacturers' Association, I was invited to address some twenty-four members of that association on this subject yesterday afternoon and evening. We went over it very carefully. I regret to say that the figures were very slow in coming and very few after they did come. I tried to look at it impartially; but I could not see how jute had been any factor in reducing the consumption of Kentucky hemp in this country; and I was very much obliged to the hemp grower of Kentucky this morning (Mr. Coombs) for giving what I consider a conclusive argument in support of my statement. You will recollect that he said that in the fifties we produced in this country 40,000 tons of hemp.

Mr. BRECKINRIDGE. Eighty-three thousand tons.

Mr. BABBOTT. So much the better for my argument. He also said that in the year 1869 the production had been reduced to 2,500 tons. Now, in 1869 the jute industry was hardly known in this country. In 1876 (the first figures that I have here) the consumption of jute in this country was 25,000 bales, or less than 5,000 tons. Now, how 5,000 tons of jute could take the place of 75,000 tons of Kentucky hemp I am at a loss to understand. It seems to me, in view of the figures he has given, and in view of the fact that we are not to-day consuming 25,000 tons of hemp, that this jute fiber must be a very active one. If 5,000 tons of jute go as far as 75,000 tons of Kentucky hemp, I think that the people want the jute.

Mr. BRECKINRIDGE. The jute came in after the hemp ceased; did it not?

Mr. BABBOTT. Yes. The hemp was quite defunct when the jute came in. Now, so far as I can see, every ton of jute knocked out 15 tons of hemp, which shows that the jute was a very active fiber. I can not appreciate it. I first asked the gentlemen of the Flax Growers' Association to give me some figures if they wished me to argue my case before them. I saw no basis of discussion without figures. I asked them at what price hemp harvest-twine could be made and sold in this country at a fair margin of profit. I was told in the afternoon that it could be made and sold at 12 cents a pound. Then I began my discussion. I asked the gentlemen if they wished to correct these figures. They made no reply. I then told them that the last year's jute binding-twine—

Mr. BRECKINRIDGE. Did you make it out of butts of the jute?

Mr. BABBOTT. No, sir; we do not use a pound of jute butts. It is used in burlaps, in carpet yarn, or in canvass, but not in harvest-twine. The jute butt is a very coarse, stiff fiber.

Mr. FLOWER. If this jute was put on the free list you could afford to take 7½ per cent. off from your manufactured jute?

Mr. BABBOTT. We agreed to accept a reduction (in the average price for fifteen years) on burlaps of thirty-five one hundredths of a cent a pound. We would do this because during the last four or five years in which this industry has been of any importance we have found that we can only make the specialties in burlaps. As, for instance, we have been running about four hundred looms on what is the equivalent of burlaps, and we have made, largely, seamless bags something of a specialty.

Mr. BRECKINRIDGE. Is that a bag mainly for wheat?

Mr. BABBOTT. It is a bag for wheat, for sulphates, for bran, for flour, and other things.

Mr. GEAR. Is not that kind of bag very susceptible to damp?

Mr. BABBOTT. All jute is susceptible to damp.

Mr. GEAR. Then it is very liable to rot quickly?

Mr. BABBOTT. Yes, if it gets wet and then dries.

Mr. GEAR. Do you not for that very cause have a good deal of binding twine returned to you by the farmers?

Mr. BABBOTT. I have never heard of a pound of twine being returned for that reason.

Mr. GEAR. Have you had it returned for other reasons?

Mr. BABBOTT. The jute binding twine has been made only about two years. The first year it was defective. We started to make it three-ply, and that was not a success. Some of it was returned. We then made some single strand, but it was not made in a satisfactory way, and some of it was returned. But this last year we put out nearly 1,000,000 pounds of twine, and not a pound of it was returned.

Mr. GEAR. Did you color it to imitate hemp?

Mr. BABBOTT. We put a sizing on it, which was of a bluish color.

Mr. GEAR. In other words, you colored it?

Mr. BABBOTT. Yes.

Mr. GEAR. Are not the jute mills in this country prosperous under present conditions?

Mr. BABBOTT. One mill was burned down last year, and is going up now.

Mr. GEAR. Do you not know of other jute mills going up?

Mr. BABBOTT. We are putting up a new mill ourselves.

Mr. GEAR. The production of jute in India is for other purposes besides the making of twine and bagging, is it not?

Mr. BABBOTT. Yes; almost all the jute of India is woven into burlaps.

Mr. GEAR. It is raised there for food, too, I believe.

Mr. BABBOTT. I do not know.

Mr. GEAR. Your new mill is of larger capacity than your present one, is it not?

Mr. BABBOTT. Yes, because we can not afford to run a small mill.

Mr. GEAR. How much larger is your new mill than your present one?

Mr. BABBOTT. Perhaps twice as large.

Mr. BAYNE. What is the consumption of jute in this country?

Mr. BABBOTT. It went up from 25,000 bales in 1876 to 125,000 bales last year.

Mr. FLOWER. What is the cost of jute per ton in comparison with flax?

Mr. BABBOTT. I heard somebody say that flax was worth 5 cents a pound. I am not familiar with it. We have bought a first-class article of hackled flax, duty paid, laid down in the market for an average of under 3 cents; to-day the market is unusually high. It has been abnormal for the last twelve or fifteen months; and we are paying to-day from 4½ to 4¾ cents a pound, with a very fancy flax a little higher.

Mr. McMILLIN. What is the price of burlaps in this country as compared with the same product abroad?

Mr. BABBOTT. We have no statistics that I know of. But I have given the prices for each month of the past year, and for fifteen years in Dundee. The average price at Dundee for the last twelve months was 7.20 cents per pound, to which is to be added 2.16 cents duty, freight, commissions, insurance, etc., bringing it up, I should think, to close upon 10 cents a pound.

Mr. McMILLIN. This burlaps is the burlaps used by agriculturists in putting up wheat and other products?

Mr. BABBOTT. Yes.

Mr. McMILLIN. Is it not used very extensively in California?

Mr. BABBOTT. Yes.

Mr. McMILLIN. I believe it is used there, not only for the transportation of wheat but also when the wheat is stacked in the fields.

Mr. BABBOTT. I do not know. I only know that they handle much of their grain in bags.

Mr. McMILLIN. You were asked about sizing. Do you size your thread to give it smoothness?

Mr. BABBOTT. We size it for two or three purposes. One of these purposes is that if you size twine, and if a drop of water touches it, it is not likely to absorb it. You can also place the fiber more closely together when it is sized. I think that we were the first persons to make sized twine, and the Kentucky hemp people ought to be grateful to us for teaching them to size their twine.

Mr. McMILLIN. It is all being sized now, is it?

Mr. BABBOTT. They are getting into it.

Mr. McMILLIN. That is a fact, is it?

Mr. BABBOTT. That is what one of them told me yesterday.

Mr. McMILLIN. Please state the cost of twine made from flax as compared with the cost of twine made from jute.

Mr. BABBOTT. I have stated it. The Flax Growers' Association told me that 12 cents a pound was the price of Kentucky hemp twine.

Mr. BRECKINRIDGE. And what is the price of yours?

Mr. BABBOTT. I stated that jute twine was sold last year in the market for 8½ cents.

Mr. GEAR. Will a ball of jute twine that weighs 4 pounds bind as much grain as a 4-pound ball of hemp twine?

Mr. BABBOTT. It will bind nearly as much. We try to get our ball of twine to run from 500 to 525 yards. A single-strand twine which we sell for only 9 cents can not be made with much uniformity by any man who is making a contract to supply it, and we always give a lee way of 5 per cent.

Mr. McMILLIN. Did you state what would be the ad valorem percentage of duty if the changes which you have suggested were made?

Mr. BABBOTT. On the average price for the last fifteen years?

Mr. McMILLIN. Yes.

Mr. BABBOTT. It would be in the neighborhood of 22½ per cent.

Mr. BRECKINRIDGE. The price of burlaps which you have given just now, does it apply to the price in our market?

Mr. BABBOTT. It applies to the foreign burlaps brought in here. I was asked what was the price per pound of burlaps here and I gave the price in Dundee and stated the amount of duty, freight, charges, etc., here.

Mr. McMILLIN. What I was trying to get at was the cost of the burlaps abroad and the price in this market.

Mr. BABBOTT. We are controlled almost exclusively by the Dundee market.

Mr. McMILLIN. So that the addition of duty, freight, charges, etc., would give substantially the price of burlaps in this market?

Mr. BABBOTT. Yes.

Mr. GEAR. What is burlaps worth in the market now?

Mr. BABBOTT. We are making our burlaps into seamless bags.

Mr. FLOWER. Then the tariff is a tax on that article to the amount of the duty imposed.

Mr. BEMIS. We are paying 5½ cents a pound for burlaps in New York, duty paid.

Mr. BABBOTT. The figures that I gave for the year were given from Mr. Bemis's own office.

Mr. FLOWER. I asked you if the tariff is not a tax on the manufactured article to the amount of duty imposed; do you sell your burlaps any cheaper than it can be imported?

Mr. BABBOTT. The difficulty is we have sold it below the Dundee price most of the time. We have also sold it above the Dundee price.

Mr. BRECKINRIDGE. You have given the wages to persons employed in the jute industry in India, Dundee, and this country; I assume that the wages in Dundee are relatively much higher, as compared with those of India, than our wages are as compared with those of Dundee?

Mr. BABBOTT. That is a fact.

Mr. BRECKINRIDGE. I suppose there is free trade between India and Dundee. How comes it then, that Calcutta does not drive Dundee out of the business?

Mr. BABBOTT. I was in Dundee myself two years ago. I talked to jute manufacturers there, and they told me that the greatest mistake they had ever made was putting their money into Calcutta mills. The Dundee mills make a little higher grade of goods. The Calcutta mills make the lowest grades in the market and have the machinery for that purpose. The Calcutta mills make no yarn, no carpets, no canvas.

Mr. BRECKINRIDGE. How comes it that in the times in which they did make the same goods they were able to pay such high wages in Dundee and do better than the Calcutta mills did?

Mr. BABBOTT. They did not make such a good article in Calcutta as in Dundee, and the Calcutta goods have almost ruined the Dundee market.

Mr. BRECKINRIDGE. I understand you to say that the Dundee manufacturers were sorry they had put their money in the Calcutta mills?

Mr. BABBOTT. Yes.

Mr. BRECKINRIDGE. Then it would seem that the business was profitable in Dundee and unprofitable in Calcutta.

Mr. BABBOTT. The last year or two have been good years in both places. Before that, the business had been good in neither place.

Mr. BRECKINRIDGE. Then the sum of it then, as I understand you, is that in their opinion Dundee is the more profitable place to manufacture the article?

Mr. BABBOTT. Dundee has been and is the more profitable place, as I understand, for the finer grades of goods; the coarser grades of goods can be made more cheaply in Calcutta, and these coarser goods will answer certain purposes.

Mr. BRECKINRIDGE. Do they make only the coarser goods in Calcutta?

Mr. BABBOTT. Mainly those.

Mr. BRECKINRIDGE. Then why did these Dundee manufacturers regret their investment in Calcutta mills if they could manufacture there more cheaply than elsewhere?

Mr. BABBOTT. For this reason, that when a poor article comes in competition with a better one, the poorer article almost invariably brings down the price of the better one.

Mr. BRECKINRIDGE. I can not see how the same men, in the same line of business, could regret having put their money in mills at Calcutta, unless there were some conditions of climate, of labor or of popular traditions opposed to their success, because all the other elements in the business were exclusively under their control?

Mr. BABBOTT. The best explanation I can give of it is the fact that in the South they can make coarse cotton yarn, compete with the products of New England mills, but when they come down to the finer grades, the New England mills can compete successfully still with the South.

Mr. BRECKINRIDGE. Precisely; and we find quite frequently that Northern manufacturers invest capital in cotton mills in the South, where they are reaping a better profit, but we do not find them regretting it. But you say that these Dundee manufacturers regretted their investment in the Calcutta mills. That is not an analogous case. If our New England manufacturers were losing money by their investments in Southern mills, the conditions would be analogous to those of the Dundee manufacturers who regretted investing in mills in Calcutta?

Mr. BABBOTT. One fact which I have not stated before is that there is machinery to produce more goods than the world can consume, and in Calcutta to-day the mills are running on short time.

Mr. BRECKINRIDGE. But how is it that Calcutta is not so good a place for the manufacture of jute products as Dundee?

Mr. BABBOTT. One reason is that the labor of Calcutta is not so skilled as the labor of Dundee. I do not not see, however, why, for the coarser grades of goods, Calcutta will not supplant Dundee.

Mr. BRECKINRIDGE. As the finer grades of goods are not attempted in Calcutta, the question can only apply to the coarser grades which, alone, have been attempted there.

Mr. BABBOTT. It seems to me that I have stated the case. I have stated the fact that these manufacturers had their mills in Dundee, and that these mills were quite prosperous; that they then put their money in mills in Calcutta, and found that the Calcutta and Dundee mills could produce more goods than the world wanted.

Mr. BRECKINRIDGE. Then they simply regretted that they had enlarged their plant?

Mr. BABBOTT. You can draw your conclusions.

Mr. BRECKINRIDGE. Your statement was that they removed a certain class of their manufacture to Calcutta?

Mr. BABBOTT. That they opened mills there.

Mr. BRECKINRIDGE. And that they regretted the selection of that locality as compared with Dundee?

Mr. BABBOTT. Yes.

Mr. BRECKINRIDGE. Why is it that the one location possesses an advantage over the other location?

Mr. BABBOTT. There are a good many reasons for it. Calcutta is near where the fiber is produced. Then, at one time, one mill will be standing idle, while the owners would want both plants to be at work.

Mr. BRECKINRIDGE. That applies to the enlargement of plant. So far as I can understand you there is no superiority at Calcutta which compensates for the expense of the enlargement of plant. In other words, Calcutta has no sufficient superiority in the manufacture of these goods to compensate for the additional outlay.

Mr. BABBOTT. She has a superiority in the saving of freight on the raw jute.

Mr. BRECKINRIDGE. You stated that before. Now, in regard to wages. You have given the daily wage and the weekly wage.

Mr. BABBOTT. I have given the weekly wages.

Mr. BRECKINRIDGE. Are the working people paid by time or are they paid by task?

Mr. BABBOTT. In some of the works it is a payment by task, and in others it is averaged. I wanted to get the wages in Calcutta from a Calcutta superintendent, and he gave me what his hands earned by the week, in rupees, and I went to the superintendent of the Dundee mill, and he gave me his wages in shillings, which I reduced to dollars.

Mr. BRECKINRIDGE. And on the basis of time?

Mr. BABBOTT. On the basis of weekly wages.

Mr. BRECKINRIDGE. Would you consider that as satisfactory data in regard to the cost of production, to simply put the wages on the basis of time, when the working people are paid by the task, and when you do not get the cost per yard.

Mr. BABBOTT. I consider it the only practical basis.

Mr. BRECKINRIDGE. Are you prepared to state how much is paid in wages per yard of a good grade of burlaps in Calcutta, and how much in this country?

Mr. BABBOTT. I am not.

Mr. BRECKINRIDGE. Anything short of that would give no data as to the cost of production.

Mr. BABBOTT. I think it would. In order to produce a certain quality of goods a machine puts through so many pounds. Of course, when the Calcutta machine puts through more that reduces the wages per pound, but for the Dundee mill and for the American mill, which produce the same quality of goods, it would be a fair test.

Mr. BRECKINRIDGE. Is it a fact that one hand in Calcutta will attend the same number of looms (for burlaps) as in this country?

Mr. BABBOTT. A good weaver in Calcutta may not be a good weaver here.

Mr. BRECKINRIDGE. Do weavers attend the same number of looms there as here?

Mr. BABBOTT. I understand they do.

Mr. BRECKINRIDGE. Do they attend the same number in Dundee as here?

Mr. BABBOTT. A hand in Dundee will produce about as much as a hand here.

Mr. BRECKINRIDGE. How many looms will a good hand attend in your factory?

Mr. BABBOTT. Some will attend two, and some will attend one, depending on the product. Some of these looms are weaving three pieces.

Mr. BRECKINRIDGE. So that a hand who superintends two of these looms is weaving six pieces of cloth?

Mr. BABBOTT. Yes.

Mr. BRECKINRIDGE. In Calcutta will one weaver give attention to the process of making six pieces of cloth at one time?

Mr. BABBOTT. I do not think that loom is used in Calcutta.

Mr. BRECKINRIDGE. You have no data as to the product per capita in Dundee and Calcutta?

Mr. BABBOTT. No.

Mr. BRECKINRIDGE. And without that you think you can get at the cost of production?

Mr. BABBOTT. You can get it down to the decimal.

Mr. BRECKINRIDGE. Have you figured out, in your argument anywhere, the wage cost per yard in Calcutta, Dundee, and this country?

Mr. BABBOTT. I have not. It is impossible for me to do it.

The committee took a recess for 10 minutes.

STATEMENT OF MR. CHARLES E. PEARCE.

Mr. CHARLES E. PEARCE, of St. Louis, said:

Mr. chairman and gentlemen: Jute bagging is a product of American mills, used exclusively for the baling of cotton, and is not utilizable for any other purpose, excepting as waste for paper stock. The present capacity of American mills now engaged in this manufacture is about 70,000,000 yards per annum. The maximum quantity demanded by a 7,000,000 bale cotton crop is about 45,000,000 yards.

Jute is exclusively a product of India, and is marketed as long or loose jute in and near Calcutta. Jute butts are the root or "butt" end of the jute stalk, cut off because of unfitness for fine work. American cotton bagging is made from jute butts. Loose jute is marketed in the Calcutta native bazaars, and is worth 25 cents per 100 pounds, or one-fourth cent per pound less than jute baled and ready for shipment. Loose jute is brought down the rivers by the natives in small quantities, and bought by large packers and by local mills.

From 1883 to 1886 about twenty-five jute mills were established in Calcutta and vicinity, fully equipped with the best English machinery, on which no import duty is imposed. All these mills employ coolie labor, paying an average for the entire mill of less than 14 cents per day (silver in rupees); that is to say, wages paid to men employed in these mills is from 16½ cents to 22 cents per day; to women, from 8 to 10 cents per day; to youth, from 5½ to 11 cents per day; to children, from 4½ to 8½ cents per day. The aggregate number of hands employed in these twenty-five mills is 49,015, of which 29,660 are men, 11,198 are women, 5,113 are young persons from twelve to sixteen years of age, and 3,044 are children from eight to twelve years of age; that is to say, nearly one-half of the aggregate force is composed of laborers working for an average of less than 9 cents per day (silver in rupees). The verification of these statements will be found on pages 379 and 380 of the report of B. F. Bonham, consul-general at Calcutta, No. 102, February, 1889, of reports from the consuls of the United States.

By reason of their advantage in loose jute and cheap labor the Calcutta mills have gradually absorbed increasing proportions of the jute business of the world, until, as a result of competition with each other, a combination has been formed among them by means of which they are enabled to make their profits in markets which they control, and dump their surplus upon competing markets or markets which are beyond their control at cost or even below cost.

The bagging mills in the United States are located in thirteen different States, to-wit: New York, Massachusetts, South Carolina, Kentucky, Louisiana, Texas, Connecticut, New Jersey, Georgia, Alabama, Indiana, Ohio, and Missouri. These mills are supplied with English machinery, on which the owners have paid to the United States an average import duty of 40 per cent. ad valorem. All these mills use baled jute butts imported via New York or Boston.

The large houses in Calcutta buy the loose jute and bale it. It has to be assorted, then cut off in lengths, and then put in bales and compressed by hydraulic pressure. The wages paid in the United States average fully seven times as much per hand per day, in operating machinery of the same general character, as is paid in Calcutta. The average wages paid per week for all hands, young and old, in an American mill is \$6.76 (gold basis), as nearly as can be determined, as against the average of \$2.85 per week for all hands, young and old, paid at Dundee, and the average of about 80 cents per week (silver), for all hands, young and old, paid in similar mills in Calcutta.

The existing duty on jute butts and the product known as cotton baling stuff has enabled American manufacturers to produce the supply necessary for the American market. The present tariff on jute butts is \$5 per ton, or about one-quarter of 1 cent per pound, and on manufactured bagging 1½ cents per pound or 3 cents per yard on what is known as 2-pound bagging, that is to say, on bagging which weighs 2 pounds to the yard.

The following table shows the present cost per yard to the manufacturers of 2-pound jute bagging delivered at Southern ports from Calcutta:

	Cents.
Jute butts, 2 pounds, at 1.08 cents per pound, loose.....	2.16
Waste, 10 per cent.....	.22
Cost of manufacture.....	.72
Freight to New Orleans, per yard.....	1.00
Insurance, 2 per cent.; brokerage, cabling, etc., 3 per cent.....	.15
Cost in bond in Southern ports.....	4.25
Duty, 1½ cents per pound.....	3.00
Total cost per yard.....	7.25

Present cost per yard to the manufacturer of 2-pound jute bagging from American mills delivered at Southern ports:

	Cents.
Jute butts, 2 pounds, cost, duty paid in New York at 2 cents per pound.....	4.00
Freight to mill, 17 cents per 100 pounds.....	.34
Cost at mill.....	4.34
Waste, 10 per cent.....	.44
Cost of manufacture.....	2.00
Cost at mill.....	6.78
Freight to Southern ports, 15 cents per 100 pounds.....	.30
Total cost per yard.....	7.08

These statements show the cost of American bagging delivered at Southern ports after having paid a duty on jute butts of \$5 per ton, and the cost of Calcutta bagging after having paid duty at the rate of 3 cents per yard on that which weighs 2 pounds to the yard.

By taking the duty off the raw material it would bring the cost of American bagging down to about 6.62 cents per yard, and by taking off 1 cent per yard from the duty now charged on the Calcutta bagging it would make their cost 6.25 cents per yard, so that the Calcutta bagging would then have nearly thirty-seven hundredths of a cent the advantage of American bagging at Southern ports in cost. This advantage is, however, to some extent offset by the fact that Calcutta is four months away, and by the further fact that American bagging can be shipped from interior points of manufacture to many points of consumption at an advantage in rates of freight. It is therefore evident from these facts that with jute butts on the free list a duty of less than 2 cents per yard on manufactured bagging would result in the total destruction of this industry in the United States. If, however, the present existing duty of \$5 per ton on jute butts should be retained, then a rate of duty of less than 2½ cents per yard would work the same result. The employment in bagging factories is a sort of professional labor, in most departments requiring skill and long practice. The people thus employed generally make it a life pursuit. It is proper to state that the machinery used in jute factories of Europe, India, and the United States is the same in character and efficiency and is made by the same manufacturers. A comparison of the elements which enter into the cost of foreign and home bagging shows that the United States can not compete with either Dundee or Calcutta, with their low wage scales, without the intervention of a duty sufficiently protective to overcome the discriminations of labor, rates of interest, and machinery, free from imposts of duty in the foreign localities mentioned.

The inevitable result of a rate of duty which is non-protective in its operation would be practically to legislate out of existence the American manufacturer of this product, to destroy the capital invested, and to throw out of employment thousands of operatives who are engaged in the industry, not only depriving them of this means of livelihood, but sending their wages abroad to maintain the lowest grade of labor known to the world, and at the same time to increase the Treasury surplus to the extent of the duties collected. It is submitted that while a non-protective duty would work the destruction of this American industry, it would not for any length of time diminish the cost of bagging to consumers.

The following table shows the prices in cents per yard of bagging weighing 2 pounds to the yard on the 15th of September each from 1866 to 1889:

1866	35	1875	12 $\frac{3}{4}$	1884	11 $\frac{1}{2}$
1867	23	1876	11 $\frac{1}{2}$	1885	10 $\frac{3}{4}$
1868	20 $\frac{3}{4}$	1877	11 $\frac{5}{8}$	1886	9 $\frac{1}{2}$
1869	22	1878	11 $\frac{1}{2}$	1887	7 $\frac{1}{2}$
1870	30	1879	10 $\frac{1}{2}$	1888	12 $\frac{1}{2}$
1871	19	1880	12	1889	9 $\frac{1}{2}$
1872	13 $\frac{1}{2}$	1881	10 $\frac{3}{4}$	December, 1889	7 $\frac{1}{2}$
1873	12 $\frac{1}{2}$	1882	9 $\frac{3}{4}$	January, 1890	7 $\frac{1}{2}$
1874	13	1883	10 $\frac{3}{4}$		

Jute came into use in the United States for bagging purposes about 1866.

The rate of duty fixed by the Senate tariff bill, of three-fourths of 1 cent per pound, is altogether inadequate for any reasonable protection of this American industry.

The result of such a rate of duty would speedily ruin the American manufacturer out of the business. We would therefore ask that section 339, page 154, of the Senate bill be changed so as to make the rate of duty on manufactured bagging 2 cents per yard, jute butts being free, and 2½ cents per yard, the present duty, being retained on the raw material. The reason why the rate of duty should be levied at 2 cents per yard (jute being free), instead of 1 cent per pound, is because the cost of manufacture does not materially vary with the weight, and this adjustment would simplify the laws and prevent frauds by undervaluation, and would also encourage the use of heavy-weight bagging, which is manifestly to the advantage of the cotton crop, better protection being thereby afforded to the staple. We would also ask that if reduction be made in the duty on the raw material or finished product, or both, that the law shall not go into effect until sufficient time shall have elapsed to allow manufacturers to adjust their affairs accordingly; that is to say, if the law shall be enacted during the present session of Congress, it should not go into effect prior to the 1st of January, 1891, the reason being that manufacturers are compelled to purchase their raw material and manufacture their product long in advance of the time when it is required for use, and because the jute crop being marketed during the same seasons of the year as our cotton crop, the source of supply being four to six months away, the last of the old crop arrives during October and November, and the first of the new crop not earlier than January; consequently the stocks of raw material and manufactured product

are both smaller on January 1, than at any other time of the year, December being the last month for picking cotton in this country.

The duty on bagging and butts is not a tax on the home consumer of the product manufactured from this material because—

(1) All bagging surrounding cotton which is exported out of the country is subject under the law to a customs rebate of 90 per cent. of the duty levied on the original importation. It is not the fault of the law or of the tariff system if the consumer fails to avail himself of his right. The law is, or can be made, effective to the extent of the rebate provided for.

(2) The bagging consumer makes a direct profit on his baling material. All cotton sold in the United States for consumption in American mills is sold gross weight, that is, if a bale of cotton weighs 500 pounds gross, having around it 12 pounds of iron ties costing $2\frac{1}{2}$ cents per pound, and $6\frac{1}{2}$ yards of bagging weighing 2 pounds to the yard or 13 pounds, costing him, at retail prices, 10 cents per yard or 5 cents per pound, he pays for the ties 27 cents and for the bagging 65 cents. If he sells his cotton at 10 cents per pound he obtains for the ties and bagging around it the same price per pound as the bale is sold for, gross weight, getting \$2.50 for what cost him 92 cents, thereby realizing a large profit on his baling material.

Two criticisms are made on this commercial fact: First, it is said that the price in a foreign market of an exported surplus fixes or determines the price in the home market, and that therefore the Liverpool price fixes the price in New York, and inasmuch, secondly, as the cotton bale is subjected to a tare in the foreign market of 6 per cent. or 30 pounds to the bale, the tare is practically applied to the bale consumed in the home market. To these criticisms it is replied that the foreigner buys net cotton and Liverpool prices are quoted for net cotton, as appears from the attached price current:

COTTON MARKETS—BY TELEGRAPH.

LIVERPOOL, *January 4, 4 p. m.*

Cotton.—The sales of the day include 12,200 bales American.

Futures closed firm. American—Middling, low middling clause, January delivery $5\frac{3}{4}$ d value; January and February delivery, $5\frac{3}{4}$ d sellers; February and March delivery, $5\frac{3}{4}$ d buyers; March and April delivery, $5\frac{3}{4}$ d sellers; April and May delivery, $5\frac{3}{4}$ d sellers; May and June delivery, $5\frac{3}{4}$ d sellers; June and July delivery, $5\frac{3}{4}$ d buyers; July and August delivery, $5\frac{3}{4}$ d sellers; August delivery, $5\frac{3}{4}$ d sellers.

It is also a fact in trade relations that the price paid for cotton will always include the value to the purchaser of the baling stuffs as paper stock, scrap, or what ever else it can be used for. In the competitions of business any two people bidding for a bale of cotton, will necessarily recognize and compute this value in figuring on the price they can afford to pay for what they get.

The home consumer of bagging, i. e. the planter, will therefore obtain for the stuff used in baling its value for paper stock or other purposes in the foreign price paid for the cotton. If the bagging is worth $1\frac{1}{2}$ cents per pound for paper stock, he will get for it $3\frac{1}{2}$ cents per yard, so that the net cost of the bagging shipped abroad will be $6\frac{1}{2}$ cents on the basis of 10 cents per yard, and that amount lessened by whatever he collects of the rebate allowed by law on the re-exported raw material. Now, as the foreigner buys net cotton, if it be true that the foreign price fixes the price in New York, then the cotton producer gets a still larger benefit, because that price is applied to the gross weight of the bale at home.

Now, using these data, and allowing that 70 per cent. of a 7,000,000 bale crop would be exported, the following would result, allowing $6\frac{1}{2}$ yards of bagging to the bale:

45,500,000 yards, at 10 cents	\$4,550,000
Value for paper stock of 70 per cent., exported at $1\frac{1}{2}$ cents per pound	1,194,375
Amount obtained for 30 per cent. sold at home at the price of cotton, say, 10 cents per pound	2,730,000
Producing an aggregate return of \$1,194,375 + \$2,730,000, or	3,924,375

showing a net cost to the cotton producers of \$625,625 for the 2-pound bagging necessary to bale a 7,000,000 bale crop, or about $8\frac{1}{2}$ cents per bale. If now the rebate allowed by law on the raw material re-exported in the shape of bagging is collected, then the above net aggregate cost would be diminished as follows:

In 45,500,000 yards of 2-pound bagging there are about 100,000,000 pounds of jute fiber, allowing for the loss of weight in manufacture. The duty is \$5 per ton of 2,240 pounds. The amount re-exported would be 31,250 tons and the rebate of 90 per cent. allowed by law would be \$140,625. This amount, taken from \$625,625, would leave \$485,000 as the net cost of the bagging, or about 7 cents per bale.

In view of the willingness of the manufacturers of bagging to stand a net reduction of 20 per cent. we would ask that one of the following sections be adopted. They are equivalents of each other.

If jute butts are placed on the free list then either of the following :

"Bagging for cotton, gunny cloth, and all similar material suitable for covering cotton, composed in whole or in part of hemp, flax, jute, or jute butts, and valued at 6 cents or less per square yard, 1.6 cents per square yard."

"Bagging for cotton, gunny cloth, and all similar material suitable for covering cotton, composed in whole or in part of hemp, flax, jute, or jute butts, not exceeding 45 inches in width, and valued at 6 cents or less per square yard, 2 cents per yard ; exceeding 45 inches in width, 1.6 cents per square yard."

If the duty on jute butts is retained, then either of the following :

"Bagging for cotton, gunny cloth, and all similar material suitable for covering cotton, composed in whole or in part of hemp, flax, jute or jute butts, and valued at 6 cents or less per square yard, 2 cents per square yard."

"Bagging for cotton, gunny cloth, and all similar material suitable for covering cotton, composed in whole or in part of hemp, flax, jute, or jute butts, not exceeding 45 inches in width, and valued at 6 cents or less per square yard, 2½ cents per yard ; exceeding 45 inches in width, 2 cents per square yard."

It is proper that the history of the advanced prices of bagging in 1888 should be presented to the committee. The years 1886 and 1887 were years of extraordinary competition among manufacturers. Prices steadily declined until they sank far below the cost of manufacture, and large losses were incurred in marketing the product. Eighteen hundred and eighty-five and preceding years present normal prices.

Up to March 1, 1888, bagging stocks accumulated until there were on hand about 22,000,000 yards of manufactured product, and a stock of about 175,000 bales of jute butts bought for the supply of that year. On all this aggregated material manufacturers had paid, or would be compelled to pay, duties to the Government of \$5 per ton, or the sum of about \$260,000. The major portion of the machinery in mills was made in England, and on it a duty of 40 per cent. ad valorem had also been paid to the Government. The Mills tariff bill proposed to put manufactured bagging on the free list to take effect July 1, 1888, and jute butts on the free list to take effect January 1, 1889 ; so that after July 1 American manufacturers were to be not only subjected to the competition of free bagging, but must make their own product out of dutiable material, the proposed law not even allowing manufacturers a rebate of the duties paid or time to dispose of existing stocks.

The effect of this proposed enactment would have been not only to absolutely destroy the American industry, but to reduce the expensive machinery employed in it to the value of scrap-iron, it not being adapted to any other manufacturing uses ; the result being that the mechanical part of American bagging plants would under the operations of this law be worth to owners far less than the duties paid on the same to the General Government.

Under this impending condition of things manufacturers became panic-stricken, and the bagging business utterly demoralized. Immense quantities of cloth were thrown upon the market six months before it was needed for use, at ruinous rates. Nearly 5,000,000 yards of 2-pound bagging were sold in Memphis alone at 6½ cents per yard, equal in New York to 6¼ cents.

It was under these conditions that a few proprietors undertook, as the only possible defensive measure, to hold up the market by taking all bagging offered and withdrawing future sales. Committees of manufacturers came to Washington and spent nearly four months trying to secure a reasonable modification of the action taken by the Ways and Means Committee. The only hearings obtainable were with individual members of the committee. The rate finally adopted of 15 per cent. ad valorem merely emphasized the determination of the committee to withdraw all protection from American manufacturers. Finally on the 20th day of July, after the bill had been adopted by the Democratic caucus, inasmuch as it appeared that the Mills bill was destined to become a law, and that the probable success of the Democratic party at the November elections would make the enactment certain, from which time there was no possibility of the business surviving, it was determined to corner the market, and by an advancement of prices to save as much as possible from the impending ruin.

From first to last it was a purely defensive measure. Only seven out of twenty-five manufacturers were interested in it. These seven represented less than one-half of the aggregate manufacturing capacity of the whole. There was no trust in the enterprise, and the contracts were temporary, being made only for the year 1888. The tariff on bagging had nothing to do with it. The inciting cause was the onslaught made upon an industry which had been builded upon the faith of the Government. These facts are shown by the subsequent conditions of the bagging market.

Immediately after the result of the November elections were known prices began to decline from 12½ cents in November to 11½ cents in December, to 10 cents in January, 1889, to 9 cents in February, to 8½ cents in March. The cost of carrying and other usual charges advanced the price to 9¼ cents in August and September, since which time the decline has been steady to 7¼ in December, 1889, and January, 1890.

The advancement in the price of bagging for 1888 did not begin until after July 20, up to which time enormous quantities had been marketed at exceedingly low rates, and were in the hands of Southern merchants or planters.

On estimates made from the "accounts sales" the average price realized by manufacturers for 2-pound bagging for the year 1888 did not exceed 9 cents per yard. Even after July 20, 1888, more than 50 per cent. of all sales made by the parties controlling the bagging corner was made at prices below 10½ cents per yard. Very little bagging was sold at a price exceeding 11½ cents for that which weighs 2 pounds to the yard.

Mr. McMILLIN. I understand you to say that there was a rise in the last couple of years of from 9 cents to 17 cents in the selling price of jute products. Is it not a fact that there was a combination of the manufacturers of cotton bagging in this country for the purpose of putting up the price?

Mr. PEARCE. There was a corner on bagging in 1888, brought into existence by the influence of the introduction of the first tariff bill, known as the Mills bill. The contracts of that combination expired with the year. There was never anything in the nature of a trust in the bagging business in this country.

Mr. McMILLIN. Was there no combination or understanding between manufacturers to increase prices?

Mr. PEARCE. No, sir; there are twenty-five different manufacturers of jute bagging in the United States. Out of these twenty-five seven got a corner in jute bagging on the 1st of January, 1888. The rest of them had nothing more to do with it than anybody in this room.

Mr. McMILLIN. These seven manufacturers did form a combination?

Mr. PEARCE. Yes.

Mr. McMILLIN. They ran the price of jute bagging from 7½ cents in 1887 to 12½ cents in 1888?

Mr. PEARCE. Yes.

Mr. McMILLIN. How do I understand you to say that the Mills bill affected that? that bill did not become a law.

Mr. PEARCE. The conditions of the market and of the country in the spring of 1888 were very remarkable. In 1887 the bagging mills in the United States had lost a great deal of money. The competition had been tremendous. The price in 1887 was an abnormally low price. In the spring of 1888, April I think, when the Mills bill was first formulated, there was in this country about 15,000,000 yards of bagging, surplus stock, and, in addition to that amount of bagging in hand parties had bought and paid for nearly all the raw material needed for the product of 1888. The Mills bill as formulated proposed to put bagging on the free list (the law to go into operation on the 1st of July), and also to put jute butts on the free list. The result of that was a demoralization in the business, which threatened not only ruin to the manufacturer, but bankruptcy to every manufacturer in the business in the United States. Two-pound bagging was thrown on the Memphis market immediately after the bill was offered at 6½ cents per yard, which was, perhaps, 1½ cents per yard below cost.

The bagging manufacturers had paid the Government the duty on their raw material for nearly if not quite the entire year of 1888. The political force behind the Mills bill seemed to be of a character that was calculated to carry the bill to a successful enactment, and it therefore became necessary for the manufacturers to catch the market in some way, and to do it immediately. It was under those conditions and for those reasons that these seven gentlemen resolved to catch the market, and they went in and bought all the bagging they could get their hands on all over the United States. A large representation of the bagging manufacturers of the United States came to Washington and laid their facts before the different members of the Committee of Ways and Means whom they could see privately, because they were not allowed a hearing before the committee. They filed their statements with the committee (and I presume that those statements are in the possession of the present committee) showing the whole status of the case; and they begged that the committee would not carry out the provisions of the bill as applied to their industry. They, however, did not succeed in getting any satisfaction upon any side, and during the entire session of Congress these conditions, so far as jute bagging manufactures were concerned, were the same.

Mr. McMILLIN. You do not undertake to say that they ever acquainted any member of Congress with the fact that they had gone and cornered the market, or had organized a trust and then came here and announced what they had done? You do not mean to say that while they were pleading to retain the duties they were organizing a trust?

Mr. PEARCE. If you observe the dates of the examinations before the Senate committee and before the House committee during that year you will find that during the month of August of that year (I think) the Senate committee at least was in possession of all the facts and all the contracts which were made by those gentlemen for the business of that year.

Mr. McMILLIN. Is it not a fact that the trust, or the speculation, or the fleecing, or whatever it may be called—

Mr. PEARCE. Nothing of the kind.

Mr. McMILLIN. Then the eleemosynary institution—

Mr. PEARCE. We will not quarrel over terms.

Mr. McMILLIN. Whatever you see fit to call it was kept up and continued long after the bill had been defeated?

Mr. PEARCE. No, sir; the contracts made were for 1888.

Mr. McMILLIN. But the understanding continued?

Mr. PEARCE. As I stated to you before, the people had bought their jute, and made their contracts, and the contracts had to be carried out.

Mr. McMILLIN. And these manufacturers got so badly scared that they went straightway and fleeced the users of their commodity to the extent of the difference between $7\frac{1}{2}$ cents a pound and $12\frac{1}{2}$ cents a pound?

Mr. PEARCE. There is no question about the fact that they got badly scared.

Mr. McMILLIN. And they fleeced very extensively too?

Mr. PEARCE. I do not think they ever fleeced anybody out of one cent.

Mr. McMILLIN. You think they did what was right. You justify it?

Mr. PEARCE. There is a vast deal of difference between fleecing a man and doing what is right.

Mr. McMILLIN. Then you justify what was done in the organization of this trust or understanding. You have admitted that it was a cornering. You justify that in your argument for higher duties?

Mr. PEARCE. There is not a bagging manufacturer in the United States who does not regret to-day, and did not regret then, the conditions that forced that action on them.

Mr. McMILLIN. Have you ever heard of any of them returning the money thus obtained from the people who could not help themselves?

Mr. PEARCE. I never have; I did not belong to them.

Mr. BRECKINRIDGE. You made no contribution to the conscience fund?

Mr. PEARCE. I did not belong to them; no man was ever forced to buy bagging unless he wanted to.

Mr. McMILLIN. Your idea of the proprieties of the trade is that, taking advantage of the proposed changes in the tariff, these people were justified in making this corner?

Mr. PEARCE. My idea of the propriety is that when you undertake, primarily, to destroy me I am justified, secondarily, in protecting myself, and I will do it every time.

Mr. McMILLIN. But you have gone beyond the average price for years. In 1884 it was $11\frac{1}{2}$ cents per 2-pound yard; in 1885, $10\frac{1}{2}$ cents; in 1886, $9\frac{1}{2}$ cents; in 1887, $7\frac{1}{2}$ cents; and in 1888 you carried up the price, by artificial means, to $12\frac{1}{2}$ cents; and you say that was right.

Mr. PEARCE. It is selling for $6\frac{1}{2}$ cents to-day.

Mr. McMILLIN. And you admit that the grip was not loosed when all possibility of the passage of the bill was ended.

Mr. PEARCE. I beg your pardon. The average price of 2-pound bagging for 1889 was $9\frac{1}{2}$ cents.

Mr. McMILLIN. What was the highest price to which it was carried in 1888?

Mr. PEARCE. I think about $12\frac{1}{2}$ cents.

Mr. McMILLIN. You stated that as the average price.

Mr. PEARCE. No. I stated it as the price quoted on the 15th of September. The price will vary very considerably during the year.

Mr. McMILLIN. What was the additional cost to the consumer on account of the increase of price from $7\frac{1}{2}$ to $12\frac{1}{2}$ cents a pound? What did it aggregate for the whole output of the mills of this country?

Mr. PEARCE. I can tell you better about what they made.

Mr. McMILLIN. I want to know what that figure would aggregate. I see the prices they got before the trust or organization and what they were afterwards. I want to know what the difference amounted to on the whole product of the United States.

Mr. PEARCE. The whole product of the United States is, say, 40,000,000 yards.

Mr. McMILLIN. And the price was in 1887 $7\frac{1}{2}$ cents a yard, and in 1888 $12\frac{1}{2}$ cents?

Mr. PEARCE. Take the year before, because 1887 was an abnormally low year.

Mr. McMILLIN. I take it for the year when, you say, this corner was made. It was organized at the close of 1887?

Mr. PEARCE. No; it was organized in the year 1888.

Mr. McMILLIN. I took the preceding year as the year it did not exist; and I took the year 1888 as the year it did exist, as the proper years for the calculation.

Mr. PEARCE. The price in 1887 was an abnormally low price, under which nearly all the bagging manufacturers of the United States lost large amounts of money.

Mr. McMILLIN. I have stated the reason why I selected the year 1887.

Mr. PEARCE. You selected it, of course, because it was the year of the lowest price.

Mr. McMILLIN. I beg your pardon. I have stated correctly the reason why I selected the year 1887; and your statement to the contrary does me injustice.

Mr. PEARCE. I understood you to say that you selected it because the combination you speak of was formed in that year.

Mr. McMILLIN. I stated that I selected it because it was the last year in which there was no combination, and because 1888 was the first year when there was a combination. Now what did the difference in price aggregate on the whole production?

Mr. PEARCE. It would be 40,000,000 multiplied by 5 cents, \$2,000,000.

Mr. McMILLIN. That was the amount pocketed as the result of that fraud.

Mr. PEARCE. No, sir; decidedly not.

Mr. McMILLIN. Then after this corner closed off or expired, or was abandoned (which ever term may be used) in 1889, I see the price went back to 9½ cents and in January, 1890, to 7½ cents.

Mr. PEARCE. It is selling now at 7½ cents.

Mr. McMILLIN. They were no longer able to control the market; is it not a fact that the farmers began to put cotton in other wrapping?

Mr. PEARCE. The price is 7½ cents. I do not know whether it is for that reason or not. I say it is by reason of the competition among manufacturers of bagging.

Mr. McMILLIN. You say that the low price was originally on account of fright as to the new tariff bill.

Mr. PEARCE. I beg your pardon. The tariff bill was not proposed in the House until 1888. I said that the competition among the manufacturers carried the price to that abnormally low figure; and the competition now has carried the price to the figure you find it at, 7½ cents.

Mr. McMILLIN. Is there any prospect that the manufacturers will not get frightened again, and go into this laudable work, if we continue the duty as you desire?

Mr. PEARCE. I trust not.

Mr. McMILLIN. You know as a fact that the farmers, through their organizations, began to act, and to practice successfully the putting up of their cotton in other substances than jute?

Mr. PEARCE. There were some experiments made in the production of bagging from the fiber of the pine needle, and there was a considerable quantity of bagging made from cotton, both of which were used to some extent in 1889.

Mr. McMILLIN. So that the market could not be controlled any longer?

Mr. PEARCE. I do not think that the quantity of this bagging used had any appreciable effect upon the market.

Mr. McMILLIN. But the constant threat to use it, and the use of it to some extent, would have that tendency, would it not?

Mr. PEARCE. Perhaps that is good as an argument. It would be a matter of opinion.

Mr. McKENNA. You say that you did not put that \$2,000,000 difference in your pockets; what do you mean by that?

Mr. PEARCE. I mean what I say.

Mr. McKENNA. Why did you not?

Mr. PEARCE. Because we did not have it to put there.

Mr. McKENNA. You got it?

Mr. PEARCE. We did not.

The CHAIRMAN. The Mills bill, that you have been speaking about, put cotton bagging on the free list.

Mr. PEARCE. Yes.

The CHAIRMAN. And that bill was to go into effect on the 1st July, 1888?

Mr. PEARCE. Yes.

The CHAIRMAN. If that bill had become a law, what effect, if any, would it have had on your business for that year, and on the capital invested in the bagging manufacture?

Mr. PEARCE. It would have destroyed every manufactory of bagging in the United States, and probably have bankrupted seven-eighths of all the manufacturers.

The CHAIRMAN. How much capital invested in that business would have been literally wiped out?

Mr. PEARCE. From \$6,000,000 to \$8,500,000, I presume.

The CHAIRMAN. And the reason of the influence of that bill on your business was, first, that it put upon the free list the raw material which you had bought and paid duty on, and had manufactured into the finished product, and then because it removed all protection from your finished product?

Mr. PEARCE. That was the cause and the only cause why that corner was rung. It never would have been undertaken, in any sense of the word, had it not been for that fact.

The CHAIRMAN. And your statement is that that combination was only made to protect invested capital from what you believed to be destructive legislation?

Mr. PEARCE. Yes, sir.

Mr. GEAR. You say that the proposed passage of the Mills bill was a dangerous menace to your industry?

Mr. PEARCE. We so considered it.

Mr. GEAR. When it was found that the bill did not pass, did not the price of bagging begin to decline, and decline steadily?

Mr. PEARCE. It did; and it has been declining ever since, until to-day it is below cost.

Mr. BRECKINRIDGE. The bill failed in the summer; when did the decline begin?

Mr. PEARCE. I can not tell exactly.

Mr. BRECKINRIDGE. What was the price along in the autumn of 1888?

Mr. PEARCE. I can not give you that.

Mr. BRECKINRIDGE. Your statement to Governor Gear was that when you found that the Mills bill would not become a law, the price of bagging began to decline immediately. You knew, of course, on the 1st of September that it would not become a law, when the House bill had been defeated in the Senate.

Mr. PEARCE. I do not recollect the time. I can not recall the dates. The market, if I recollect right, began to decline in the early winter of 1888. I will not be responsible for that statement, because I may be in error. I can get the price for each month.

Mr. BRECKINRIDGE. Get them for a few months after September, 1888. My impression is that there was no appreciable decline throughout the whole period that included the marketing of the crop of 1888. I am speaking, however, only from an impression. In making jute butts into bagging what percentage of waste of material is there?

Mr. PEARCE. I think it is reckoned at about 10 per cent.; the dirt and woody matter.

Mr. BRECKINRIDGE. Is there any bagging such as we use in this country made abroad?

Mr. PEARCE. It think not. There may be some little made in Scotland. I will not be sure.

Mr. BRECKINRIDGE. My impression is that the crops of other countries are baled in an entirely different way from the baling in this country?

Mr. PEARCE. I think so; in differently made fabrics. They make nothing there that could be used for our products.

Mr. BRECKINRIDGE. What is 1½-pound burlaps worth per yard?

Mr. PEARCE. It is about 12½ cents in New York.

Mr. BRECKINRIDGE. Therefore, a competing article weighing 1½ pounds would have cost 12½ cents.

Mr. PEARCE. Yes.

Mr. J. M. BEMIS (another witness). One and one-half-pounds jute would be 10 cents a yard in New York.

Mr. BRECKINRIDGE. So a competing article would be 10 cents a yard in New York when (as you state) cotton bagging was selling at 7½ cents in Memphis.

Mr. PEARCE. Of course, the price depends on the weight of the bagging.

Mr. BRECKINRIDGE. I am speaking of 1½-pound bagging; was that selling at 7½ cents in Memphis?

Mr. PEARCE. I do not recollect about that. The figure that I gave is for 2-pound bagging.

Mr. BRECKINRIDGE. Then 1½-pound bagging would cost something less?

Mr. PEARCE. Yes; 1 cent a pound less.

Mr. BRECKINRIDGE. Had not correspondence been begun, and to a considerable extent contracts made, in reference to this combination on bagging prior to any knowledge of the proposition in the Mills bill?

Mr. PEARCE. Two of the gentlemen I know that were in that enterprise I heard state prior to the introduction of the Mills bill in the House that they would not have anything to do with any combination or any association.

Mr. BRECKINRIDGE. Was that prior to information to you and others of what the Mills bill proposed?

Mr. PEARCE. Yes.

Mr. BRECKINRIDGE. They made that reply, of course, in reference to a correspondence or a conversation about the combination?

Mr. PEARCE. There was a conversation at that time in regard to the question as to whether there could be an agreement formed to diminish the output of bagging down to about 5,000,000 yards in excess of the maximum consumptive demand, the capacity of the American mills being about 25,000,000 yards of bagging in excess of possible consumption.

Mr. BRECKINRIDGE. That negotiation, then, was prior to information on the part of those gentlemen of the proposition in the Mills bill, and was with the view of limiting production for the purpose of improving the market price of bagging?

Mr. PEARCE. There was nothing said about prices.

Mr. BRECKINRIDGE. That would be the effect, I presume. They did not want to lower the price. You had been suffering a depression at that time?

Mr. PEARCE. A very serious one. The conversation did not amount to anything. It was just a cursory conversation.

Mr. BRECKINRIDGE. Have you ever figured what this 2-pound jute bagging could be imported for, if it were on the free-list? Of course they could soon start mills in Dundee and other places to make it.

Mr. PEARCE. I think I can give you the figures. Two-pound jute bagging, Calcutta bagging, can be delivered at New Orleans at 4½ cents, there being no duty on the bagging. That is to say, that is the cost at New Orleans to the manufacturer, 4½ cents exclusive of the profit which the manufacturer may expect to make.

Mr. BRECKINRIDGE. What is the equivalent of the duty on jute in the cost of the yard of your 2-pound bagging?

Mr. PEARCE. Of course that depends upon the price of jute at various times. It varies, of course. It is not a fixed quantity.

Mr. BAYNE. You say, that if the Mills Bill had gone into effect, your industry would have been wiped out?

Mr. PEARCE. That is a dead certainty. There is no question about it.

Mr. BAYNE. You say that there were from \$6,000,000 to \$8,000,000 invested in it?

Mr. PEARCE. At least that.

Mr. BAYNE. Would your plants have been fit for any other purpose?

Mr. PEARCE. Nothing else except for scrap-iron.

Mr. BAYNE. You started your enterprise under the faith which legislation had given you that a certain duty would be levied on jute bagging?

Mr. PEARCE. It grew up entirely under that policy; and the manufacturers had paid import duties to the Government on their machinery.

Mr. BAYNE. And on that faith you started your business?

Mr. PEARCE. Yes.

Mr. BRECKINRIDGE. Was your machinery all imported.

Mr. PEARCE. Not quite—the best portion of it.

Mr. BAYNE. And for the loss which you apprehended you endeavored by this corner to recoup yourselves to some extent?

Mr. PEARCE. To get out to the best advantage.

Mr. BAYNE. If any contribution were to be made to the conscience fund under those circumstances (you having started your enterprise under an assurance by this Government that you should receive a certain protection) would it not be fair, in your opinion, that the projectors of the Mills bill should share in that contribution?

Mr. PEARCE. I think I can safely leave that to my friends here.

The CHAIRMAN. You said that the highest price of bagging was in September, 1888?

Mr. PEARCE. That is my recollection.

The CHAIRMAN. Was that price reached gradually during the months preceding?

Mr. PEARCE. Yes.

The CHAIRMAN. And what proportion of the product, if any, was sold between July and September at a lower price than 12½ cents a yard?

Mr. PEARCE. I do not recollect; my impression is that it was about one-half. There is always a very heavy demand for jute bagging in July and August.

Now, on the subject of hemp, I happen to be interested in a large manufactory of hemp binding-twine at Champaign, Ill., an enterprise which has grown up during the past three years; and I speak from my own personal knowledge and experience when I say that that industry which is just now growing has been giving a wonderful impetus to the production of hemp through the West and Northwest. It is at present in its infancy. I haven't the slightest doubt but that, if the industry be properly cared for, the hemp raised in this country within the next three years instead of being 12,000 tons will be as much as 40,000 or 50,000 tons.

Mr. BRECKINRIDGE. What do you pay for hemp?

Mr. PEARCE. I think we are paying about 4 cents a pound. The Kentucky hemp-growers are asking in the neighborhood of 5 cents a pound, but their hemp is a little better.

Mr. Pearce submitted the following letters:

ST. LOUIS, MO., December 26, 1889.

DEAR SIR: Replying to your inquiry in regard to the average price at which jute bagging has sold during the past season, 1889, we state that the average price at which 1½ pound jute bagging has been sold during the year 1889 is 8 cents, free on board, New York. One and three-quarters pounds is the weight principally used in covering cotton.

Yours, truly,

WARREN, JONES & GRATZ,

Maj. CHAS. E. PEARCE,
St. Louis, Mo.

NEW YORK, January 3, 1890.

DEAR SIR: In reply to your inquiry I beg leave to say that the market prices of 2-pound pure jute bagging, free on board, New York, from November, 1888, to January, 1890, is as follows: November, 1888, 12½ cents per yard; December, 1888, 11½ cents per yard; January, 1889, 10 cents per yard; February, 1889, 9 cents per yard; March, 1889, 8½ cents per yard.

From April 1st, with carrying charges, insurance, etc., added, price advanced to 9½ cents in August and September, since which time the decline has been steady to 7½ cents in December, 1889, and January, 1890.

Yours, truly,

Maj. CHAS. E. PEARCE.

APPLETON STURGIS.

The following letter was subsequently received from Mr. Pearce:

JANUARY 4, 1890.

The Committee of Ways and Means:

Representing the Empire Cordage Company, which is located at Champaign, Ill., and is largely engaged in the manufacture of harvest-binder twine, I beg leave to state to the committee that the product of this company is made wholly from American hemp grown in the States of Illinois, Iowa, and Kentucky. The fiber is by no means limited to these areas, and is being planted on a most extensive scale pretty nearly everywhere in the country. The use of twine instead of wire for binder purposes has wonderfully revived this old and remunerative agricultural industry.

If American hemp receives its fair share of protection as against manilla and sisal it may be fairly expected that within the next three years, or as soon as a sufficiency of seed can be obtained, the American hemp product in fiber will increase from 12,000 to 50,000 tons per annum.

Hemp is one of the most valuable of farm products, and while it involves severe and heavy labor, its profits to the farmer are fully compensatory. The encouragement of hemp-raising is especially desirable at this time, when the production of wheat and corn so largely exceeds the consumptive demand for these staples. It is not unlikely that the introduction of mechanical appliances for the extraction of the fiber will, by lessening its cost, greatly increase its uses. The Mexican ixtle and pita, which can be raised on either side of the Rio Grande, and various species of American cacti are becoming of great importance for mixing with hemp, and these combinations will in the very near future greatly increase the use and demand for this grand fiber.

The retention of the duties on manilla and sisal will make the tariff a direct benefit to the farmer as he produces the material out of which the twine which he consumes is manufactured, while those who do not raise the hemp have a better show for wheat and corn in the diminution of acreage devoted to those staples.

I do not think that American hemp can be raised in competition with manilla and sisal without the intervention of a protective tariff. The percentage of labor which enters into these fibers is very large and the differences in rates of wages are too great to give the American product a chance under our present industrial system.

The Empire Cordage Company in 1888 used about 400 tons of hemp; in 1889 about 700 tons; in 1890 it will use 1,500 tons, and when its present mechanical system is fully equipped, its annual consumption of fiber will be not less than 2,500 tons, all of which will be drawn from Illinois, Iowa, Missouri, and other contiguous districts.

I earnestly commend to the committee the wisdom of giving to this splendid farm product a fair protection against manilla and sisal.

Respectfully submitted.

CHARLES E. PEARCE.

STATEMENT OF MR. J. M. BEMIS.

Mr. J. M. BEMIS, of St. Louis (of the firm of Bemis Bros.' Bag Company, Boston), said:

Mr. Chairman and gentlemen of the committee, unlike my friend Mr. Pearce, whose business is entirely in the manufacture of jute for the covering of cotton, our business is entirely in the manufacture of jute bagging for the covering of grain, flour, ores, etc., and the two classes of bagging are as entirely separate as cotton goods are from jute goods.

We appear before you on the subject of retaining an adequate protection to the bag-manufacturing interest; we mean bags made of jute cloth or so-called burlaps.

The present tariff on burlaps is 30 per cent., and on bags made from this burlap

cloth is 40 per cent. ad valorem. This protection of ten one-hundredths is quite sufficient and satisfactory to the bag manufacturers generally, but as we are advised that some effort may be made to carry this industry to the free list we beg to put our views before your honorable committee. We are inclined to think the time has come when the minimum rate of duties that will pay the difference in the price of labor for making bags in this country over what it costs abroad for making bags should be adopted, and with this view we beg to suggest to your honorable committee that seven one-hundredths per cent. over and above any duty there may be on the cloth will enable us to retain this industry.

It is our desire to name the lowest point that will give us adequate protection, and with that view we have conferred with all of the large manufacturers (not all of the smaller ones), and they are all agreed, I believe, on that point.

This means three one-hundredths per cent. less protection than present tariff. Some other manufacturers think the present difference of ten one-hundredths should be maintained.

Most all of the large bag manufacturers are also importers of the burlap cloth, and there are many reasons why the ad valorem system is against the American importer. We will mention a few of them: Undervaluation or fraudulent invoices as to prices and weights of the goods, either or both. Most of all purchases of goods, either Dundee or Calcutta, are for future shipment. For instance, a purchase is made to-day at 2 pence per yard for a 10½-ounce burlap, goods to be shipped one month hence. If the price on the day of shipment has advanced, then the purchaser must pay duties on the advance price; but in case market declines after purchase and before day of shipment, then the purchaser must pay duties on purchase price. This is very unjust and against the American buyer. Then, again, no expert can tell by sample of the goods the weight; the weight to a great extent defines the price. Hence all chances for fraud are removed by adopting a specific rate, and the American importer is placed on an even plane with the foreign shippers and importers.

We think the honorable Secretary of the Treasury has been collecting some information favorable for a specific rate of duty on burlaps. Mr. F. L. Babbott, who no doubt will speak for the American manufacturers of burlap, will have something to say in favor of a specific rate on jute, stuff, burlaps, etc.

On a specific rate basis bags should have a protection of forty-five one-hundredths of 1 cent per pound over and above any rate there may be on the burlap cloth. This would be an equivalent of seven one-hundredths ad valorem and lower than the present tariff. The specific rate as compared with present tariff would be about fifty-eight one-hundredths cents per pound. The bags consumed in this country have always been made here, that is, since the present tariff came into force in 1862 and 1863, and don't believe that even the friends of low tariffs, or even free trade, will now advocate cutting down the small protection we ask and deprive our poor women of this work. Most of all the bag-making is done by women and girls.

Wages in Calcutta are, say, 10 cents per day; in Dundee about 40 per cent. of what we pay; our girls earn on an average of \$1 per day. The laborers of this country comprise or produce the great purchasing power. This purchasing power destroyed by wages being reduced to a mere existence basis, our farms become unproductive, our factories close.

These bag factories are located in all parts of the country. There is no north, south, east, or west sectional feeling. The duty involves no tax on the community, but these factories are of great convenience to the agricultural interest, consumer, millers, shippers. The millers and shippers have been so well served at the hands of the bag-makers that we can not think any concerted action will be taken to cut down the small protection asked for this industry.

To reduce the surplus can not be an excuse for lowering the duties or carrying bags to the free list, as only a small revenue is collected from importation, mainly to the Pacific coast, and on a few double-warp bags into New York, as hereafter explained.

The millers and exporters certainly should not complain, as, when these bags (if made in this country), are exported filled with flour or grain, the law allows them a refund of 90 per cent. of the duties paid on the burlap cloth. The late Senate bill provided for a full refund of all the duties paid, and we suggest your honorable committee will so frame your bill allowing a full refund of all duties paid when the bags are exported filled with our products.

Protection on bags has built up the home trade and provoked home competition to such an extent that the profits are cut down to the minimum consistent with a small interest on capital invested, and so close has been this competition that within the past five years one-third of as many factories as are now in the business have failed.

The bag manufacturers have not combined, pooled, or gone into trusts, but the tariff has given a protection enabling them to manufacture at the minimum cost—having most of the bags used in this country made here. The cost of manufacturing is reduced wonderfully by the quantity turned out. If half our consumption was

imported, then the cost of manufacturing would advance and bags would actually be higher.

We would now like to show your honorable committee a bag dutiable at 40 per cent., as is also the burlap or double-warp cloth from which it is made dutiable at 40 per cent., and all of this line of bags used in this country are imported from Calcutta. Not one can be manufactured here, although several attempts have been made. The cloth in almost every case of experiment costs, with the cost of the thread, as much as the made-up bag. We bring this to the special notice of your honorable committee to show that, with burlap cloth and the bag at the same rate of duty, or both the burlap cloth and bags on the free list, the industry of bag manufacture would be entirely lost to our laboring class.

This industry once destroyed, prices would undoubtedly advance, as we believe Dundee and Calcutta are the only two places in the world where this industry is carried on outside of this country, and Calcutta is to a great extent controlled by Dundee.

Then our shippers, millers, and consumers would be at the mercy of foreign makers, and corners, combines, and pools would be the natural result, where so large an industry could be controlled from only two places in the world.

The bag consumers, millers, and shippers do not know how well they have been served at the hands of the bag manufacturers; no corners, combines, or trust have been worked up on them and never will be as long as an adequate rate of protection is awarded this industry. We do not know what argument may be presented to your honorable committee for free bags, but we can not think that any millers or shippers will make any plea to have this industry destroyed if they are fully conversant with the situation. In our estimation the minimum rate under the ad valorem system that will give the necessary protection is seven one-hundredths per cent. over and above the duty on the burlap cloth, or say with burlap at 30 per cent. bags should be 37 per cent. Under a specific rate for burlaps of $1\frac{1}{2}$ cents per pound, bags should be $2\frac{1}{2}$ cents per pound, or forty-five one-hundredths of one cent per pound over and above the cloth.

These rates named are assented to by Messrs. J. T. Bailey & Co., Philadelphia, one of the largest bag manufactories in the country. Some of the firm are present; also by myself, J. M. Bemis, president Bemis Boston Bag Company, with factories at St. Louis, Mo., Minneapolis, Minn., and Omaha, Nebr.; also by Messrs. H. & L. Chase, of Boston, St. Louis, and Kansas City; and M. J. Neahr & Co., Chicago, as represented by Mr. Wm. Chase, now the head of the firm, and not present, owing to sickness in his family. Mr. Chase also advocates strongly specific rates— $1\frac{1}{2}$ cents per pound on burlaps and $2\frac{1}{2}$ cents per pound on bags. Messrs. McGrath & Sons, large manufacturers at New Orleans, recommend the present tariff. John C. Graffin & Co., of Baltimore, want protection equal to the present tariff, but both burlap cloth and bags on a specific duty basis. The Fulton Bag and Cotton Company, Atlanta, Ga., want specific rate of $1\frac{1}{2}$ cents per pound on burlaps and $2\frac{1}{2}$ cents per pound on bags. D. W. Manwarring, of New York, will join in any rate recommended by the large manufacturers at this hearing.

We wish to say a word in favor of free raw jute. Our burlap manufacturers in this country tell us with free jute they will give us very soon a home market in which to purchase burlap cloth. This would certainly be very desirable for our agricultural and shipping interest. Now we are entirely dependent on foreign manufacturers for supply of this very important article of commerce. Jute is not grown in this country, and our manufacturers should have it free of duty. Finally, we strongly suggest to your honorable committee that you frame your bill with free raw jute, burlap cloth under 60 inches in width at a duty of $1\frac{1}{2}$ cents per pound net weight, and bags made of burlap cloth $2\frac{1}{2}$ cents per pound.

Mr. BRECKINRIDGE. What countries consume these bags largely besides our own country?

Mr. BEMIS. They are consumed all over the world. The Argentine Republic has been a great consumer of burlaps for the last two or three years.

Mr. BRECKINRIDGE. For baling wool?

Mr. BEMIS. Yes.

Mr. BRECKINRIDGE. It is also largely used, I suppose, for transporting ores?

Mr. BEMIS. Yes.

Mr. BRECKINRIDGE. If we give you free raw jute do you hope to bring your business in reasonable length of time so that you can participate in the sales of burlaps to that country, thus enlarging your market?

Mr. BEMIS. I do not know; I am not a manufacturer of burlaps.

Mr. BRECKINRIDGE. I thought you made bags.

Mr. BEMIS. Yes; but we make them out of the cloth only.

Mr. BRECKINRIDGE. You purchase the burlaps?

Mr. BEMIS. We purchase the burlaps.

Mr. BRECKINRIDGE. Do you make the bags by sewing or by weaving?

Mr. BEMIS. By sewing.

Mr. BRECKINRIDGE. Have you ever figured out the element of wages in one dollar's worth of your product? How much of it is chargeable to capital and material and how much to wages?

Mr. BEMIS. We consider that it costs all the way from 7 to 9 per cent. to manufacture. Under good conditions we can manufacture in this country for 7½ per cent.

Mr. BRECKINRIDGE. I am speaking of the wage roll.

Mr. BEMIS. I am speaking of all our expenses.

Mr. BRECKINRIDGE. What does that 7 to 9 per cent. cost include?

Mr. BEMIS. It includes the rent of premises, interest on the capital, the pay of travelers who sell our goods, and the wages of sewers and laborers and various little items.

Mr. BRECKINRIDGE. It includes everything except the cost of cloth?

Mr. BEMIS. Everything except the cost of cloth.

Mr. BRECKINRIDGE. Is your work hand-work?

Mr. BEMIS. No; we sew up the bags almost invariably by machinery.

Mr. BRECKINRIDGE. Have you any information as to the amount of work you get from your hands per day as compared to the amount of work of hands in other countries?

Mr. BEMIS. Of course I can not speak for Calcutta. Two years ago I was in Dundee and got some information on that subject. I think that our hands here will turn out, as compared with the Dundee, 25 per cent. more work. As compared with Calcutta I do not know. I expect that our hands here would do double the work of any operator in Calcutta.

Mr. BRECKINRIDGE. The native population of Calcutta is a very inert population, lacking in ingenuity and enterprise?

Mr. BEMIS. We understand it so.

Mr. BRECKINRIDGE. And the climate is very enervating?

Mr. BEMIS. We understand it so.

Mr. BRECKINRIDGE. Where are your factories?

Mr. BEMIS. In St. Louis, Minneapolis, and Omaha.

Mr. BRECKINRIDGE. Your factories are Western factories?

Mr. BEMIS. Yes, sir.

WASHINGTON, D. C., January 31, 1890.

The Ways and Means Committee:

GENTLEMEN: I view of the possibility of your honorable committee, following somewhat the lines of the late Senate bill, we beg to submit an addendum to our reports of January 4th, and in perfect accordance with those reports, namely, that schedule J, page 29, Senate bill, paragraph 334, instead of 30 per cent. ad valorem insert 1½ cents per pound, net weight; add to this paragraph single warp bags at 2½ cents per pound; double warp bags 2½ cents per pound, net weight. This is the only modification that we would suggest in the Senate bill.

We ask for a higher rate of duty on double warp than on single warp bags, because the double warp cloth is dutiable at a higher rate, because more expensive to manufacture; the basis of the changes are on the supposition that your tariff bill will place raw jute on the free list in accordance with the Senate bill.

We remain, yours, very respectfully,

JOHN T. BAILEY & COMPANY, Philadelphia.

D. W. MANWARING & COMPANY, New York.

H. & L. CHASE, Boston.

H. & L. CHASE, St. Louis.

M. J. NEAHR, Kansas City.

JOHN C. GRAFFLIN & COMPANY, Baltimore.

H. & L. CHASE, Kansas City.

FULTON BAG & COTTON COMPANY, Atlanta, Ga.

BEMIS BROTHERS BAG COMPANY, St. Louis.

BEMIS BROTHERS BAG COMPANY, Minneapolis.

BEMIS OMAHA BAG COMPANY, Omaha,

By J. M. BEMIS,

126 Central street, Boston.

We hereby concur in the above recommendations as American manufacturers of jute products.

DOLPHIN MANUFACTURING COMPANY, New Jersey.

CHELSEA JUTE MILLS, New York.

WILMINGTON MANUFACTURING COMPANY, Delaware.

TRAVERS BROTHERS, New York.

ALLENTON SPINNING COMPANY, Pennsylvania.

PEARSON CORDAGE COMPANY, Massachusetts,

By FRANK L. BABBOTT,

319 Broadway, New York.

STATEMENT OF MR. WILLIAM LYALL.

MR. WILLIAM LYALL, of New York, said : Mr. Chairman and gentlemen, I have been long engaged in the manufacture of jute products from the raw jute, and am now so engaged. I merely want to say, at this time, that in no way does jute interfere with any other fiber, because jute is the cheapest fiber in existence and has its particular sphere, not conflicting with hemp. It is much lower in price, and is only used for certain purposes, and it only has its value because of its cheapness. The idea of our people is that it shall be taxed on a specific basis instead of ad valorem, so as to prevent fraudulent undervaluations. In the matter of canvas and bocking I have been called as a witness frequently in New York to testify, and I found that they were classing them a burlaps at 30 per cent. I think that if it were on a specific basis it would save a great deal of trouble to the Government and the manufacturers would know better what they had to contend with. As regards the gentleman's remarks about hemp carpets, we are not making any now. They are a fancy article. They run from 20 to 60 cents a yard, so that a duty of 6 cents is only fair.

As to the binding twines (which they recently commenced making out of jute), the hemp twines have sold in the market last year at from 11 to 12 cents a pound, while the jute twines have sold at from 8 to 9 cents a pound. If it will do the work as well, it is a cheaper article for the trade. We take the jute from the bale. This [exhibiting sample] is jute as it is imported.

MR. FLOWER. Is that from the jute butt?

MR. LYALL. No; this is the jute. The butt is the stump of the plant [describing]. It is cut by the natives, thrown in the water, rotted for from two to ten days, taken out of the water by the natives, who take hold of one end of the stalk and knock the pith out of it, and then it is carried to Calcutta and baled. We have paid for this [exhibiting specimen] from $2\frac{1}{2}$ to 3 cents a pound in Calcutta. This is the raw jute. (Witness described in detail the different processes of preparing the jute for market, and adds): It is used for the backs of tapestry carpet, and for twine for wrapping purposes and all sorts of purposes. This yarn is made into this piece of burlaps. This [showing another specimen] is a piece of heavy canvas used for oil-cloth formation. It is the foundation on which they print their cloths. We would be satisfied if (in order to prevent any wrong classification between 9, 10, and 11 ounce burlaps) the duty were made specific. We think it should be put on a specific basis of from $1\frac{1}{2}$ to 2 cents a pound.

The following communication was subsequently received from Mr. Lyall:

VIEWS OF THE NATIONAL GRANGE, PATRONS OF HUSBANDRY.

MR. MATTHEW TRIMBLE submitted the following statement:

MR. Chairman, John Trimble, secretary, has been directed by General J. H. Brigham, master of the National Grange, Patrons of Husbandry, to submit the following letter from a representative farmer of Georgia, in connection with the subject of "Duty on jute-bagging," now under consideration by your committee.

The secretary of the National Grange being unable to be present at this session of your committee, has requested me to act in his behalf.

The letter referred to is as follows:

CATAULA, HARRIS COUNTY, GA.

DEAR BROTHER TRIMBLE: The State Grange of Georgia and my county grange have instructed me to present some views on the bagging question. The Congressional committee have invited a hearing on the "Duty on jute-bagging" on January 4.

This is one of the most important questions that will come up of interest to the Southern cotton-planter.

The people are anxiously awaiting results, and are desirous of showing if our legislators feel more interest in enrichment of a half dozen men who control the price of jute bagging manufactured in America, or their millions of constituents who are striving to feed and clothe their loved ones by an honest effort.

It will require 50,000,000 yards of bagging per annum. This bagging can be manufactured for 7 cents a yard, \$3,500,000. The duty is from $2\frac{1}{2}$ to 3 cents per yard, owing to weight.

The jute bag trust demanded in 1888, when too late to order from India or Scotland, from $1\frac{1}{2}$ to 14 cents per yard, \$6,500,000. Spring of 1889, by the importation of Scotch bagging and the use of cotton bagging, the price was reduced to about 10 cents a yard, \$5,000,000. All of this big profit was taken out of the pockets of the American cotton producer and is done so through the duty on imported goods. Now they acknowledge that they have been exacting an unreasonable and exorbitant

profit, by indirectly proposing to sell bagging for crop of 1890 at 7 cents per yard. But we believe this is done to prevent us from importing foreign bagging or providing for an ample supply of cotton bags. Should Congress refuse to help the American cotton producer, when too late to import foreign bagging or secure a supply of cotton bagging, they will wire a convention in July, and put bagging up to 10 or 12 cents, and we will be at the mercy of an unmerciful crew. What is our duty?

As stated in our memorial, there is no protection to our fleecy staple, and not one iota of encouragement to our industry. Now consider the fact that the unjust 6 per cent. tare on our cotton by Europe, and deducted by both the European and American manufacturers. I say this custom of tare compels us to use a heavy bagging, too expensive to be made of cotton. Therefore, if no protection is given cotton, I appeal to our law-makers to remove the discrimination by putting jute butts and jute bagging on the free list, until by such encouragement as we hope to receive from the National Government a cheaper and reliable substitute for jute will be produced and manufactured in the United States. For it is certainly a discrimination when we are compelled to use as a canvas to protect our cotton (on the free list) the highly protected article of jute. The great part of this bagging was manufactured in the United States, many of the manufacturers claiming not to be in the trust; but took advantage and demanded the same exorbitant price.

Now, while the manufacturer of jute bagging is protected at the expense of the cotton producer, by the duty on jute, and while the producer is not protected at all, the shipper and exporter of our fleecy staple receives a rebate of a large per cent. of this duty on every bale of cotton exported, which gives him the advantage of our own manufacturers. These with a great deal of impudence pocket vast sums that properly belong to the cotton producer, while the latter's pockets are empty. * * *

If any further information is needed I will take great pleasure in corresponding with the committee, and in answering such questions as they may propound. * * *

T. H. KIMBROUGH,
M. G. S. G.

I am also requested to present for your consideration the following resolution and accompanying statistics, adopted by the National Grange at its twenty-second annual session at Topeka, Kans., in November, 1888 (page 124, proceedings of 1888):

"Whereas the customary tare on cotton baled for market is 6 per cent. in foreign markets, while the actual tare is only $3\frac{1}{2}$ to 4 per cent., a clear loss to cotton-planters of 10 pounds of cotton per bale, equivalent to 6,000,000 pounds;

"Be it resolved, That the executive committee of the National Grange be instructed to confer with the cotton exchanges of foreign markets and secure a reduction of tare on cotton.

"Second. That the result of the conference be communicated to masters of State granges of cotton-growing States."

The following statistics were presented by T. H. Kimbrough, of Georgia:

"Estimated cotton crop, 6,500,000 bales; number of yards of bagging used, at 7 yards per bale, 45,500,000 yards; cost of bagging, 1887, \$3,185,000; decrease of cost of jute for the bagging for 1888, \$45,000; cost of bagging, 1888, \$5,200,000.

"Estimated number of pounds of cotton, 1888, 3,250,000,000 pounds; value in the foreign markets, \$325,000,000; cost of customary tare, at 6 per cent., \$19,500,000; actual tare, at 4 per cent., \$13,000,000; discrimination against Southern planter, \$6,500,000.

"Increase of cost of bagging by trust, \$2,015,000; discrimination against cotton-planters by trust and tare, \$8,515,000; actual increase of the value of the cotton crop by reduction of the customary tare of 6 per cent. to the actual tare would be \$25,250,000."

At the twenty-third annual session which was held at Sacramento, Cal., in November last, the executive committee made its report as provided in the foregoing resolution and submitted the following correspondence in connection with the subject-matter under consideration:

PAW PAW, MICH., May 8, 1889.

Liverpool Cotton Exchange, Liverpool, England:

MESSRS: At the recent session of the National Grange of the Patrons of Husbandry of the United States of America, the following resolutions were adopted:

"Whereas the customary tare on cotton baled for market is 6 per cent. in foreign markets, while the actual tare is only $3\frac{1}{2}$ to 4 per cent., a clear loss to cotton-planters of 10 pounds of cotton per bale, equivalent to 6,000,000 pounds; be it

"Resolved, That the executive committee of the National Grange be instructed to confer with cotton exchanges of foreign markets and secure a reduction of tare on cotton.

"Second. That the result of this conference be communicated to masters of State granges of cotton growing States."

The above fully explains itself and the object of this communication.

The cotton-crop of 1888 in this country amounted to 3,250,000,000 pounds, and a

loss of 2 per cent. in tare is not a small item, and causes universal dissatisfaction among our cotton-planters.

We are confident that a change of the rule and practice of your exchanges so as to take only actual tare, will not only remove the cause of complaint, but have a tendency to inspire the trade with renewed confidence and vigor, and insure for it a more hopeful future. We ask you to give this another due consideration and report your conclusions to this committee as soon as practicable.

I have the honor to be, yours most respectfully,

J. J. WOODMAN,
*Secretary of the Executive Committee of the National Grange
of the Patrons of Husbandry, United States of America.*

Letters of the same import were sent to the cotton exchanges of Amsterdam, Holland, and Bremen, Germany, and the following are the answers received :

LIVERPOOL COTTON ASSOCIATION, LIMITED,
Liverpool, May 21, 1889.

DEAR SIR: I have the honor to acknowledge receipt of your letter of 8th May, setting forth a resolution of your committee with respect to the tare on cotton baled for the foreign market.

Your letter has received the careful consideration of the directors of this association, who desire me to say that the 6 per cent. allowance you allude to covers not only canvas but also iron bands, and that frequently the allowance of 6 per cent. is found sufficient. The directors venture to think that there has been some misapprehension on the part of your committee with respect to the "iron bands."

I have the honor to be yours faithfully,

JOHN ROSEBURG, *President.*

J. J. WOODMAN,
*Secretary Executive Committee of the National Grange,
Patrons of Husbandry, Paw Paw, Michigan.*

AMSTERDAM, *May 23, 1889.*

*The Executive Committee of the National Grange,
Patrons of Husbandry, Paw Paw, Mich. :*

DEAR SIRs: We duly received your valuable favor of the 6th instant and have given contents our full attention.

In reply we would beg to say that whilst admitting that the tare of 6 per cent. is a full one, we do not agree with you that the planters sustain any loss by allowing same to their buyers. In our opinion it is a mere matter of calculation, and the buyer who gets used to 6 per cent. tare will pay so much less for his cotton, if only 4 per cent. is allowed him.

We would on that account not advocate a reduction, and be content to leave things as they are. On the other hand if the trade in general desired a change we would certainly not oppose it, as *de facto* it would make no difference.

We remain, dear sirs, yours truly,

THE AMSTERDAM COTTON BROKERS' ASSOCIATION.
J. D. WALLER, *Secretary.*

BREMEN, *June 15, 1889.*

*To the Executive Committee of the National Grange,
Patrons of Husbandry, Hon. J. J. Woodman, Secretary, Paw Paw, Mich. :*

In answer to your esteemed letter of the 6th, I have to say that the committee of the Bremen Cotton Exchange have entirely agreed with your decision to strive for the introduction of the reckoning of the actual tare in American cotton, and it is only to be hoped that this view might be supported generally.

A further and much stronger reason for the introduction of the "actual tare" is the supposition (or assumption) that finally by that means a better and stronger covering would be secured which completely covers the bale, and such is absolutely necessary for the protection of the cotton against exposure, and for the diminution of danger by fire.

On the other hand as concerns a reduction of the discount of the gross weight from the present 6 per cent. to about 4 per cent., the committee believe the intended change and retaining the present packing is not to be recommended, since the reduction of 2 per cent. would simply be balanced again through some other computation.

Nevertheless, should the new covering which is made of cotton itself and is about 2 per cent. lighter than the old packing, succeed in being introduced there, it would be advisable—so long as the present tare is not fully used—to make a reduction to 4 per cent. for such packing, instead of the old 6 per cent. deduction, and as soon as a

report of the accomplishment of the above undertaking is received the committee of the general assembly of the Bremen Cotton Exchange will communicate the same to the assembly for consideration.

Most respectfully,

G. B. BRARVER,
President Bremen Cotton Exchange.

Hon. Hiram Hawkins, master of Alabama State Grange, called the attention of the committee to a very important omission in the resolution adopted by the National Grange, and consequently in the communication to the Cotton Exchange of Liverpool, and advised further correspondence, which resulted as follows:

PAW PAW, MICH., August 24, 1889.

Hon. John Roseburgh, President of Liverpool Cotton Association, Limited:

DEAR SIR: Your esteemed favor of May 21 was duly received and submitted to prominent men who are largely identified with the cotton-growing industry, and they request me to write you again. While it is admitted that the "iron bands" to which you refer are used on cotton bales and heavy jute bagging, yet this it is claimed does not cover the 6 per cent. tare taken. But there is one point which has been overlooked in this correspondence, and to which I am directed to call the special attention of your association. Under the present practice our cotton-growers are obliged to use heavy and expensive material for covering cotton bales in order to make up to some extent for the tare taken. In lieu of this they desire to use "cotton bagging," which is lighter and cheaper, weighing but three-fourths of a pound to the yard, while jute bagging weighs about 2 pounds to the yard. It is estimated that nearly one-half of the present crop of cotton will be put up in cotton covering, and that this change in material will reduce the actual weight of the covering, on an average, 8 pounds on each bale. We therefore ask you to submit this question to the candid consideration of the members of your association, firmly believing that as a fair business proposition they will consent to so modify their rule and practice as to reduce the tare on cotton bales to correspond with the reduction in the weight of the material used in the covering, approximating actual tare, or better still, to "actual tare." Then no one will be wronged, whether light or heavy wrappings are used. As the annual session of our National Grange is soon to convene, we desire an early reply and a definite answer, so as to enable us to report the result of this correspondence to that body. I have the honor to be,

Yours most respectfully,

J. J. WOODMAN,
Secretary of the Executive Committee of the National Grange, Patrons of Husbandry.

LIVERPOOL COTTON ASSOCIATION, LIMITED,
Liverpool, September 12, 1889.

DEAR SIR: I have the honor to acknowledge receipt of your letter of 24th of August.

This association has for the present decided to withhold all legislation with respect to cotton bagging, the difficulties arising from its use leading them to fear that importers of cotton will be sufferers through its introduction.

As the season advances, however, the question may again be brought forward, and in such case the views of your honorable body will receive due consideration.

I am, dear sir, yours faithfully,

JOHN ROSEBURGH.

J. J. WOODMAN, Esq.,
Secretary Executive Committee of the National Grange, Patrons of Husbandry.

Communications were sent to our Government consuls at Liverpool, Amsterdam, and Bremen, soliciting their influence and aid in adjusting tare rates. The consuls at Liverpool and Bremen failed to answer, perhaps on account of the changes of officers then taking place. D. Eckstein, United States consul at Amsterdam, replied promptly, saying: "If I can, through my influence and exertion, serve the interests of your association in the direction indicated in your letter, it will cheerfully be done." The committee are inclined to the opinion that the practice of foreign cotton exchanges in discounting our American cotton bales on account of bagging, to an extent which compels our cotton producers to use heavy and expensive material of foreign production for covering in order to make up in some degree for loss in undue tare, when they can produce a covering made of the cotton of their own raising, of lighter weight, much cheaper and equally as good, can not be maintained by any fair or logical business proposition; therefore believe that the effort to obtain an adjustment of this question upon a basis that will be equally just to both the producer and the foreign buyer can not be hopeless. The committee beg leave to sug-

gest that in any future efforts in this direction the co-operation of the "American cotton exchanges" and the State Department of the Government, through its commercial consuls, be solicited.

At the same session the committee on "good of the order" made the following report, which was adopted, viz:

Your committee on "good of the order," to whom was referred the memorial of delegates from Southern States on subject of tare on cotton, etc., has been considered by us, and we recommend as follows:

First. That the prayer of petitioners be complied with, and that the work on this question begun by the executive committee through instructions of National Grange at its twenty-second session be continued and pressed as requested by petitioners.

Second. For special and good reasons presented by petitioners, we recommend a memorial be prepared asking the National Government to place jute butts and jute bagging on the free list.

Respectfully,

AVA. E. PAGE,
WM. SIMS,
THOS. MARS,
T. H. KIMBROUGH,
Committee.

We, the undersigned, members of Southern States, would again ask the privilege of calling attention to the injustice of tare imposed upon cotton by European manufacturers through their exchanges, and would ask your indulgence while presenting some facts connected with the same.

Originally the canvas (which was of Indian bagging) weighed about $13\frac{1}{2}$ pounds per bale; the roping or iron bands, about $13\frac{1}{2}$ pounds per bale; the average weight of an American bale of cotton, 430 pounds. At this time a tare of 6 per cent. on cotton was adopted by the European cotton exchanges.

But more recently the weight of canvas and bands has been reduced by the manufacturers, until the actual tare is only 20 pounds per bale; as a matter of economy, the average weight of an American bale of cotton, by the latest statistics, is 505 pounds, showing conclusively that there is a gross injustice imbedded in this question of tare against the American cotton producer of 10 pounds per bale, aggregating \$7,000,000 per annum.

We would also call attention to the fact that the canvas and bands referred to, and which constitute the actual tare, is worth about one-third its original cost to manufacturer, which is an exception to general rule on articles containing tare, for on no other article is the purchaser able to realize anything from articles constituting tare.

We also call attention to the fact that commerce in no other instance has refused to purchase and sell by net weight.

Now, worthy master, we are well aware of the fact that no legislation can be had on this question by any association, organization, legislative or representative body in the United States, but feel that every influence should be brought to bear on the European exchanges. As this question originated and the work was first begun in our order, we ask of you to help us in pushing this work and in the securing of all the influence possible on the question.

We hope to succeed by impressing the importance of this question upon our Representatives in Congress, our agricultural departments in State and nation, our consuls in foreign countries, our American cotton exchanges, our boards of trade, and all our agricultural organizations.

We ask that the efforts of our executive committee, through our consular system, be continued and pressed until our American exchanges indorse our efforts, and until England, Germany, and France admit the injustice of this tare, and yield to the overtures of the American cotton producer.

It would be proper for us to state that we believe this reform would have been secured through the efforts of our executive committee from the instructions of this National Grange at its session in Topeka, 1885, but for the selfish and mercenary motives actuating our American exchanges, and indifference on part of our representative bodies.

Still another point on this cotton question is the unreasonable demand and the exorbitant profits put into the gaping pockets of the unscrupulous jute-bag combine, aggregating above a reasonable profit during the years 1888 and 1889 \$2,750,000.

Now, worthy master, we desire and ask your influence upon our National Government for the encouragement of the production of jute or such other fibrous materials as will enable us to compete with jute produced in India.

The true position of the cotton producer can be well understood, and the situation can only be appreciated by the presentation of one other fact.

Jute in India costs only about $2\frac{1}{2}$ cents per pound, while it costs 10 cents to raise

cotton. Our cotton is not protected by national legislation, yet we are compelled to use as a canvas for the protection of our fleecy staple this protected article called jute bagging. We claim this to be a direct discrimination against the cotton producer, and that there is in it no protection except to the jute-bagging combine, in its determination to rob the cotton-planter, and can but believe that we are consistent with the rules of our order when we ask your influence upon our national counsels, that we may not be discriminated against in this matter, and no longer be robbed of our hard-earned dollars by the jute combine.

W. K. THOMPSON.
T. H. KIMBROUGH.
A. J. ROSE.
HIRAM HAWKINS.
J. B. BAILEY.
X. X. CHARTTERS.
W. R. WILLIAMS.
J. D. CLARDY.

In conclusion I beg to say that this order of Patrons of Husbandry is a great, powerful, and permanent organization, with a strong and intelligent membership in every State and Territory. It is composed of the best and most intelligent elements of our farming communities, and is wholly and entirely devoted to protecting the interests of that important class, upon whom depends the substantial greatness and prosperity of this country. It discusses questions of national importance and governmental policy, without political bias or sectional prejudice, and as such it is the farmer's friend without regard to party affiliation.

RESOLUTIONS OF MILLERS.

The following paper was presented and made part of the record :

COPY OF RESOLUTIONS ADOPTED BY MILLERS IN PRINCIPAL FLOURING-MILL CENTERS.

MILWAUKEE, WIS.

A meeting of the millers of Milwaukee, Wis., was held on December 17, 1889, and after lengthy discussion of the subject of import duty on jute, the following resolution was unanimously adopted :

Whereas we believe there exists no valid reason that millers of the United States should be called upon to pay the present high tariff on jute ;

Resolved, That the secretary of this meeting be instructed to communicate with Mr. F. L. Greenleaf, president of the Minnesota State Millers' Association, and president of the Millers' National Association, advising him of this meeting and its objects, and requesting him to use his influence with Minnesota millers to obtain their co-operation in an effort to secure the abolition of this tax. Also to request that the matter be taken in hand by the Millers' National Association, and that if possible the assistance of prominent flour manufacturers be obtained, to present the subject properly before the Committee on Ways and Means of the United States Congress at the time set for hearing and considering arguments relating to the duty on jute (January 4, 1890).

B. STERN, *Chairman*.
F. BARRY, *Secretary*.

MINNEAPOLIS, MINN.

At a meeting of the Minneapolis millers, December 18, 1889, the following resolution was unanimously carried :

Whereas the existing tax on the importation of jute is working a great injury and unnecessary expense to the millers of this country ; and

Whereas the Government is deriving but little revenue from said tax, as the amount received is returned to the exporter when it is shown that such material has been manufactured into sacks in this country and exported again ; and

Whereas millers are obliged to pay a commission to brokers to collect same, and the Government is compelled to employ clerks to transact this business, all of which reduces the net amounts returned to the millers very materially :

Resolved, That we respectfully request our Representatives at Washington to use their endeavors to have the tax abolished, believing that it is working a great hardship to a very large class of manufacturers, without any adequate return to the country at large.

F. L. GREENLEAF,
President Minnesota Millers' Association.
W. C. EDGAR,
Secretary Minnesota Millers' Association.

ST. LOUIS, MO.

A meeting of the millers of St. Louis, Mo., was held in the Chamber of Commerce, December 20, 1889, and the following resolution was unanimously adopted:

Whereas the flour manufacturers of St. Louis, Mo., believe that the import duty charged upon jute imposes a hardship upon millers of the United States and acts to the detriment of our flour export trade, costing the Government and exporters of flour a large and unnecessary expenditure of money:

Resolved, That we heartily indorse the effort being put forth by the Millers' National Association to secure the repeal of this tax, and pledge our support and co-operation in the movement.

A committee was then appointed, with Mr. Alexander H. Smith as chairman, to see that St. Louis shall be represented, if possible, in the presentation of argument favoring this measure before the Committee on Ways and Means of the United States Congress, at Washington, D. C., January 4, 1890.

LOUIS FUSZ, *Chairman*.
A. H. SMITH, *Secretary*.

ST. LOUIS, MO.

A meeting of the Grain Receivers' Association of this city was held December 21, 1889, to consider the necessity of repealing the present import duty on jute.

After a full discussion and consideration of the matter, showing, in our opinion, it was inflicting hardship on our grain, our flour, our milling exporters, and thus indirectly injuriously affecting our farming communities and other general interests, the following resolution was unanimously adopted:

Resolved, That we most heartily indorse the action of the National Millers' Association in endeavoring to have the tax on jute repealed, and that we will do all we can legitimately to assist them in accomplishing this object.

JOHN N. BOOTH, *President*.
PHIL. F. SHIRMER, *Secretary, etc.*

BUFFALO, N. Y.

At a meeting of the New York State Millers' Association the following preamble and resolution was unanimously adopted:

Whereas the tariff on jute-bagging cloth protecting no home industry, it being all of foreign manufacture, and causing extra expense to the millers of this country, through commissions paid to brokers to collect back the duty on bags exported; be it

Resolved, That the New York Millers' State Association earnestly desire the removal of all tariff dues on jute bagging and respectfully ask their Senator and Members in Congress to favor putting jute bagging on the free list.

Resolved, That copy of above be sent to Senator Hiscock and New York Congressmen and president of the Millers' National Association, and asking them to appear before the Committee on Ways and Means January 4, 1890, to advocate the adding of jute bagging to the free list.

A. R. JAMES, *President*.

ROCHESTER, N. Y.

At a meeting held by the millers of Rochester, N. Y., on December 29, 1889, the repeal of import duty on jute was discussed, and the following resolutions adopted:

Whereas the millers of Rochester, N. Y., believe that the import duty charged upon jute imposes a hardship upon the milling industry of the United States, causing all exporters of flour a large and unnecessary expenditure of money;

Resolved, That we indorse the efforts being put forth by the Millers' National Association and the millers of Milwaukee and St. Louis to secure the repeal of the tax, and pledge our support and co-operation in the movement, and that a copy of this resolution be forwarded to the Hon. Chas. S. Baker, our Representative in Congress, and the Hon. Frank Hiscock, United States Senator, with the request that they use all honorable means in their power for the abolishment of this unnecessary tax.

WM. H. DUFFELT,
Secretary.

INDIANAPOLIS, IND.

At a meeting of the Indiana State Millers' Association held at Indianapolis on December 30, 1889, the following resolution was adopted:

Whereas the flour millers of Indianapolis, Ind., and vicinity, believing that the present import duty on jute is oppressive to the millers of the United States engaged in exporting flour, and is unnecessary and costly to the Government; therefore be it

Resolved, That we commend the efforts of the Millers' National Association to secure the repeal of this tax, and we pledge our earnest support to the movement.

D. H. RANCK,
Secretary Indiana Millers' Association.

STATISTICS OF THE JUTE INDUSTRY.

NEW YORK, *January 6, 1890.*

DEAR SIR: We beg to submit to you the following statistics relative to the jute industry in the United States, in Europe, and Calcutta, which we read to your honorable committee January 4. The average annual consumption of jute in the United States for the years 1886, 1887, and 1888, was 97,000 bales of 400 pounds to the bale. The average annual consumption of jute in the world, outside of the United States, for the same period, was about 3,033,000 bales. That is to say, the United States manufactured about 3 per cent. of the jute product of the world during that time. To put it in another way: The average annual consumption of Dundee for this same period was, in round numbers, about 1,150,000 bales, or about twelve times that of the United States. Calcutta and vicinity consumed annually during this period, in round numbers, about 1,000,000 bales of jute, or more than ten times that of the United States. The consumption of jute has increased in this country from 25,000 bales in 1876 to 125,000 bales, the estimated consumption for 1889.

CONSUMPTION OF JUTE IN THE UNITED STATES.

According to the board of trade returns of Dundee, Scotland, as printed in the Dundee "Prices Current and Trade Report" of January 16, 1889, there were shipped from that single port during the year 1888 to the United States 130,291,400 yards of jute cloth exclusive of bags, or about 90,000,000 pounds; the largest quantity exported to any other country was 26,000,000 yards, or 104,000,000 yards less than were shipped to the United States. During the same year there were exported to the United States 16,681,800 pounds of jute yarn, or 12,000,000 pounds more than were shipped to any other country. These figures represent the quantity of jute goods received from Dundee alone. We can not give the importations from any other European ports, nor from Calcutta, but it is a well-known fact that large quantities of burlap are shipped to New York from Calcutta, and that the Pacific slope is supplied almost exclusively from that source. We regret very much that we can not give the exact figures in this case, but they would be enormous, as more grain is handled in bags there than in the East.

NUMBER OF PERSONS EMPLOYED IN THIS INDUSTRY.

The Blue Book of India, published early in the year 1889, shows that there were employed in the year 1888 in jute mills in India 50,713 hands. The last report we had from Dundee gave the number employed in this industry there as about 48,000, although the number is usually stated in round figures as 50,000. The number employed in the mills of the United States, according to the last report which we have at hand, is 3,325, which we believe is somewhat increased at present.

WAGES.

The following table will show the wages paid per week in Dundee, Calcutta, and America. The figures were given by superintendents of mills in each of those places:

	Dundee.	Calcutta.	America.
Preparers	\$2. 00	\$0.30 to \$0.90	\$5. 00
Spinners	2.50	.64 to .96	6.50
Reelers	2.75	.46	7.50
Weavers	2.75	.96 to 1.60	6.50
Mechanics	6.50	.70 to 1.28	15. 00
Foremen	8.00	1.10 to 2.24	18. 00
	24.50	3.70 to 7.46	58.50

This table shows that we pay about two and one-half times as much as they do in Dundee, and about eleven times what is paid in Calcutta for the same class of help. This ratio of wages between the United States and Dundee fairly represents the difference between the cost of labor for a pound of the same goods in both places, as the Scotch worker is about as efficient as our own. We regret that we can not state the comparative efficiency between our own and Indian labor on a given quantity of goods, but have quoted the weekly wages of the two countries, knowing that they would practically demonstrate the great odds against us. Dundee produces the finer goods, the coarser qualities having been displayed to a very large extent by the cheaper product of the Calcutta mills.

PRICE OF JUTE.

According to the Dundee "Prices Current and Trade Report" of December 4, 1889, the average price of jute in the month of December for the past eighteen years in Dundee has been 3.24 cents per pound, upon which, allowing the same freight rates and fixed charges as existing at present, the duty would be fifty-four one hundredths cent. per pound.

PRICE OF YARNS.

The average price of yarns of a medium grade for eighteen years in Dundee as given in the "Prices Current and Trade Report" is about 5.20 cents per pound, while the higher grades of yarn would certainly have averaged 6 cents per pound for this same period. On the basis of 6 cents per pound for the finer grade of yarn the ad valorem duty at present of 35 per cent. would equal 2.1 cents per pound.

PRICE OF BURLAP.

The average price of 10½-ounce burlap (the cheapest of all grades) per pound in Dundee during the month of January since 1874, as given by a large consumer was about 7 cents, upon which the duty at 30 per cent. ad valorem would be 2.1 cents per pound.

FREIGHTS.

The freight rate from Dundee to New York to-day is about one-sixth of a cent. per pound; from Calcutta to New York three-tenths of a cent per pound. Freights from Calcutta often go much below three-tenths of a cent, as we have imported jute at the rate of two-tenths of a cent per pound.

We have seen that the average rate of duty on burlap for the past fifteen years has been equal to 2.1 cents per pound, and that the average rate of duty upon raw jute for that period has been fifty-four one-hundredths of a cent per pound, leaving a net protection per pound on burlap of 1.56 cents—or, in other words, that a duty of 20 per cent. on the raw material has equaled a duty of 7½ per cent. on the manufactured article.

The average price of a pound (2 yards) of 8-ounce burlap in Dundee for the past twelve months has been 7.20 cents, as given by the Bemis Brothers Bag Company, of Boston; the duty upon the same at the present rate of 30 per cent. ad valorem has been 2.16 cents per pound, or about the average of the past fifteen years as above stated.

The present condition of this industry shows that we can now manufacture in this country only a few grades of yarn and some specialties and that with a duty on the raw materials we are the smallest producer though the greatest consumer of jute goods.

We would suggest a specific duty on burlap instead of 30 per cent. ad valorem as recommended in the recent Senate bill because it would simplify all computations of cost and remove the temptation to undervaluation which now exists. An expert can not distinguish the difference between 10, 10½ or 11 ounce burlap with accuracy, and yet this small shade of difference often represents the margin between profit and loss.

We further ask a specific duty because it shows the exact conditions that we must meet.

We have shown that the ad valorem duty of 30 per cent. is equivalent to a specific duty of 2.1 cents per pound.

Large consumers of burlap wish to have this rate of duty reduced, but we believe that consumers and manufacturers would unite in the recommendation of a specific duty of 1½ cents per pound on all burlap under 60 inches in width, with raw jute free. This rate would reduce the present duty thirty-five one-hundredths cent per pound, or 16 per cent.

We believe that if the Senate bill, with this modification, should become law it would tend to upbuild an industry that would employ a large amount of capital and thousands of people.

The following companies manufacture jute goods in some form, viz:

Dolphin Manufacturing Co., Paterson, N. J.
 Chelsea Jute Mills, New York City.
 Planet Mills, Brooklyn.
 Tucker & Carter Cordage Co., Brooklyn.
 Allentown Spinning Co., Allentown, Pa.
 John Good, Brooklyn.
 Travers Bros., New York City.
 Schlechler Jute Cordage Co., Philadelphia.
 J. T. Bailey & Co., Philadelphia.

Finley & Co., Philadelphia.
 Wilmington Manufacturing Co., Wilmington, Del.
 Thomas Jackson & Co., Reading, Pa.
 Sutherland & Edwards, Paterson, N. J.
 Pearson Cordage Co., Boston.
 Ludlow Manufacturing Co., Ludlow, Mass.
 William Deering & Co., Chicago, Ill.
 Hoover & Allison, Xenia, Ohio.
 California Jute Mills, San Francisco, Cal.

We ask for a duty of $1\frac{1}{2}$ cents per pound on all burlap under 60 inches in width, with free raw jute. If the present duty is maintained on raw jute we would ask for a specific duty of $2\frac{1}{2}$ cents per pound.

If an ad valorem duty on burlap is to be retained (which both the American mills and importers think unwise) it should not be less than 30 per cent. even with free raw jute.

Our industry has increased five-fold in the past thirteen years, and has reached a position where the manufacturing of burlap must be entered upon or its further growth retarded. Our recommendations of duty are as low as we can make them to secure this future development. The distinction in duty on burlap between goods over and under 60 inches in width has, we believe, been maintained in all recent bills on this subject, and is the law to-day. The wider goods are produced at a greater cost, and have to be made with much more care. The duties on these should certainly be 10 per cent. more than on ordinary burlap. Such is now the case, the one being 30 and the other 40 per cent. ad valorem. These goods are now made here, but would be more largely with free jute.

We believe the discussion has shown that jute has not driven Kentucky hemp out of the market. The warmest advocates of this fiber admitted that the production of Kentucky hemp went from 80,000 tons (we believe) to 2,500 tons in 1869, at which time jute mills were almost unknown in America.

We wish to add that the Flax and Hemp Spinners and Growers' Association, after kindly hearing our arguments, passed a resolution not to make any recommendations concerning raw jute or the jute schedule, believing that the fiber had a different sphere of usefulness from their own. We think we can therefore say that the arguments made before you against free raw jute were without the sanction of this association, and mainly by a single hemp-grower who was unfamiliar with the comparative nature and uses of these two fibers which are almost as different as cotton and hemp. His principal argument presented was against jute for harvest twine, while he admitted that only 2,000 tons of Kentucky hemp harvest twine were made last year when the conditions were unusually favorable for its manufacture, and that the Kentucky hemp twine sold at 12 cents a pound and jute at $8\frac{1}{2}$ even with the duty on the raw material of the latter.

We submit these figures without further comment.

We remain, in behalf of the jute industry, yours, truly,
 DOLPHIN MANUFACTURING COMPANY.
 CHELSEA JUTE MILLS.
 WILMINGTON MANUFACTURING COMPANY.
 TRAVERS BROS.,
 ALLENTOWN SPINNING COMPANY,
 By FRANK L. BABBOIT.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

LETTER FROM KENTUCKY RIVER MILLS.

KENTUCKY RIVER MILLS,
Frankfort Ky., January 1, 1890.

DEAR SIR: We beg leave to present to your honorable committee our protest against putting manilla, sisal, jute, and other fibers on the free list, as we believe that such action would ultimately destroy the hemp and flax industries of the United States, thus throwing out of employment all those now engaged in raising the raw material or manufacturing it, and rendering valueless a large amount of invested capital. The duties as they now are are very moderate, not equivalent to an ad valorem duty of 15 per cent., and we believe that their removal would not permanently benefit the consumer, but, after destroying home competition, ultimately would advance price and tend to foster monopolies and trusts.

To the argument that manilla, sisal, and jute are not raised in this country, we would reply that they all compete with American hemp in the different kinds of cordage and twine, and none of them can be admitted free without serious detriment to it.

There has been a great deal of clamor in regard to binder twine during the past year and the importance of cheapening it, and this has been used as an argument in favor of free manilla and sisal, but we believe that the true way to cheapen it is to enlarge the number of fibers from which it may be made and not to reduce it, as this would. The use of American hemp binder twine has been growing very rapidly, and promises to grow still more rapidly, provided it is not checked by unfriendly legislation, and will in future exercise an important influence in controlling prices. We

therefore sincerely believe that expediency and justice alike demand that we shall not be deprived of the small measure of protection that has been accorded to us heretofore.

We remain, very respectfully,

KENTUCKY RIVER MILLS.

Hon. WM. MCKINLEY,
Chairman Ways and Means Committee.

ACTION OF FLAX AND HEMP GROWERS.

To the honorable Committee of Ways and Means :

GENTLEMEN: At a convention of flax and hemp growers and spinners, held at Schaghticoke, Rensselaer County, N. Y., November 12, 1889, the following was unanimously adopted:

Resolved, That the North River hemp growers and spinners' convention, assembled this 12th day of November, 1889, do most emphatically protest against any reduction in the present duty upon foreign hemp and flax, and hereby request the imposition of a duty upon foreign fibers sufficient to cover the highest cost of labor and capital engaged in the industry in this country.

Resolved, That a committee of three be appointed by the chairman to make known the wishes of this convention to the Fifty-first Congress when it assembles.

The chair appointed E. A. Hartshorn, W. H. Buckley, and Hiram File as the committee.

In obedience to the foregoing action the undersigned committee beg to recommend:

That the duty upon flax be increased from \$20 to \$50 per ton.

That the duty upon tow be increased from \$10 to \$20 per ton; that no reduction be made from the present duties upon either hemp, jute, manilla, sisal, New Zealand hemp, or other competing vegetable fibers.

Also that the tariff upon the goods manufactured from flax and hemp shall be fixed at such rates as shall be recommended by the Flax and Hemp Spinners' and Growers' Association of America, provided such rates are sufficient to insure the profitable manufacture of American flax and hemp into yarns, twines, threads, and woven fibers for the American market.

From an experience of twenty-five years or more by each member of the committee either in the growing or spinning of flax we beg your honorable body to consider that flax has been successfully grown in our vicinity for eighty consecutive years both for fibers and for seed. That prior to the war of the rebellion the industry was profitable, because the cost of labor was then less than one-half the present scale.

That the ante-bellum price for pulling flax was from \$3 to \$3.50 per acre, against \$6 to \$8 at the present, and the former cost of scutching was \$1.25 per 100 pounds against \$2.50 at the present time.

That during the period of high premium on gold following the war the protection was materially increased by reason of said premium, so that the duty in currency was more than double, and then the industry rapidly increased, so that not less than 1,000 tons of flax, valued at \$250,000, was produced yearly in the North River flax district, comprising Washington and Rensselaer Counties. But when gold went to par value the increased protection vanished, causing the cultivation of flax to become unprofitable, and the industry has since then rapidly declined.

Twenty years ago there were about sixty flax scutching mills, valued at, say, \$3,500 each, in operation in the district from October to June, but now there are only six or eight mills, running three or four weeks in each year. The only reason for the decline of the industry has been the inadequate protection extended to the industry, and with an adequate protection upon flax and its kindred fibers as purposed, the linen industry will become very large and prosperous in the immediate future.

Sixty years ago the finest fields of hemp were produced in our vicinity; but the suspension of local spinning-mills and the lack of cheap and rapid transportation to distant mills brought the industry to a halt. During the present year an effort has been made to revive the industry, which promises much for the future prosperity of our State.

Improved labor-saving methods are being adopted, which will aid us materially in our efforts to cheapen the cleaning of the fiber. We do not apprehend that the proposed increase tax upon fiber will enhance the cost of the domestic product materially, but, on the contrary, we believe it will finally cheapen it, as was the result of adequate protection when extended to cotton, iron, and other so-called raw materials and the manufactured articles made therefrom.

The price of manilla and of sisal (hemp) has ruled nearly double their former value for the past twelve months, which proves that the cheaper fiber when it has driven

out the dearer will then by reason of an increased demand from all the world advance to a higher price than the world cares to pay.

The claim that these various foreign fibers grow wild and can be supplied in unlimited quantities has been proven false. With manilla (hemp) commanding almost double its normal price the supply this year is far short of last.

New Zealand flax, so called, is not flax at all. It comes from a flag—here is a specimen of the fiber and a flag from which it is obtained. [Showing them.] Now, if all New Zealand is a swamp, this flag may be inexhaustible, but by the time a large quantity is in steady demand from all parts of the world you may rest assured it will not be very cheap.

In conclusion, we believe the only sure way to obtain cheap flax and hemp and the goods therefrom is to produce them within our own country.

Respectfully submitted.

E. A. HARTSHORN,
W. H. BUCKLEY,
HIRAM FILE,
Committee.

WASHINGTON, D. C., January 4, 1890.

LETTER FROM THE AMERICAN LINEN SUITING COMPANY.

To the honorable Committee of Ways and Means:

GENTLEMEN: The American Linen Suiting Company begs to submit for your inspection samples of cloth for summer wear manufactured from American flax and hemp. These fabrics are made from the natural colors of the fiber upon which neither chemicals nor dye-stuffs have been used. The stripes, checks, plaids, and diagonals are all produced by weaving the dark-colored yarns produced from dew or field-letted fiber with a light-colored yarn produced from steam or water retted fiber, both colors being readily produced from the same hemp or flax stalks by the different methods of retting.

We beg to assure your honorable committee that this company is prepared to enter extensively into the cultivation of native fiber and the manufacture of cloth for suitings, crases, toweling, etc., therefrom at any time when a sufficient duty shall be imposed upon foreign competing products to cover the additional cost of American labor and capital.

That the present duty of 35 per cent. ad valorem will not enable us to make these goods at the present time, as the same is entirely inadequate to cover the additional labor cost current in the United States.

That with adequate protection, so that our business as soon as developed will not be transferred to competing European mills by the duplicating of our patterns at a lower cost of production, this company will employ \$500,000 capital in this industry.

We therefore request a specific or weight duty of 3 cents per pound and 50 per cent. ad valorem duty on all imported woolen, linen fabrics woven from yarn coarser than the yarn woven into 1600 linen.

Respectfully submitted.

E. A. HARTSHORN,
Manager.

WASHINGTON, D. C., January 4, 1890.

OIL-CLOTH AND LINOLEUM.

STATEMENT OF MR. PETER CAMPBELL.

MR. PETER CAMPBELL, of Kearney, N. J., made a statement on the subject of oil-cloth and linoleum.

There was an ad valorem duty, he said, on this article, but the American manufacturers of it had to pay duties on the linseed-oil, and on the burlaps used in the making of linoleum. They had to pay duties on seven-tenths of the raw materials. What he and his colleagues appeared before the committee for was to show the committee that the raw materials entering into the manufacture of oil-cloths and linoleum were taxed so heavily that it was impossible for the American manufacturer to compete against the British manufacturer who had his linseed-oil free and his burlaps free. The present protection of 40 per cent. was inadequate. He asked that the committee would recommend a specific duty of 10 cents per yard and 30 per cent. ad valorem.

Mr. McMILLIN. What increase would that be under present prices?

Mr. CAMPBELL. It would be an increase of probably about 10 per cent. But our strong point is that our raw material is protected 90 per cent. We do not say that that is wrong. What we say is that it is perfectly impossible for us to operate against the English manufactures.

Mr. McMILLIN. A reduction of the duty on the raw material would inure to your benefit?

Mr. CAMPBELL. No doubt of that. There have been some cases brought before the custom-house authorities where grades have been questioned by the appraisers. A specific duty would help to remove that difficulty.

Mr. BAYNE. How much capital is employed in this country in the production of oil-cloths and linoleum?

Mr. CAMPBELL. In linoleum about \$1,500,000. The rate of wages which we pay here is probably 100 per cent. more than is paid in Scotland, where the largest proportion of oil-cloth is made.

Mr. BAYNE. Can we supply our consumption in this country?

Mr. CAMPBELL. We can if we have proper protection. But last year in one customs district alone there was £34,000 worth of linoleum imported.

Mr. BAYNE. Oil-cloth and linoleum are inexpensive articles?

Mr. CAMPBELL. They are comparatively inexpensive.

STATEMENT OF MR. G. W. BLABON.

Mr. G. W. BLABON, of Philadelphia, said:

Mr. Chairman and gentlemen, I am a representative of the oil-cloth and linoleum business. At the present time our goods are protected under an ad valorem duty of 40 per cent.; but every raw material that we use in the manufacture of our goods has to pay a duty of from 40 to 90 per cent. I presume there is not a plant in this country which, under present circumstances, makes 4 per cent. on its capital invested in the business of manufacturing oil-cloth and linoleum. It is a very risky business. Oil constitutes from 25 to 40 per cent. of the first cost of producing oil-cloth and linoleum. In consequence of the high duty on this oil it is brought in at a very high rate. We do not use imported oil; but, nevertheless, we are on a level with imported oil. The quotation in New York yesterday was 62 cents a gallon, and in London 32 cents. Yesterday the quotation of lead was 5 cents a pound in London, and in New York $7\frac{1}{2}$ cents a pound. Then the cost of our labor is a little over 100 per cent. more than the cost on the other side. I do not come here begging for more protection, but only for fair play. We only want to get equal. So far as white lead and oil are concerned, I have no suggestion to make. This committee can see the condition of things. Linseed-oil has advanced largely within the last eighteen months, and white lead also. That is done by combinations and trusts.

Mr. GEAR. Has not the increased price of linseed-oil been caused by a shortage in the crops of flax?

Mr. BLABON. No, sir. If that were the case why would not linseed-oil be much higher in London and Liverpool? In some of the linseed-oil mills here they use altogether foreign seed. I think what would probably help the oil-cloth and linoleum interest would be found in the matter of duty on canvas. People have been talking here to-day about the duty on canvas as 30 per cent. The oil-cloth capacity for the use of burlaps is about 22,500,000 yards a year. For years and years the duty on jute canvas was uniform, without regard to width or weight. In the last arrangement of the tariff the oil-cloth people were discriminated against by being made to pay 10 per cent. more. I do not know that that has helped any one; but I know that it has taken about \$1,000 a month out of my firm. We got along very nicely, however, and made very fair returns in profits until this late advance in the prices of oil and white lead.

Mr. McMILLIN. Was that advance caused by trusts?

Mr. BLABON. Yes; trusts that have come to stay. It seems to me as if they had a blackboard in London and looked over here to see what the price of oil was, and made the prices correspond there.

Mr. McMILLIN. And they add to the London price substantially the London price?

Mr. BLABON. Yes. We have no competition except in Dundee; and there are only half a dozen concerns there that make canvas suitable for oil-cloth, and they are in combination with the burlap trade. While it may not be a trust, it is a clannish understanding. They say that it is not a trust; but there are not more than half a dozen firms there, and they manipulate this matter. If you would give us free jute we could protect ourselves. Give us the free raw material and I will try to protect myself.

Mr. McMILLIN. You think you could get along with raw material free?

Mr. BLABON. Yes; that is what we want. Of course, if you make a tariff (either

specific or ad valorem), you will not discriminate against the manufacturers of oil-cloth and linoleum. Give us the same rates, but without the limit to 40 inches. The oil-cloth people use canvas about 50 inches wide.

The CHAIRMAN. If you had raw material free would you want a duty on your product?

Mr. BLABON. No, sir. If I get my raw material free, and if you let me import my labor, I do not ask any favor.

Mr. GEAR. You want to get your labor at the same price as is paid abroad?

Mr. BLABON. I am not a free-trading man; but if you put me on a fair equality with London or Kirkcaldy I can get along. I can get along even if our labor is not quite as low as theirs, for we have better machinery. Our plant contains the best machinery.

Mr. GEAR. You say that the labor on this side is 100 per cent. higher than the labor on the other side?

Mr. BLABON. Yes; a little more than that. It makes a great difference in our pay list when we have to pay a man double.

Mr. GEAR. Then, to make your conditions equal with those of a foreign manufacturer, you should only pay 50 cents for labor where you now pay \$1?

Mr. BLABON. Yes; you are right about that. I have some parties working in my mills who were getting a little over £1 a week on the other side, and who are getting in our works \$15 a week.

Mr. GEAR. Then, in order to make things equal, you would have to reduce your wages one-half?

Mr. BLABON. Yes; we would have to bring the wages down. I want to be placed in a position where I am not discriminated against. I could get along if I were on an equality. I do not want any favors.

Mr. GEAR. If you had to reduce the wages of your work-people to the same rates as they receive on the other side, could they live as comfortably on the same wages here as they could on the other side?

Mr. BLABON. No, sir; a family that occupies four rooms now would then have to bundle into one room.

Mr. FLOWER. Would they do as much work for the lower wages?

Mr. BLABON. I can not say.

Mr. BRECKINRIDGE. Is your product turned out mainly by machinery?

Mr. BLABON. Very largely. In the last few years we have exerted ourselves, and have spent a great deal of money for machinery.

Mr. BRECKINRIDGE. So that the mere manual labor does not cost you much?

Mr. BLABON. We have still a large amount of hand-labor—printers and others. Three or four years ago I offered \$50,000 for the patent of a machine that would print linoleum perfectly. I offered it to any genius who would invent a machine that would do the work, and assign the patent to me.

Mr. BRECKINRIDGE. Then you would have the patent and control it?

Mr. BLABON. Of course I would have it and control it.

Mr. BRECKINRIDGE. You say we use better machinery in your business in this country than they use abroad?

Mr. BLABON. Yes; I estimate the capacity of the American works as about 22,500,000 yards.

Mr. BRECKINRIDGE. How will your output compare with theirs per hand?

Mr. BLABON. I think we can do more work per hand than they can. We generally work our men on piece work. Some of our printers will make \$18 per week.

Mr. BRECKINRIDGE. Have you ever compared your output per hand with theirs?

Mr. BLABON. No; I have never been able to do that. They are very close there.

Mr. BRECKINRIDGE. You have only figured on the weekly earnings?

Mr. BLABON. Yes, sir.

Mr. BRECKINRIDGE. Suppose you had everything you consume free and had no protection on your oil-cloth or linoleum, would your condition be worse then than it is now?

Mr. BLABON. I think not.

Mr. BRECKINRIDGE. Take your labor, as it is paid here, and have your linseed-oil, and white lead, and everything that is called raw material, free of duty, and you think you would not be worse off; you say that in the taxes on your raw material you are discriminated against?

Mr. BLABON. We are.

Mr. BRECKINRIDGE. Then my question is, suppose that all your raw materials were free of duty, and there were no protection on your product, would your condition be much worse than it is now?

Mr. BLABON. I can not say exactly. I should judge it could not be very much worse. We are bad enough off now. There is no trust among the oil-cloth manufacturers. They are knife and pistol with each other.

Mr. BRECKINRIDGE. Did they not make a trust last fall?

Mr. BLABON. No, sir. They are very anxious for one; and if it were not for our house they could get one up in ten days; but I will not have anything to do with it. I did not build up my business on combinations and trusts; and if I can not run it on a square market I will let it alone. As regards the duty on oil-cloth, I have made a calculation that if the duty is fixed at 30 per cent. ad valorem and 10 cents per square yard the foreign manufacturers can still land their goods here.

The CHAIRMAN. While you had free raw material?

Mr. BLABON. No, sir. Put us in the same condition that we are in to-day and make the duty 30 per cent. ad valorem and 10 cents per square yard; and that will allow the goods to be landed here at just about the price of the first-class American oil-cloth and linoleum.

The CHAIRMAN. And that is what you suggest?

Mr. BLABON. That is what I ask for and suggest—and that the duties on canvas be made uniform, without regard to width.

The following additional statement was subsequently received from Mr. BLABON:

Linoleum is a floor covering manufactured from oxidized linseed-oil, gums, resins, and ground cork, and having burlaps as its base. The proportions of the different chemicals etc., entering into the manufacture are:

Present duty:	Cents.	Total.
25 cents per gallon or 90 per cent. ad valorem.		
Oxidized linseed-oil, duty 12½	19.00	
25 per cent. ad valorem, resins.		
Free gums .....	.10	
(50 per cent. ad valorem) one-half cent per pound ochers, one-half	1.25	
Free ground cork	4.00	
		24.35
40 per cent. ad valorem, burlap, 4 cent.		9.94
Duty 17 cents		34.29
Labor		30.00
Interest, taxes, packing, and selling expenses		10.00
Actual cost per square yard		74.29

Present protection on linoleum is 40 per cent. ad valorem. Burlap thus carries same protection. The one chemical (linseed-oil), composing fully three-fourths of the raw materials, is protected 90 per cent., *i. e.* in Britain to-day linseed-oil is 32 cents per gallon, in New York 62 cents per gallon.

We ask on new tariff 30 per cent. ad valorem and 10 cents specific duty per square yard.

Linoleum values abroad:

	A quality.	B quality.
	<i>Cents.</i>	<i>Cents.</i>
Net cost in Kirkcaldy	48.55	42.76
Present duty, 40 per cent. ad valorem	19.42	17.20
Charges from Glasgow to New York	5.00	5.00
	72.97	64.96
Net cost in Kirkcaldy	48.55	42.76
30 per cent. ad valorem	14.56	12.82
Specific duty	10.00	10.00
Charges from Glasgow to New York	5.00	5.00
	78.11	70.58

Duties on raw materials used in manufacture of linoleums: Linseed-oil, 25 cents per gallon, or 80 per cent. ad valorem; canvas, 40 per cent. ad valorem; rosin, 20 per cent. ad valorem; spirits of turpentine, 20 cents per gallon; ochers of all sorts, one-half cent per pound or 50 per cent. ad valorem; cotton, 2½ cents per square yard; vermilion, 25 per cent. ad valorem; Paris white, 1 cent per pound, or 80 per cent. ad valorem; red and white leads, 3 cents per pound; paper for patterns, 25 per cent. ad valorem; printing blocks, 30 per cent. ad valorem; methylated spirits, \$1 per gallon.

STATEMENT OF MR. JOHN CARTLEDGE.

Mr. JOHN CARTLEDGE, of New York, said:

Mr. Chairman and gentlemen, the two last speakers have so well covered the ground that I have nothing to do except to indorse their views thoroughly. I represent the oldest linoleum manufactory in this country. The business is very much in its infancy. The price of raw material is such that we cannot get along unless the duties on the raw materials are reduced. If they remain as they are, I indorse the suggestion that the tariff on linoleum and oil-cloth should be 30 per cent. ad valorem and 10 cents per square yard.

Mr. BRECKINRIDGE. Can you give the committee the average prices of linseed-oil for the last two or three years in this country and in Europe?

Mr. CARTLEDGE. I can not. I can tell you about the price of to-day.

Mr. BRECKINRIDGE. You can get up a statement of those prices and furnish it to the committee at a later day.

Mr. CARTLEDGE. I think I can, perhaps. About two and one-half years ago linseed-oil was down to about 30 cents. It has risen greatly since then.

Mr. FLOWER. What is the duty on white lead now?

Mr. CARTLEDGE. Three cents a pound, but it enters so little into the manufacture of linoleum that I do not care to say any thing about it. Linseed-oil is the great factor in linoleum.

Mr. BRECKINRIDGE. How long have these goods been manufactured in this country?

Mr. CARTLEDGE. We have been manufacturing them about fourteen years. It was a patented article, and we bought the patent on the other side and were covered by the patent for a little while. Now it is free.

Mr. BRECKINRIDGE. When did that patent expire?

Mr. CARTLEDGE. About five or six years ago.

Mr. BRECKINRIDGE. I understand you to say that oil-cloth was not manufactured in America until you began the business?

Mr. CARTLEDGE. Linoleum.

Mr. BRECKINRIDGE. What is the difference?

Mr. CARTLEDGE. They are very different articles, and are sold at very different prices. Linoleum goes very much for the same purpose as oil-cloth, but is a different thing. Linoleum is generally a much higher and more expensive article.

Mr. BRECKINRIDGE. And linoleum has been made in this country only twelve years?

Mr. CARTLEDGE. About that.

Mr. BRECKINRIDGE. How long has oil-cloth been made here?

Mr. CARTLEDGE. Quite a long period.

Mr. BRECKINRIDGE. Back in the fifties?

Mr. CARTLEDGE. Yes.

Mr. BRECKINRIDGE. Was it in a prosperous condition then?

Mr. CARTLEDGE. I can not speak from knowledge.

Mr. BRECKINRIDGE. You do not know the extent to which it was made then?

Mr. CARTLEDGE. I do not.

STATEMENT OF MR. J. CRAWFORD LYON.

Mr. J. CRAWFORD LYON, of Baltimore, said:

Mr. Chairman and gentlemen, as nobody has yet been heard on behalf of the consumer, I wish to say a few words on his behalf; I wish to call the attention of the committee to the tariff which now exists on carpets made of hemp and jute 6 cents per square yard, specific. The majority of these carpets cost in Dundee from 3 pence to 6 pence per yard, or from 6 cents to 12 cents. Consequently the carpet which costs in Dundee 6 cents a yard pays the enormous duty of 100 per cent. But these carpets run as high in value as 80 cents per square yard. They go into the homes of the wealthy, who pay a duty on them of only $7\frac{1}{4}$ per cent. (6 cents per square yard). Very little more need be said on that subject. A specific duty is little short of iniquity. But it is said that a specific duty is necessary because a fair valuation can not be assured. There is no difficulty about that. There are custom-house weighers and appraisers for that purpose. In the interest of consumers I should suggest that no more than the present rate of duty on burlaps or on carpets made from jute and hemp should be imposed; that is 30 per cent. That would afford ample protection to the American manufacturer. I am a protectionist in theory, but when a revision of the tariff is proposed I would like to see it equitably done.

There are several other industries of considerable importance, such as oil-cloth and

linoleum manufactures, that depend on a jute foundation. Under the act of 1874 the duty was 35 per cent. on oil-cloth costing 50 cents a yard and under, and 45 per cent. on oil-cloth costing over 50 cents a square yard. In 1883 the duty was made 40 per cent. ad valorem, and that is the rate of duty that we live under now. The Senate tariff bill proposes a duty of 10 cents a square yard and 15 per cent. ad valorem. That would be a reduction on goods costing 40 cents a yard and which went into the consumption of the rich, but on goods costing less than 40 cents a yard and which are consumed by the poor there is an increase of duty running for the lowest grade to the enormous rate of 200 per cent. The great majority of the square-yard area of oil-cloth and linoleum that is consumed in this country is consumed by the working people and by people of slender means.

The CHAIRMAN. Do you manufacture this product?

Mr. LYON. No, sir.

Mr. GEAR. Is there much of it made in this country?

Mr. LYON. Yes.

Mr. GEAR. Is there much of it imported?

Mr. LYON. There can not be, so long as this duty acts as a check upon it, and, therefore, the home manufacturers are increasing their prices. It is estimated that the manufacture in this country employs less than 1,000 men, chiefly unskilled labor, paid at from 75 cents to \$1.50 per day. The printers of oil-cloth and linoleum are the principal skilled labor. Their output is variously estimated at from 10,000,000 to 15,000,000 square yards, seven-eighths of which is used by the working classes and by people who can afford to pay very little for luxuries. Seven-eighths of this product nets the manufacturers from 15 to 30 cents per square yard. The average return to the manufacturer is about 20 cents per square yard. The Senate bill proposes to change the existing rate to 10 cents a yard specific duty and 15 per cent. ad valorem. The committee will see how that increase of duty would affect the price of oil-cloth and linoleum that goes into the homes of the poor. Cloth costing in England 10 cents per square yard is landed here now at about 15 cents a square yard, and that acts as a check upon the prices of the American product. But if you put 10 cents per square yard duty upon it, and 15 per cent. ad valorem, it would cost 21½ cents a yard to land in New York instead of 15 cents. That high rate of duty would make a trust possible to the sixteen manufacturers who now act together as one man. They could instantly increase their price 5 cents per square yard, which on 10,000,000 yards would put into their pockets in one year \$500,000.

Mr. GEAR. What is your business?

Mr. LYON. I am a merchant.

Mr. GEAR. Doing business where?

Mr. LYON. In Baltimore.

Mr. GEAR. Are you an importer?

Mr. LYON. Yes.

Mr. GEAR. Are there not large factories engaged in making the foundation for linoleum?

Mr. LYON. It is made here by twine mills, and is made more largely in Dundee. The foundation is burlaps.

Mr. BRECKINRIDGE. Is the business prosperous at present in this country?

Mr. LYON. Under the tariff of 40 per cent., and under the present one of 35 per cent. on goods costing under 50 cents a yard and of 45 per cent. on goods over 40 cents a yard, it has grown and flourished and greatly multiplied.

Mr. BRECKINRIDGE. How much of the grade that is used by the poor do we import?

Mr. LYON. We can not import a great deal of it. It does not enter into our statistics, because the importation of it is too trifling to be mentioned; but still it acts as a check on a further advance of price, which would be possible under the tariff bill proposed by the Senate.

Mr. BRECKINRIDGE. We manufacture about 15,000,000 square yards.

Mr. LYON. From 12,000,000 to 15,000,000 square yards, about \$3,000,000 worth.

Mr. GEAR. Where do you get your estimate?

Mr. LYON. It is given to me by persons who profess to know.

Mr. McKENNA. What do you mean by the importation acting as a check?

Mr. LYON. As long as the foreign product is imported here it acts as a check upon the prices of the American product.

Mr. McKENNA. This \$500,000 which you say would go into the pockets of the manufacturers if the duty were increased, is that imagination?

Mr. LYON. I say that if they increase their price 5 cents per yard (which would be possible under the Senate tariff bill) it would make this additional profit.

Mr. McKENNA. What profit did you say the American manufacturers are making?

Mr. LYON. I did not say.

Mr. McKENNA. Can you state what it is?

Mr. LYON. I can not. I can tell you what they get for their output; but what it costs them I do not know.

Mr. FLOWER. You say that the Senate bill largely increases the duty on the lower grades of oil-cloth?

Mr. LYON. Yes. All that which goes into the homes of the rich is reduced below the present tariff; and that which goes into the homes of the poor is greatly increased to the extent of nearly 200 per cent. on the lowest grades.

Mr. BAYNE. Do you deal in the home product?

Mr. LYON. Yes.

Mr. BAYNE. What proportion of your dealing is in the home product as compared with what you import?

Mr. LYON. Up to the year 1889 it has been three-fourths.

Mr. BAYNE. How was it in 1889?

Mr. LYON. In 1889 we took a change. In this particular matter of oil-cloth and linoleum the three-fourths were the other way.

Mr. BAYNE. That is, three-fourths of what you sold were imported and only one-fourth of American product?

Mr. LYON. Yes, sir.

LETTER FROM MR. JOHN SLOANE.

NEW YORK, *January 13, 1890.*

DEAR SIR: On behalf of the several linoleum companies of the United States and more especially of the Nairn Linoleum Company of Kearney, N. J., I beg to submit the accompanying statement.

A. Showing the cost of materials entering into a square yard of cloth (linoleum) and the proportion of same represented by the duties paid.

B. Showing the cost of imported A quality to-day. Showing the cost of imported under tariff asked for.

C. Showing the duties on raw materials used in manufacture.

The undervaluations of linoleum have been so numerous of late that a specific duty as well as an ad valorem is claimed to more effectually protect the manufacturers and the Treasury.

Respectfully submitted.

JOHN SLOANE.

Hon. WM. McKINLEY,
Chairman Committee on Ways and Means.

WASHINGTON, D. C., *January 28, 1890.*

DEAR SIR: I have already sent to your committee a statement in regard to the present duty on linoleum which, if you will be pleased to refer to, you will observe that the duties imposed on the raw and partially manufactured materials entering into a square yard of linoleum is 17 cents or 50 per cent. of their cost abroad.

There is in every yard of goods half a gallon of linseed-oil subject to a duty of 25 cents per gallon. The price of this article at linseed-oil trust is 62 cents; price of this article abroad is 32 cents.

It is not my purpose to argue for any reduction in the duty on material, but to put the American makers on a prosperous road. They ask that the new duty be made "10 cents per square yard and 30 per cent. ad valorem," which, in my humble judgment, is a very modest and reasonable request, and a protection much below that you are disposed to concede to the American manufacturers of carpetings.

The linoleum industry is only in its infancy, yet goods are produced here fully equal in quality to those imported. Under favorable conditions as to materials we might be content with the present duty of 40 per cent., but at their greatly enhanced cost an increased duty on the foreign linoleum is required.

In floor oil-cloth comparatively little linseed-oil is used, but heavier and more costly canvass is needed. I beg to inclose herewith a memorial of D. Powers & Son, of Lansingburgh, the oldest floor cloth manufacturers in the United States, which memorial I commend to your kind and careful perusal. Bespeaking a favorable consideration of the foregoing,

I am very truly yours,

JOHN SLOANE.

Hon. WILLIAM McKINLEY.

MEMORIAL OF D. POWERS & SONS.

The following paper was received from D. Powers & Sons, manufacturers of floor oil-cloths, at Lansingburgh and Newburgh, N. Y. :

GENTLEMEN: Not being able to attend your hearing on the 4th of January, when, we understand, you expect to give attention to the trade in which we are interested, we make you the following statement in writing, viz :

First. The tariff on the materials we use in our manufacture has been so arranged that the duties on them have been in most instances as high or higher than the duties on floor oil-cloths, viz :

The principal articles in value consumed by us are, first, the canvas or foundations on which the goods are made, usually called burlaps. The widths used in our trade pay a duty of 40 per cent., while other widths, narrower, used chiefly for packing and baling goods, pay a lower duty. Second in importance is linseed-oil, the duty on which is specific. This duty has since 1861 been first 20 cents, next 30 cents, and now is 25 cents per gallon.

The article is one that fluctuates largely in price and the percentage of duty is very variable, ranging from 60 to 100 per cent., according to the market price abroad.

Next in importance is white lead, on which the duty is specific, at 3 cents per pound, and the average duty is above 50 per cent. as prices abroad vary.

Whiting, which is powdered chalk, and others, which enter largely into the production, pay a specific duty of one-half cent per pound, which makes the ad valorem duty from 60 to 100 per cent.

For our protection the duty was formerly 45 per cent. and is now 40 per cent. ad valorem.

In the Mills bill, so called, which passed the last House of Representatives, the provisions relating to floor oil-cloths fixed the duty at 10 cents per square yard and 15 per cent. ad valorem.

The effect of this provision would be to lower the rate of duty on the goods usually imported from 1 to 9 per cent., as shown in detail in Schedule A, annexed.

The most satisfactory relief we could have would be the lowering of the duties on the articles consumed, so that we could get them at lower prices.

The present situation is that burlaps are almost wholly imported, and as yet no benefit has come to us by the development of the home manufacture, and it seems unfair that the descriptions of these goods which we use should be charged a higher duty than those which go into general consumption. If any discrimination is to be made it would seem just that it should be in favor of manufacturers who use the goods as their raw material.

In the other cases of linseed-oil and of white lead trusts or combinations have been formed, which hold prices very close to cost of importation.

We believe that in each of these cases the specific duty is much above what is needful for the protection of these industries, and that they should be lowered one-half in amount.

To revert to the matter of the duties on floor oil-cloths. We think that any schedule which should put the duty effectually lower than 40 per cent. ad valorem would be very unjust to our trade unless the duties on the materials consumed should be reduced so much as to make the average rate less than that on our goods.

In Schedule A only invoice prices and dutiable values are included, showing the cost prices without charges or expenses of any kind.

Very respectfully,

D. POWERS' SONS.

NEW YORK, January 3, 1890.

SCHEDULE A.—Comparative statement to show effect of present and proposed duties on floor oil-cloth.

Sterling cost per square yard.	Cost in U. S. currency with 40 per cent. duty.	Cost with duty at 10 per cent. and 15 per cent.	Rate of ad valorem with mixed duty.
	<i>Cents.</i>	<i>Cents.</i>	<i>Per cent.</i>
3 shillings	84.3123	79.2566	31.60
2 shillings 7 pence	72.5648	69.6068	34.29
2 shillings	56.2082	56.1710	39.90
1 shilling 2 pence	39.7408	42.6442	50.22

Comparative statement (in detail) to show effect of present and proposed duties on floor oil-cloth costing 3 shillings sterling.

100 yards, at 3s=£15.00, or (at \$4.8665).....	72.9975
Less 17½ per cent.....	12.7744
	<hr/>
Duty, 40 per cent	60.2231
	<hr/>
	24.0892
	<hr/>
	84.3123
	<hr/>
Dutiable value.....	60.2231
Specific duty.....	10.
And 15 per cent.....	9.0335
	<hr/>
	79.2566

Equivalent ad valorem duty, 31.605 per cent.

Comparative statement (in detail) to show effect of present and proposed duties on floor oil-cloth costing 2s. 7d. sterling.

100 yards, at 2s. 7d.=£12.18.4, or (at \$4.8665).....	62.8265
Less 17½ per cent.....	10.9945
	<hr/>
	51.8320
Duty, 40 per cent	20.7323
	<hr/>
	72.5648
	<hr/>
Dutiable value.....	51.8320
Specific duty.....	10.
And 15 per cent.....	7.7748
	<hr/>
	69.6068

Equivalent ad valorem duty, 34.29 per cent.

Comparative statement (in detail) to show effect of present and proposed duties on floor oil cloth costing 2 shillings sterling.

100 yards, at 2 shillings=£10.0.0, or (at \$4.8665).....	48.6650
Less 17½ per cent.....	8.5163
	<hr/>
	40.1487
Duty, 40 per cent	16.0595
	<hr/>
	56.2082
	<hr/>
Dutiable value.....	40.1487
Specific duty.....	10.
And 15 per cent.....	6.0223
	<hr/>
	56.1710

Equivalent ad valorem duty, 39.90 per cent.

Comparative statement (in detail) to show effect of present and proposed duties on floor oil-cloth costing 1s. 2d. sterling.

100 yards, at 1s. 2d.=£5.16.8, or (at \$4.8665).....	28.3863
Duty, 40 per cent	11.3545
	<hr/>
	39.7408
	<hr/>
Dutiable value.....	28.3863
Specified duty.....	10.
And 15 per cent.....	4.2579
	<hr/>
	42.6442

Equivalent ad valorem duty, 50.22 per cent.

VIEWS OF LYON, HALL & CO.

BALTIMORE, *January 15, 1890.*

DEAR SIR: Pursuing the subject of tariff revision, we wish, with your assistance, to expose the monstrous increase proposed by the "Senate bill" now pending on floor oil-cloth and linoleum, dutiable as oil-cloth, in the grades consumed chiefly by the working classes, and all your constituents of slender means.

The present duty is 40 per cent. ad valorem, and has amply protected manufacturers since 1883, previous to which date it was 35 per cent. on cloth valued under, and 45 per cent. ad valorem on those valued over 50 cents per square yard. The present duty is therefore an increase on low grades, over the act of 1874, being 40 per cent. instead of 35 per cent. ad valorem. Under this stimulant the industry has had great growth and progress, and is now mature and well established.

The "Senate bill" proposes in the place of the existing duty of 40 per cent. ad valorem a specific duty of 10 cents per square yard and 15 per cent. ad valorem. This, briefly stated, reduces the tariff on high grades used by the rich, valued at more than 40 cents per square yard, and vastly increases, in a decending scale, the tax on low grades, produced to meet the wants of the poor. On the cheapest grades, very largely consumed, the advance is nearly 200 per cent.

Bear in mind that fully seven-eighths of the total production is for people of moderate or slender means, who can ill afford to endure a greater burden than is now imposed by the existing duty of 40 per cent. ad valorem.

Then reflect that this duty has enabled makers to kill off foreign competition completely since 1883 on low grades, the few imported merely showing that if prices were advanced, foreign makers stood ready to again compete.

But, put into operation the "Senate Bill," providing for 10 cents per square yard and 15 per cent. ad valorem, and what will result? The cheapest grade of cloths, costing abroad 10 cents per square yard, largely consumed, and paying a duty of 40 per cent. or 4 cents per square yard, will be advanced to 11½ cents, an increase of nearly 200 per cent.

All competition will thus be killed in the interest of sixteen manufacturers, large and small, located in Pennsylvania, New Jersey, New York, Massachusetts, and Maine, employing a comparatively small number of people, making it possible for them to speedily form a trust, advance the price of their output in the four lower grades an average of 5 cents per square yard, and squeeze from the poorer classes who consume the goods the sum of \$500,000 per year, on the estimated 10,000,000 square yards produced in these grades. These goods enter every household in your constituency.

As long as we must have a tariff, it should be made to bear as lightly as possible on the poor, and no excuse that can be offered will justify the imposition of a specific duty. The interest of the great mass of your constituents deserve at least as much consideration as manufacturers, and an equitable change would be to reduce the tariff to 25 per cent. on all cloths costing 20 cents and under per square yard, and maintain the present rate of 40 per cent. ad valorem on all valued at over 20 cents per square yard. The former are used by the poor, the latter by the rich.

Respectfully submitted.

LYON, HALL & Co.

HON. ROSWELL P. FLOWER, M. C.

BURLAPS.

SALES OFFICE, PLANET MILLS, 83 LEONARD STREET,
New York, January 8, 1890.

MY DEAR SIR: I beg to submit the following to supplement my few remarks made to your committee Saturday last:

That the Senate bill, schedule J, is satisfactory excepting the item, burlaps under 60 inches in width, which I would suggest would pay a specific duty of 2 cents per pound, instead of the present ad valorem duty of 30 per cent., and so prevent undervaluation and fraud.

I know of a number of cases where importers have brought in canvas and padings classified as burlap at 30 per cent. ad valorem.

The average price of burlaps in Dundee for the past fifteen years has been 7 cents per pound. Duty at 30 per cent. ad valorem is more than 2 cents per pound, but a specific duty of 2 cents per pound would prevent undervaluation and wrong classification and make it possible for burlaps and like goods to be manufactured in this country. More than \$10,000,000 of these goods are imported annually, all of which would be made here if the tariff were rightly adjusted and raw jute on the free list,

But with the undervaluation and wrong classification made possible by the present ad valorem duty, we are unable to compete with the cheap labor of Dundee and Calcutta on this class of goods.

Yours respectfully,

WM. LYALL.

Hon. WM. MCKINLEY, Jr.,
Chairman Ways and Means Committee.

IEWS OF WILLIAM B. CUNNINGHAM.

NEW YORK, February 1, 1890.

To the Committee on Ways and Means :

Over 140,000,000 yards of burlaps (a low estimate) were imported during 1889. Foreign value over \$5,000,000, on which was paid 30 to 40 per cent. duty, or, to be more correct, tax, because, excepting a very small lot for a special purpose, such goods are not made in this country. The Chelsea Mills, New York, which spins jute yarns and manufactures jute carpets, make a few wide burlaps for floor oil-cloth purposes, but the quantity produced is very small, not sufficient to supply one of the large floor oil-cloth factories with all the burlaps such a factory would require. The great bulk of burlaps is used for making bags and packing purposes. Enormous quantities of grain-bags, phosphate-bags, peanut-bags, flour-bags, etc., are made in this country annually from imported burlaps.

Why should the agricultural people, whose produce is so low in price that it is a struggle and hard labor for them to make a livelihood, be taxed (for the consumer pays for the duty imposed) on these goods? Burlap importers are so numerous and competition so keen, that if the duty (tax) was abolished, or reduced, the full benefit of such reduction or abolition would be given to the burlap importers' customers (bag manufacturers), and the bag manufacturers are also so numerous, and competition so keen, that they would also give their customers (users of bags) the full benefit of such reduction (reduced cost). A little investigation into this matter would soon satisfy any inquirer that, for the trade, competitors are numerous and competition keen in the importing of burlaps and bag manufacturing trades. Inquire, regarding the competition, of any or all of the burlap importers, and any or all of the bag manufacturers.

Burlaps are imported principally from Scotland, also largely from India, and now German manufacturers are beginning to send goods here; so there can be no trust nor combine with so many markets to order from, nor can there be a trust in the bag trade, as a bag factory is such a simple affair, consisting mainly of sewing-machines easily obtained and set up wherever required. A very large portion of the cost of producing burlaps is labor, so that it is very doubtful if, even with free jute and present duty of 30 to 40 per cent., the goods could be profitably manufactured in this country in competition with the cheap labor of Scotland, Germany and India. Very much the same arguments apply to burlaps used in the floor oil-cloth trade.

All the leading floor oil-cloth manufacturers import their burlaps (foundations for floor oil-cloths), direct from Scotland, and pay the Government 40 per cent. duty on these importations. That duty of 40 per cent. is a large item in the cost of oil-cloth which the manufacturer has to charge to his customer, say, for instance, Marshall Field & Co., who in turn charge it to their customer, and so on until the goods are paid for by the consumer, and he it is, virtually, who pays that 40 per cent. which the Government has received. Why should the Government, which does not need the money, compel consumers to pay that enhanced cost on the oil-cloth used by consumers? These oil-cloths are largely used by farmers and working people who have little enough money to spare. The producing capacity of the floor oil-cloth factories is now larger than the consumption, so competition is also very keen in this line, and if the duty (tax) on burlaps was abolished or reduced, the full benefit of such reduced cost would be obtained by those who use floor oil-cloths.

Of late some cheap English oil-cloths and also large quantities of linoleum have been imported here and so interfered with American manufacturers of such goods that some of them now advocate an increase in the duty on importations of floor oil-cloths and linoleum, but the feeling of the country at large is for reduction and against additions to the present tariff. If the duty on burlaps was abolished or reduced American floor oil-cloth and linoleum manufacturers would be so much relieved that they would not need any additional duty imposed on floor oil-cloth and linoleum to protect them.

Floor oil-cloth and linoleum manufacturing is a large and established industry in this country. Bag manufacturing is also a large and established industry here. The abolition or reduction of duty now imposed on the goods imported by and for these manufacturers would result in a saving of millions of dollars by the consumers of bags, floor oil-cloths, and linoleums. For over twenty years millions of dollars have been exacted for duty on burlaps unnecessarily and it is now time that this tax should be rescinded.

RUFFLING.

STATEMENT OF MR. DAVID KISCH.

Mr. DAVID KISCH, representing the Ruffling Manufacturers' Association, addressed the committee as follows:

Mr. Chairman and gentlemen, we do not intend to make a lengthy argument, but being ruffling manufacturers, we come here on behalf and as the authorized representatives of the Ruffling Association of the United States, to ask for a fair adjustment of the present tariff, which operates injuriously to our interests, and which was designed to protect, but practically tends to almost ruin this particular trade by reason of an apparent oversight or lack of information or investigation.

In order to illustrate this statement, I show you a piece of cloth [exhibiting], called organdy or tarleton, which is a sample of the cloth of which all cotton rufflings are made. The yarn necessarily used to manufacture this cloth pays an ad valorem duty of 50 per cent. We refer you to the yarn schedule of the present tariff. This cloth pays a duty of 56 to 100 per cent. above the duty of the yarn, making a total duty of from 100 to 150 per cent. on the manufactured cloth. This manufactured cloth is the American ruffling manufacturers' raw material. The neck ruffings and ruchings made of such cloth pay a duty of 40 per cent. ad valorem only. There is thus created by Congress a discrimination against the American manufacturers on this article of from 60 to 100 per cent. This, you will readily see, is a great wrong and hardship, and bars home production of this class of rufflings. There is apparently no reason that we can see why an article manufactured in foreign countries should pay a lower rate of duty than the raw material itself bears.

To prove the assertion above made, that this cotton cloth, called organdy or tarleton pays 100 to 150 per cent., we submit this to you: Cloth No. 3, 75 threads, costs $1\frac{1}{2}$ pence sterling per yard on the other side, equal to $3\frac{1}{2}$ cents currency; the duty on this cloth is $3\frac{1}{2}$ cents per square yard. The cloth being $1\frac{1}{2}$ yards wide makes the duty 4.67 cents per yard, thus raising the duty to 133 per cent. This percentage is still further increased where black or tinted cloths come in question, throwing the duty of the cloths up to almost 200 per cent.

We are thus in a position analogous to that of a baker, who being compelled to import his flour and pay 125 per cent. duty, could import his bread at the rate of 40 per cent.

The Senate Tariff Committee, before whom we laid our grievance, saw clearly the error of the present tariff in this particular instance, and have in their proposed bill advanced neck-rufflings made of cotton cloths 10 per cent., raising the duty of the same from the present 40 per cent. to 50 per cent. ad valorem, at the same time stating that for lack of time the committee was unable to investigate this matter further or thoroughly, and that we could expect relief at the proper time.

We think that the time has come when we can look for relief against the unprecedented oppression which we have endured in this regard for seven years by a simple oversight or mistake made at the time the existing tariff was framed.

We pray your honorable committee to amend by striking out the words "neck-rufflings and ruchings" appearing on lines 1422 and 1423, section 336, page 154 of the act, and to add to such section, as so altered, or any section which may be substituted in lieu thereof, after the words "ad valorem" in line 1427, the following: "On neck rufflings and ruchings, composed of cotton or other vegetable fiber not specially enumerated or provided for in this act, 75 per centum ad valorem." This 75 per cent. duty would not cover the difference between the cloth and the neck-rufflings duty at present, but by our own energies, ingenious devices, and superior machinery, we would then be in a position to compete once more with the foreign markets, which have succeeded in the last seven years in destroying this industry, which was of purely American origin, and this amendment would enable us to give employment to a large number of hands who have been heretofore entirely thrown out of position and work.

HEMP TWINES.

CINCINNATI, January 6, 1890.

DEAR SIR: As manufacturers of American hemp twines we wish to enter our protest against any reduction in duties now imposed upon manilla, sisal, New Zealand, Sunn, Russian, Italian, flax, jute, jute butts, or any similar fibers that compete with our native hemp. American hemp has heretofore been raised in Kentucky and Missouri, but is now produced as well in Ohio, Illinois, Nebraska, Minnesota, and Dakota, all having been encouraged in its growth by the increased demand for binder twine. Any reduction made will be to stunt an industry that is now being revived.

The obstacle in the past has been the crude manner in which hemp had to be broken out or separated from the stalk, that of the old hand-brake. It has been practically demonstrated in the past year that a successful power-brake has been produced that will enable our farmers to raise their hemp with less expense and labor than in the past, so that with the duty kept on the fibers heretofore mentioned it will be only a question of a few years before all the fiber for binder and other twines can be raised here at home, thus obviating the necessity of depending upon foreign countries for our supply.

Labor in this country for raising hemp is paid \$15 per month and board. Labor in Calcutta, where jute is raised, is paid only 6 cents a day, or \$1.50 a month, and we understand that in Mexico and Manilla Islands wages are 20 cents per day. Freights from Calcutta to New York on jute is 30 cents per 100, while from our city to the seaboard, a distance of only 750 miles, we pay the same rate, 30 cents per 100. Thus, with cheap pauper labor and freights to compete with, it will work a hardship to the American farmer should the duty be lowered or taken off the fibers named.

Respectfully submitted,

THE JOHN BONTE SONS COMPANY,
CHARLES E. BONTE, *President*.

Hon. WILLIAM MCKINLEY,
Chairman Committee on Ways and Means.

VIEWS OF H. C. PUTNAM.

EAU CLAIRE, Wis., January 27, 1890.

GENTLEMEN: Referring to the action of Flax and Hemp Spinners and Growers' Association in asking you to place a duty of 3 cents a pound and 50 per cent. ad valorem duty on coarse linens in place of the 35 per cent. present duty, as manufacturers we shall certainly recommend it, if we are satisfied that the flax can be and will be raised and prepared in this country. Thus far, however, we, as manufacturers of coarse linens, such as is in general use all over this country, are obliged to get our yarns abroad, mostly from Ireland, Scotland, and Holland. At this, paying a duty of 35 per cent. on said yarn, and by paying very low wages—from one-half to three-fourths of one cent per yard for weaving ordinary crash—to our women labor or help, and by the strictest economy in all departments, using water power and no rents, we have managed thus far to come out even, paying no dividends or interest on stock of our company.

We have good men on the road selling; we make good linen crashed towels fully as good as imported of the same grades, and we are selling to over seven hundred different representative firms from Maine to California, and have no adverse criticisms on our product, but we can make no money unless we can manage in some way to raise the price of the imported article or reduce the cost of our own product some three-fourths or one cent per yard. As it now stands we have no machinery in the United States to dress flax, none to spin it even, if farmers do raise it. If we can and do raise flax, we shall have to import all our machinery to utilize it. On this machinery the United States charges 35 to 45 per cent. duty. Now, unless Congress can so adjust matters referred to above, the raising of the duty on yarns and coarse linens, and leaving our factories the alternative of paying high duties on necessary flax dressing and spinning machinery, or of importing flax, I can not see much benefit to be derived or gained to the country at large by raising the duty as recommended by that association. Of course, I can say for our factory's interest and others similarly situated that we are in favor of said raise. I have aimed to discuss the question from all points. I have had a long correspondence with the Secretary of Agriculture on the flax question.

I visited Europe in 1885 and again in 1887 on this subject, and have gained much knowledge thereby. I have had the past week at my residence a Russian gentleman of large estate, 300 miles southeast of St. Petersburg, here at my invitation, and find

if we had the spinning machinery we can bring flax from Russia much superior to any we have raised so far at a less rate than we can prepare it here from home-raised flax. The committee will see that the subject requires careful study; it is of vast importance to the country, as the statistics of imports will show. There is no question but we can raise or grow the flax now, if we can utilize it. The machines with which to do this we must import for the present at any rate. Thus far our mechanics have not the knowledge nor patience or incentive to make such machines as are made in Europe. We have offered to import the proper machines and run them at our own expense, and allow the Secretary of Agriculture to call our factory an experimental station, if he would procure the remission of duty on said machines, to wit, those for dressing and spinning the flax when so raised. I shall be very glad to aid the committee in any way.

I refer the committee to Hon. J. M. Rusk, Secretary.

Very respectfully,

H. C. PUTNAM,

President Eau Claire Linen Company.

The WAYS AND MEANS COMMITTEE,
Washington, D. C.

DRESSED LINE.

SIR: Encouraged by the recommendation in the President's message "to revise and adjust any inequalities in the present tariff laws," and also assured that where it can be shown to you that any part of the present tariff laws are acting injuriously upon any of our industrial or manufacturing interests, such cases will receive due rectification at the hands of your committee; therefore we, the undersigned employes of the Barbour Flax Spinning Company, presently engaged in the occupation of hackling (flax dressing), beg respectfully to submit to your notice a discrepancy in that part of present tariff schedule touching upon the article known as dressed line and the injurious effect it has upon the branch of the business with which we are connected.

No doubt, sir, you are aware that flax grown in this country is unsuitable in the manufacture of fine goods, therefore in order to make the finer grades of goods required by the trade it becomes necessary to import the finest sorts of European flax, such as French, Dutch, Belgian, and Irish.

It is in relation to these imports that we wish to draw your attention, for as the tariff laws are presently arranged, the discrimination between raw flax and dressed line is practically in favor of the latter article, so much so that a large proportion of the above-mentioned imports come here in the form of dressed line, carrying with it the following results: that hundreds of men, flax-dressers, are in this country to-day who by reason of this large importation of dressed line are unable to find employment at their own trade, and are thereby driven into competition with men of other industries. Under the present tariff laws the duty on raw flax is \$20 per ton; dressed line is \$40 per ton, and tow \$10 per ton.

You will here observe that dressed line is charged double the duty of raw flax, but we must here explain that by taking an average of the flax imported here raw flax will only yield about 50 per cent. of dressed line, so that to produce a ton of dressed line it requires about 2 tons of raw flax, thus leaving the two articles, as far as duty is concerned, upon equal terms. The average price paid in this country for hackling a ton of this imported flax is \$50. In Europe the wages scarcely reaches the half of what is paid here, so that for hackling a ton of flax on the other side it would cost about \$25. Now we will figure up the cost of a ton of dressed line made in Europe and compare it with the cost of producing the same quantity here, duty, cost of products, and raw flax added.

Cost of hackling 2 tons of flax in Europe, at \$25 per ton	\$50
One ton of dressed line, at \$40 duty per ton	40
One ton of tow, at \$10 duty per ton	10

100

Cost of hackling 2 tons of flax in the United States, at \$50 per ton	100
Two tons of raw flax, at \$20 per ton duty	40

140

Thus showing that the duty upon the two articles, dressed line and tow, only covers the difference in the cost of labor between here and the other side, leaving the admission of dressed line practically free.

Now, sir, as under the present tariff arrangement, the grower derives no protection

and the foreign flax being absolutely necessary in the making of fine goods, we would suggest that the raw flax be admitted free of duty; this would leave us on an equality with the foreign dressed line, and would assist the other branches of the industry who are at present hard pressed in their competition with the foreign manufactured goods, but if the removal of the duty from this raw flax should prove in any way detrimental to the interests of the grower then we would say let the raw flax and tow remain as they are, and raise the duty upon dressed line to \$30 per ton, which would amount to the same thing, and would give the grower a clear protection of \$20 per ton. So far we have been treating upon the article known as dressed line.

We now beg to draw your attention to the flax trade in general, and compare it with other textile industries. Around us we have silk, woolen, and cotton manufactories all going on prosperously, new mills yearly springing up, and the older ones adding to their immense establishments and gradually driving out the foreign goods from our market, while for the past year the two flax-spinning establishments in this State have been unable to keep their places running full time. The flax industry if fairly protected would be one of the most prosperous industries for unlike some of the other textiles their goods are unaffected by the flights of fashion, they being articles of daily use.

We ask no special privileges, we only ask for protection equal with the other textile industries so that we may be able to take the place of the foreigner in supplying these goods to this rapidly growing country.

Trusting that this will receive your consideration and that we may be granted a moiety of that protection which is the right of every citizen,

We remain, sir, yours, respectfully,

JOHN STEPHEN.
GEORGE SOUTAR.

Hon. WILLIAM MCKINLEY,
Chairman Committee on Ways and Means.

FLAX AND LINEN THREAD.

As the largest importers of linen thread in the United States, and as the selling agents of the flax mills of North Grafton, Mass., manufacturing linen threads, we deem it fit to avail ourselves of the hearing assigned by the Ways and Means Committee January 4, 1890, to state briefly our views in writing in reference to the duty on flax and on linen thread.

We have so fully set forth our opinions upon flax in our published volume, "Flax: Its Culture and Use in the United States," and in other publications circulated by us as to render it unnecessary for us at this time to do more than refer to those published statements of our position on flax. We would simply reiterate that flax fiber not being a product of American agriculture, any duty imposed upon importations is a deterrent upon flax spinning, and discourages the development of that particular branch of American manufacture. The products of flax culture here are flax-seed and the oil therefrom expressed, linseed-oil. A suitable impost upon these products will therefore protect the flax-grower in America, and will not injure any domestic interest. As consistent advocates of the policy of protection in this country we are opposed to a duty on flax fiber of any kind, and favor a duty upon what American flax-growers sell from their flax crops. Whatever experience in a series of years has shown can be profitably grown or produced in this country we would prote t, where deemed necessary by those most competent to judge, and in the same spirit we would take off the duty whenever that can be done without injury to any existing interest, as in the case of dressed and undressed flax fiber. As directly hearing upon this statement of the case, we quote from a recent article by the well-known economic writer David Hall Rice:

"Customs duties to be classed as protective must be such as are applied to those products of the field, mine, or factory which we produce or can produce by home industry in sufficient quantity to supply national demand at reasonable prices to the consumer through a considerable period of time. Thus, for example, a duty that is applied to a product, which we are debarred by soil or climate from producing at all, would not be a protective duty. On the contrary, it would be a free-trade tariff, and is distinctly recognized as such by eminent advocates of free-trade like Professor Sumner, of Yale College, and by nations practicing free-trade like England."

In reference to the duty on linen thread, we are in favor of a specific rate. Under date of November 6, 1885, we prepared a schedule of specific rates, the equivalents of the existing rate, 40 per cent. ad valorem. That schedule, which is based on the graded method in use in Germany, is given in the special report of the Secretary of the Treasury, February, 1886, pages 105, 106, 107. Should the committee decide to retain the present ad valorem system upon linen threads, we would say as the agents of American producers that the existing rate is satisfactory to us. In case the duty be

taken off dressed flax, as recommended by us, a rate of 25 per cent. ad valorem would sufficiently protect the mills we represent, which manufacture linen thread in this State.

We may say that we are strongly opposed to the imposition of a duty on outer coverings which are used merely to protect merchandise in transit. We believe it to be entirely practicable to so frame the laws imposing a duty on all inside coverings which may be necessary for placing merchandise in salable condition, and exempting such coverings as are used solely for the protection of the goods while being moved from one place to another. We believe section 347, Schedule J, act March 3, 1883, should be repealed and the provisions therein incorporated in section 336, section 347 being practically inoperative, under the existing rulings of the Treasury Department, which are in accordance with the prevailing spirit of the act.

Respectfully submitted to the Ways and Means Committee for J. R. Leeson & Co., by J. H. Walker, Member of Congress for the Tenth Massachusetts district.

AFRICAN FIBER.

WASHINGTON, D. C., January 22, 1890. *

The Committee on Ways and Means:

The undersigned would respectfully set forth that there is an article known in commerce as African fiber. The same in its natural state grows wild in the northern states of Africa, being a grass which is gathered, prepared, and spun into rope by slave and convict labor, shipped to the United States, principally as ballast, at a very low rate of freight and entered free of duty.

The material is used for upholstering and bedding purposes in direct competition with material grown and manufactured in the United States, principally among which are excelsior and corn-husk. While I have no accurate data as to the quantity of African fiber brought into the United States, the quantity brought the past year would probably reach between 10,000 and 20,000 tons, every ton of which reduces the consumption of the home product and demoralizes the price of same by reason of the foreign product being put upon the market in large quantities.

The interests of the grower and manufacturer of the home product would be served by a duty being put upon African fiber of \$10 per ton.

Very respectfully submitted.

C. B. VAN DE CARR.

CULTIVATION OF FLAX.

HASTINGS, MINN., January 21, 1890.

GENTLEMEN: Our effort to establish a linen mill in this section of country makes us especially earnest in asking that your honorable committee consider favorably the request of the Flax and Hemp Spinners and Growers' Association.

It is our purpose to establish in conjunction with our manufactory a spinning plant, increasing our capacity of course, and to do all in our power to induce and aid our farmers to cultivate flax for the fiber.

This we feel will be very difficult undertaking with the proportionately light protection now given by import duty.

The Secretary of Agriculture in his first report gives great prominence to the subject of fiber cultivation. We all realize its importance to our farming community in providing an additional and very profitable crop, and in increasing our manufacturing industries, developing the two most vital and important factors in our national growth and prosperity.

We believe we are especially favored in the Northwest both in soil and climate, and we have a still further advantage in the fact that many of our farmers are thoroughly conversant and skilled in growing the flax and preparing the fiber for the spinner; hence we feel confident that with our very just request granted it will be possible to greatly advance the material interests and conditions of our rapidly increasing population, in reducing the amount paid for duty on importations and distributing amongst our own people wages now paid foreign operatives.

We have the honor to remain, yours very respectfully,

VERMILION LINEN MILLS.

THE COMMITTEE ON WAYS AND MEANS,

Washington, D. C.:

We, the undersigned, citizens of the city of Hastings, respectfully ask your favorable consideration of the foregoing request.

CHARLES ESPENSCHID, miller; J. C. NORTON; G. FOLLETT, banker; N. L. BAILEY, JOHN HEINEN; WILLIAM HODGSON, mayor city of Hastings; JOHN J. RHODES, merchant; FRANK YOUNG.

REWARD FOR JUTE MACHINERY.

Twenty-five thousand dollars will be paid to the inventor of the best machine for decorticating, with process for disintegrating the fiber from the jute plant, the merits to be determined at trials to be held in one of the Southern States of America within three years from the date of this act, and the test of success being the production of fiber worth at least \$60 per ton of 2,000 pounds in the American market at a cost of preparation not exceeding \$20 per ton. Competition open to the world.

And to further encourage the production and preparation of this fiber, a bounty of one-half cent per pound to be paid to the American agriculturist who shall produce for sale and sell not less in one lot than 2,000 pounds. This bounty to continue for seven years from the date of the act.

Twenty-five thousand dollars will be paid to the inventor of the best machine for preparing fiber from the ramie plant, the merits to be determined at trials to be held in one of the Southern States within three years from the date of this act, and the test of success being the production of fiber worth at least \$100 per ton of 2,000 pounds in the American market, at a cost of preparation not exceeding \$30 per ton. Competition open to the world; *provided, however*, that in case dry ramie stalks are used from which to prepare fiber, the cost of curing, handling, drying, and storing, and all labor incurred subsequent to cutting of the stalks, shall be considered as part of the cost of preparation.

And to further encourage the production and preparation of this fiber, a bounty of 1 cent per pound to be paid to the agriculturist of the United States who shall produce for sale and sell in one lot not less than 2,000 pounds. This act to continue for ten years.

Ten thousand dollars, or so much thereof as is needed, should be appropriated to defray the expense of the trials, which should be under the supervision of the Department of Agriculture.

T. ALBEE SMITH.

DEDUCTIONS FROM INVOICES.

FLAX AND HEMP SPINNERS AND GROWERS' ASSOCIATION,
Boston, Mass., January 11, 1890.

DEAR SIR: As requested by you, I send memoranda of charges deducted from invoices, copies of which have passed through my hands. I trust that new legislation may remedy the great wrong now being done. If I am correctly informed, the Home Market Club administration bill retains the exempting of special charges from duty, but this is not to be wondered at when we find free-traders and importers have had a hand in the framing of their bill.

MEMORANDA.

	£	s.	d.
An invoice of thread amounted to (net)	289	7	5
Packing charges, 5 cases 5s. per case.	1	5	0
Total amount of invoice.	290	12	5

The total deductions from this invoice were as follows:

<i>On spool goods.</i>		Per gross.	
		s.	d.
Spools		1	3
Spooling and overlooking			3
Boxes and labels		1	3
Wrappers, tickets, and strings			1
Labels, papering, and overlooking			2
Total, 176 gross, at	3	0	£ 26 8 0
<i>On hank goods.</i>		Per dozen.	
		s.	d.
Papering and making up		0	10
Labels			9
Wrappers, tickets, and string			4
Labeling, papering, and overlooking			5
Total, 30½ dozen, at	2	4	£ 3 11 2

<i>On hank goods, boxed.</i>		Per dozen.	
		<i>s.</i>	<i>d.</i>
Boxing and making up		2	10
Boxes and labels		1	5
Wrappers, tickets, and string			4
Total, 13 dozen, at		5	0
Packing charges as before noted			
			<i>£ s. d.</i>
			3 5 0
			1 5 0
Total			34 9 2

Exempt from duty on invoice of £290 12s. 5d.

On another invoice deductions are as follows:		Per dozen.	
		<i>s.</i>	<i>d.</i>
Boxing		1	0
Winding and balling		9	
Paper and strings		3	
Papering		1	
Fifty dozen at		2	1
Packing charges			
			<i>£ s. d.</i>
			5 18 9
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This on an invoice of value of £116 2s. 9d.

Other cases might be cited to show the gross injustice of the present laws.

I urge on behalf of the members of our association that you prepare a new and just law for our protection.

Very truly,

A. R. TURNER, Jr., *President.*

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

AGAINST REMOVAL OF DUTY.

BALTIMORE, Md., *January 20, 1890.*

DEAR SIR: * * * There seems to be a determined effort to place jute, hemp, and kindred fibers on the free list. I always held the views of a rigid protectionist, but it does seem that the benefits to be derived from protection should be divided with some regard for fairness between the consumer and manufacturer. The proposal to place these fibers on the free list without lowering the duty on the goods manufactured therefrom means to direct the duties now paid directly into the pockets of the manufacturer. There is no business reason that can possibly be urged that will reduce the price of binder-twine, cordage, bags, or bagging to the consumer because the raw material has been placed on the free list, if there is no reduction of duties on the goods. The stock here, afloat, and abroad is thoroughly controlled by the manufacturers or their agents. Jute costs 2½ cents per pound, but it is worth 5 cents in New York. Manilla costs 6 cents, but is worth 12 cents; sisal from Mexico is worth 9 cents, but costs less than 4 cents. Hence the duty does not regulate the price. I hope, therefore, that the bill will be so amended as to reduce the duty on the manufactured goods to correspond with the duty that may be taken off the raw material.

Very respectfully, yours,

T. ALBEE SMITH.

Hon. WILLIAM MCKINLEY,
House of Representatives.

PHILADELPHIA, *January 20, 1890.*

DEAR SIR: I have read with great interest the statements and remarks upon the subject of flax and kindred fibers, made before your committee by Mr. Turner, of Ross, Turner & Co., of Boston, and the president of the Flax Association.

I wish to add my earnest plea to his that a chance should be given to this country to supply itself with the fiber grown upon our own ground and by our own farmers and manufactured by our own workmen.

The great Northwest, a region stretching over a thousand miles north, west, south, and southwest of the head of Lake Superior, where now a large portion of the wheat is grown, is also the very home of the flax plant.

There is, at the head of Lake Superior, a magnificent water-power not yet utilized, with over 100,000 horse-power.

Ross, Turner & Co. and others have written to me that they will be glad to start linen mills up there, if it were possible to make money on the product under the present tariff.

The farmers of that region have heretofore done very little at flax growing, simply because the seed alone could be saved; but it would be a grand thing for them if the demand for the fiber should spring up and manufacturing establishments in their own mills could undertake to supply the country with at least the cheaper articles manufactured of flax material.

Wheat raising is unproductive at present, and a goodly portion of their lands could be planted with flax if they were encouraged to do so, and by utilizing the seed and fiber as can now be done the whole region would become prosperous again.

It seems to me to be no more than just that this flax interest should be protected to the full extent that other interests are, and that the farmers, who were pioneers through many hardships, should be encouraged by your committee to diversify their productions in this way.

I am satisfied that no more popular legislation could be enacted and none that could produce greater results for our whole country.

Very truly yours,

JAY COOKE.

Hon. WILLIAM MCKINLEY, Jr.,

Chairman Committee on Ways and Means.

BUCKLEY, ILL., January 20, 1890.

The Committee on Ways and Means :

We, the undersigned farmers and business men of Buckley and vicinity, recognizing that a new industry has been started and is being carried on successfully here, also that it is valuable to farmers in general for many reasons, but more particularly on account of having already lowered the price of binder twine to them; also recognizing and believing that if the present duties on fibrous raw material be maintained, that it is possible at no very distant day for the people of the United States to produce all its own fibers—we would therefore petition your honorable committee that they recommend to Congress that the present duties be maintained on all foreign fibrous raw material.

[Here follow numerous signatures.]

Major MCKINLEY,

Chairman of the Ways and Means Committee :

We, the undersigned citizens of Heron Lake, Minn., and vicinity, are in favor of the retention of duty on flax, hemp, sisal, manilla, and jute fibers, and even of augmentation of imported duty on all fibers on an equal with yarns, linen, and threads.

In 1889 hemp was extensively raised in Illinois and Nebraska and seven hemp mills are now in operation manufacturing hemp-tow for binding twine, and with reasonable protection the range of agricultural production of fiber plants will be extended through the Northern as well as the Southern States and extensive manufacturing works will be started for the extraction of fiber from fiber producing plants. American hemp culture will then take rank with other leading industries of our great Republic by building up competing manufactories at home. Like steel rail and other protected industries in America it will bring down the price to the buyer and would keep our wealth at home. We ask to be protected as well as the spinners of this country.

[Here follow numerous signatures.]

We, the undersigned, members of the Dolphin Mills, of Paterson, N. J., representing from nine hundred to one thousand employes, do hereby ask you to use your best efforts to get those parts of the Mills bill relating to jute yarns and jute carpets amended.

We believe that the reduction proposed would either throw us out of work or else reduce our wages to those of Scotland, which are less than half of what we are getting.

We believe that a duty of 30 per cent. upon yarns, with jute free, would be as small as should be permitted, for now under the present duty of 35 per cent. almost none of the finer grades can be manufactured in this country.

✱ We would also ask that the duty on carpets be left as it is or not reduced below 5 cents per square yard.

We trust you will do all you can for us and not let this industry go entirely to Great Britain, as it would under the present bill. We can not afford to live as the mill-hands do in Dundee on their small wages, and ask you to help to maintain our present wages, which this bill would greatly reduce.

[Here follow numerous signatures.]

NEW ORLEANS, *January 8, 1890.*

DEAR SIR: Relating to the jute tariff, we have been informed that a majority of those interested in same in the hearing before the committee have decided to ask for free raw jute; burlaps dutiable, $1\frac{1}{2}$ cents per pound; bags dutiable, $2\frac{1}{2}$ cents per pound.

We respectfully request that you use your influence to have the present tariff maintained, as free jute would destroy the infant culture of that commodity in this State and would give to the Eastern and Middle States full control of jute fabrics for several years to come, as they are now prepared to manufacture burlaps and destroy other bag manufacturers who manufacture bags from burlaps imported into the United States.

Yours very truly,

JAMES McGRATH & SON.

Hon. H. D. COLEMAN,
Washington, D. C.

NEW YORK, *January 20, 1890.*

DEAR SIR: The undersigned, manufacturers of cordage in the United States, beg most respectfully to submit their recommendation that in any proposed action on the tariff the duties on Manilla, Sisal, Mauritius, and New Zealand fibers be removed.

In case of the removal of duties, or any part thereof, we recommend that a reduction be made in the duties on rope and binder twine, making said duties on rope $1\frac{1}{2}$ cents and on twine 2 cents per pound above any duty that may be placed upon the raw material.

In case you deem it advisable, a committee of our number will wait upon you to more fully explain our position in this matter.

We have the honor to be, very respectfully, your obedient servants,

WILLIAM DEERING & Co.

Hon. WILLIAM McKINLEY, Jr.,
Chairman Committee on Ways and Means.

[Telegram.]

BOSTON, MASS., *January 3, 1890.*

The undersigned, consumers of more than 50,000 tons of manilla, sisal, and other foreign hems, jute, and jute butts are in favor of removing all duties on these materials and are not in sympathy with the representatives of the American Flax and Hemp Spinners and Growers' Association as represented to us.

PLYMOUTH CORDAGE COMPANY.
PEARSON CORDAGE COMPANY.
BOSTON CORDAGE COMPANY.
STANDARD CORDAGE COMPANY.
SEWAL H. DAY CORDAGE COMPANY.
LUDLOW MANUFACTURING COMPANY.

Hon. WM. McKINLEY,
Chairman Committee on Ways and Means.

FOR RENEWAL OF DUTY.

BOSTON, December 30, 1889.

DEAR SIR: We are informed that your committee will, on January 4, give a hearing on the flax and hemp schedule of the tariff. As it will be impossible for us to be present or represented at that time, we take this method of briefly expressing our views.

It seems to us to be advisable, from every point of view, to remove the duty on all hemp, viz, manilla, sisal, Russian and Italian, as well as on jute and jute butts or cuttings. This would reduce the revenue, and at the same time the cost of manufacture, so that, with the present sharp competition, the consumer would immediately derive the full benefit of the reduction, and no one would be the loser.

Reference to the Government reports show that, some twenty-five years ago, there was raised in the United States more than 60,000 tons of hemp annually. Since that time the production has fallen as low as 3,500 tons, although a protective tariff of \$25 per ton has been continuously maintained on foreign hems; showing that the production of hemp in this country is dependent upon other conditions than those of the tariff for its continuance.

It seems to us that the first principle of protection would require that no American interests suffer thereby; that our manufacturers should have material on the same basis as their foreign competitors; otherwise, the protection on the manufactured goods—as in the case of the flax and hemp productions—would be but a bare equivalent for the tax levied upon the raw material. Manufacturers of hemp goods have not, we believe, importuned in the past any officials, or ask for a high schedule of protection. The result is seen in the fact that they have to-day and have had in the past a lower relative protection than any kindred industry.

For ourselves, we are content with only such an amount of protection as would express the difference between foreign labor on foreign soil and American labor on American soil.

Our consumption of raw material for this year exceeds 13,000 tons.

Yours truly,

CHARLES W. HUBBARD,
Treasurer.

Hon. WILLIAM MCKINLEY,
Chairman Committee on Ways and Means.

RAMIE.

In view of the immense prospective importance of ramie cultivation as a valuable diversification of the agriculture of the cotton States, and in view of the equally important milling interests of spinning and weaving both North and South, it has occurred to me that the Hon. J. M. Rusk, the National Secretary of Agriculture, could make a suggestion which would be popular with both agriculturists and manufacturers by advocating in his annual report, now soon to be drawn, that Congress pass a bill at the approaching session appropriating \$100,000 to stimulate the cultivation of the ramie plant, the manufacture of decorticators, and the development of chemical processes for degumming and bleaching, and experiments for the spinning of the fiber into thread, which once practically and profitably accomplished will revolutionize the textile interests of the world to the same extent as did the development of the cotton gin.

The government of British India offered some years ago an award of \$35,000 for a satisfactory machine decorticating ramie, and the French government offered \$7,000 for a similar machine, and during the late Paris Exposition \$4,000 was offered for the best machine exhibited meeting specific requirements.

In the United States a direct precedent has been established for encouraging the development of new agricultural interests by the action of the last Congress, under which \$85,000 has already been paid out at four or five sugar factories, to cover the costs of certain chemical and mechanical experiments.

It can not be doubted that the ramie interest is fully equal to that of sorghum, as ramie can be successfully cultivated wherever cotton can be grown and on fields that might otherwise be standing unproductive, and this without additional cost to planter of either teams or implements.

Producing, as ramie does, two crops a year, the plant comparatively free from insect ravages, comparatively little influenced by ordinary rains or droughts, standing for years without replanting, requiring little cultivation when once established, it

certainly would be a most valuable addition to the list of plantation crops, which list all Southern cultivators are so anxious to extend.

It will, however, be folly for planters to enter extensively into ramie cultivation without machinery being perfected for the decortication of the stems, and equally futile will be the decortication unless profitable processes are developed for degumming the bark and bleaching and spinning the fiber into thread. The agricultural, chemical, and mechanical processes are interlocked like links of a chain, all dependent one upon the other.

Will you allow me, therefore, to suggest that you request your State Board of Agriculture or other representative agricultural organization to ask the National Secretary of Agriculture to incorporate into his autumnal report a request that Congress pass a bill this winter to encourage this most valuable agricultural and mechanical industry now attracting the attention of the whole civilized world; an industry certain to be developed in some quarter, and where first developed possibly to retain a leading place for many years.

I inclose you a suggestive draft of such awards as have occurred to me would be proper and practical.

I will be glad to have a response to this communication.

Yours very respectfully,

BURNET LANDRETH.

To _____

SUGGESTIVE COMPETITION IN RAMIE CULTURE AND FIBER PRODUCTION.

I beg to be allowed to ask you to consider the subject of asking your Representatives in Congress to urge an appropriation of \$100,000 at this session of the Fifty-first Congress for distribution during the year 1890, under the direction of the United States Department of Agriculture, with a view of stimulating—

- (1) The cultivation of ramie.
- (2) The manufacture of machines for decortivating ramie.
- (3) The development of processes for degumming and whitening crude ramie bark after decortication.
- (4) The spinning of ramie thread from American fiber.

The total awards to amount to \$90,000, the balance of \$10,000, so far as required, to be expended in conducting the tests, compensation of judges, expenses of agricultural engines for driving decorticators, wages of mechanics, laborers, salaries of clerks, and expenses of correspondence, etc.

CULTURE.

The agricultural competition to be conducted during the summer and autumn of 1890. The competition open to ramie-growers in any State of the Union, but only one premium to be awarded in a class. All areas of crops to be measured and returns to be weighed, attested, and presented by the State Board of Agriculture, or by the Commissioner of Agriculture of the State where a competing crop is grown. In every case the minimum of 15 tons of green stalks per acre to be exceeded.

The premiums in the agricultural group to amount to \$10,000, as follows:

Class I, \$3,000, for the greatest weight of green ramie stalks cut on the field from a measured 5-acre tract; the crop cut and weighed in the presence of the testators as provided.

Class II, \$2,500, for the second greatest weight of green ramie stalks as cut on the field from a measured 5-acre tract; the crop cut and weighed in the presence of the testators as provided.

Class III, \$2,000, for the third greatest weight of green ramie stalks as cut on the field from a measured 5-acre tract; the crop cut and weighed in the presence of the testators as provided.

Class IV, \$1,500, for the fourth greatest weight of green ramie stalks as cut on the field from a measured 5-acre tract; the crop cut and weighed in the presence of the testators as provided.

Class V, \$1,000, for the fifth greatest weight of green ramie stalks as cut on the field from a measured 5-acre tract; the crop cut and weighed in the presence of the testators as provided.

DECORTICATION OR DEBARKING.

The competition in decorticators to be held between September 20 and 30, 1890, on the grounds of the Department of Agriculture. The premiums in the decortivating group to amount to \$40,000.

POWER DECORTICATORS.

In this division a minimum production per hour, the use of water during the test being prohibited, of 100 pounds of green bark or 75 pounds of dry bark converted in good condition as respects length of filament and freedom from wood.

Class VI, \$8,000, for the best machine working green stalks.

Class VII, \$4,000, for the second best machine working green stalks.

Class VIII, \$1,000, for the third best machine working green stalks.

Class IX, \$3,000, for the best machine working dry stalks.

Class X, \$3,000, for the second best machine working dry stalks.

Class XI, \$1,000, for the third best machine working dry stalks.

HAND DECORTICATORS.

In this division there being required a minimum production per hour, the use of water being prohibited, of 25 pounds of green bark or 15 pounds of dry bark converted in good condition as respects length of filament and freedom from wood.

Class XII, \$5,000, for the best machine working green stalks.

Class XIII, \$2,000, for the second best machine working green stalks.

Class XIV, \$1,000, for the third best machine working green stalks.

Class XV, \$4,000, for the best machine working dry stalks.

Class XVI, \$2,000, for the second best machine working dry stalks.

Class XVII, \$1,000, for the third best machine working dry stalks.

SPECIAL AWARDS.

On highly meritorious single attachments for the higher perfection of ramie decorticators, the inventions to be of not over three years' patent record, the following awards to be made, the premiums in the group amounting to \$3,000.

Class XVIII, \$1,500, for the most efficient single appliance.

Class XIX, \$1,000, for the second most efficient single appliance.

Class XX, \$500, for the third most efficient single appliance.

GREEN BARK AND PREPARED FIBER.

The competition in bark and fibers to be held between December 10 and 15, 1890, in the buildings of the Department of Agriculture. The bark to be from stalks grown in the United States, stripped by American decorticators, and exhibited in dry and otherwise merchantable condition.

The fibers to be exclusively from plants grown, decorticated, degummed, and whitened in the United States, and of satisfactory length and full tensile strength. The premiums in this group to amount to \$20,000.

Class XXI, \$5,000, for the best lot of 5,000 pounds of dry green bark.

Class XXII, \$3,000, for the second best lot of 5,000 pounds of dry green bark.

Class XXIII, \$2,000 for the third best lot of 5,000 pounds of dry green bark.

Class XXIV, \$5,000, for the best lot of 5,000 pounds of degummed and whitened fiber.

Class XXV, \$3,000, for the second best lot of 5,000 pounds of degummed and whitened fiber.

Class XXVI, \$2,000, for the third best lot of 5,000 pounds of degummed and whitened fiber.

RAMIE THREAD.

Competition in this group to be held between December 10 and 15, 1890, and to be confined to thread spun in the United States and from American-grown fiber; the thread to be of uniform quality and full tensile strength. The premiums in this group to amount to \$17,000.

Class XXVII, \$10,000, for the best lot of 2,000 pounds of ramie thread, of assorted sizes.

Class XXVIII, \$5,000, for the second best lot of 2,000 pounds of ramie thread, assorted sizes.

Class XXIX, \$2,000, for the third best lot of 2,000 pounds of ramie thread, assorted sizes.

BURNET LANDRETH.

NEW YORK, January 7, 1890.

The Committee of Ways and Means, House of Representatives :

The undersigned, the largest manufacturers of cocoa matting and mats in the United States, respectfully protest against the proposed increase in the tariff on cocoa or coir matting and mats.

We have noted the fact that such increase was proposed by the Finance Committee of the Senate, but have had no information as to the statements, testimony, or reasons given before that committee upon which they base the proposed increase.

By that bill it is proposed, for the first time in the tariff legislation of this country, to provide specifically for cocoa matting and mats. The present tariff reads, Schedule N, sundries : "Floor matting and floor mats, exclusively of vegetable substances, 20 per centum ad valorem."

We are now paying about \$2 a roll on each roll of 50 yards of coir matting 1 yard wide. This is equivalent to a specific duty of 4 cents per yard ; under the Senate bill, proposing a specific duty of 10 cents (finally reduced to 8 cents) per square yard for matting, we will pay a duty equivalent (at 8 cents) to about 40 per centum ad valorem, an advance of about twice the present rate, as appears by the affidavit, hereinafter referred to, and annexed schedule.

Upon mats we now pay 1.61 cents per square yard. Under the Senate bill it is proposed to advance this to 4 cents per square yard—an advance equal to a duty of about 50 per cent. ad valorem, and more than twice the present rate, as appears by the said schedule.

Upon matting the present duty of 20 per cent. ad valorem is equal to a specific duty of 4 cents per square yard ; on mats, the present duty of 20 per cent. ad valorem is equal to a specific duty of 1.61 cents, or say, as an outside limit, 1½ cents, per square foot.

A certain statement, appearing in the "Congressional Record" and used in the House, July 17, 1888 (Congressional Record, pages 6944, 6945), purporting to be signed by W. & J. Sloane and others (the genuineness of which, as to the signatures of the firm of W. & J. Sloane and Lynn & Pettit, we question) is misleading and untrue. It totally misrepresents the costs per yard in labor of the American as compared with the imported matting. It does not purport to give a verified statement by any person who claims to have ever manufactured in India, or who shows himself qualified to speak on the subject.

We submitted before the Finance Committee of the Senate, for the information of that committee, but not for publication, a sworn statement, giving facts and figures which utterly contradict the statements made in the said memorial. This sworn statement, and the exhibits annexed, contain our proper business secrets, and we, therefore, specially requested said committee that they be not disclosed and published. Said original papers can not at this date be found by the clerk of the committee, although search for them has not been abandoned. We inclose copy of said affidavit upon the same confidential conditions.

Any statement that may have been made (of which we are totally ignorant) by any committee claiming to represent the Mat Makers' Association, or other laborers, must have been made from necessity or ignorance of the facts.

As the largest American manufacturers whose capital is invested in the business in this country, we feel fully qualified to address you on this subject.

The only foreign manufacturer, regularly sending such cocoa matting or mats to this country, is James Darragh, of our firm, who owns a small factory at Alleppey, East India.

We are, at the same time, the largest manufacturers of cocoa matting and mats in this country. We employ upwards of two hundred men at our factory in Brooklyn, East Division. No other manufacturers employ to exceed, as we are informed, more than one-half of this number.

The imported mattings do not compete with the domestic. They are a high grade, hand-made, fancy article, more expensive than American goods. The price of the imported article principally sold here, but in limited quantities, is about 65 cents a yard ; the average of the domestic article principally and very largely sold here, is 50 cents. In selling in this market our discount on the domestic is much larger than on the foreign article.

The total importation for the three years ending January, 1889, was about 2,700 rolls of coir matting ; the labor involved in the manufacture of these goods is equivalent to less than the work of five laborers. One man can manufacture here nine rolls per week ; and the importation, therefore, represents the product of the labor of five men on matting. About 325 dozen foreign coir mats are sold in this market per year, against 25,000 dozen manufactured and sold here. The labor on the imported coir mats does not exceed the work of three laborers more. Thus, to protect eight workmen, who do not and can not make similar expensive, hand-made articles, and who thus do not compete with the American workmen, the request was made in the House, and repeated and allowed by the Senate Committee, by which the tariff has

been increased on cocoa or coir mats and matting from 20 per cent. ad valorem to a specific duty of 8 cents and 4 cents on matting and mats respectively, equal to a 40 per cent. and 50 per cent. ad valorem duty, respectively. If these or any increased rates be finally allowed, the only foreign factory regularly sending such mats or matting to this country, which was established by an American manufacturer in India, upon the faith of and relying upon the present tariff law, will be cut off from a market in this country.

This request can not be accounted for, except upon the ground that the smaller manufacturers wish to exclude these imported articles altogether, which do not compete with them, but the exclusion of which perhaps may, they think, increase their sales by compelling purchasers to take, if they will, the cheaper American article.

The total importations have decreased, and the American manufactures largely increased, during ten years. Last year, 1888, they were—

Matting :

Imported, average for three years last past	rolls..	2,700
Domestic manufacture for three years last past.....	do....	12,000

Mats :

Imported, average sold during ten years last past.....	dozen..	325
Domestic, average sold during ten years last past.....	do....	25,000

Ten years ago the importations were larger than American manufactures.

The memorialists claimed that their works were running on half time. Our works are not, and ours are the largest. We are all beginning to feel a dullness, due to the competition which we meet from penitentiary-made goods, which are being sold at considerably less than can be manufactured by free labor.

If any statement has been made before your committee by any laborers of the Mat Makers' Association, that laborers on coir matting or mats are idle two days a week, it is absolutely unfounded in fact, as shown by us, so far as importations are concerned. Dullness is due entirely to Pennsylvania (Western) Penitentiary labor. American manufactures are increasing largely, while the diminished importations of the fancy hand-made article, higher in price, is decreasing, as we have shown by our affidavit.

The warden of the Pennsylvania Western Penitentiary is offering cocoa matting and mats at a discount, such as no American manufacturer can afford to give, and is doing serious injury to our business, especially in the West. The competition is not with Indian goods. We do not import more than one-third of the quantity of cocoa matting we did some years ago, the fact being that the only imported matting which we can sell is the high-grade and high-priced fancy article of peculiar yarn that is worked by hand, and is not made in this country, and does not compete with domestic goods.

We, therefore, respectfully request that the committee will make no change in the present tariff of 20 per cent. ad valorem, which will prevent buyers in this country from purchasing the foreign article sold here in very limited quantity, if they so desire, upon the unfounded claim that thereby eight American laborers will be protected in the manufacture of fancy imported articles, in which they are not now engaged.

Upon the facts, conclusively established, the duty might well be reduced, rather than increased; we do not ask this, however, but only ask that, if a specific duty is to be fixed, it be at a rate equal to the present rate of 20 per cent. ad valorem, *i. e.*, not to exceed 4 cents per square yard on coir matting, and 1½ cents or 2 cents per square foot on mats.

Respectfully submitted,

AMERICA COCOA MATTING COMPANY.

AFRICAN FIBER.

MOYOCK, N. C., February, 5, 1890.

The Committee of Ways and Means :

The undersigned would respectfully set forth that the preparation and manufacture of corn husks for upholstering and bedding purposes has developed and grown in the last twenty-five years or since the war, until it now reaches an aggregate of 8,000 to 10,000 tons of manufactured article yearly, approximating in value to \$400,000.

That the material in its raw state is a product of the soil, grown and marketed by farmers and planters.

That in the production of the manufactured article, by curing, cleansing, purifying, stripping, and dividing the leaf, there is about 40 per cent. of waste; that the labor of such conversion varies from \$5 to \$10 per ton, and that the farmers obtain

for the raw material from \$10 to \$20 per ton, and the manufacturer from \$25 to \$50 per ton.

That such material is regarded amongst the cheap materials for bedding purposes as one of the cleanest, most healthful, and best.

I would furthermore set forth that there is a material imported from Africa, where it is called "Crin Vegetal" or "Vegetable Hair"; that more or less of it is entered at our ports as "sea-weed," and that it is known to the trade as "African Fiber."

That said material is a species of fiber plant growing wild in many parts of Africa. That the same is gathered by the natives, slaves, and convicts of that country, prepared and manufactured into a rope at comparatively little cost, and is brought into this country in vessels principally as ballast at small cost; that it comes free of duty, and is put upon the market in large quantities at prices varying from \$20 to \$30 per ton, and that the same to a very great extent takes the place of corn husks, and seriously disturbs and unsettles its interests.

I therefore respectfully but earnestly ask your honorable committee that you will recommend to be placed upon said material a specific duty of \$20 per ton, and thereby protect, encourage and foster a small but growing industry.

Respectfully submitted.

C. R. VAN DE CARR.

OAKUM AND TOW.

JERSEY CITY, *January 13, 1890.*

DEAR SIR: In answer to your letter of the 10th instant, we herewith send you a statement to be presented with the sundries.

First. We would state that oakum is duty free, and is picked largely in poor-houses, prisons, and by paupers in Europe.

Second. That, as the old rigging from which we formerly made oakum has become so scarce by means of the use of wire rope, we are compelled to use Russia tow which we are now prepared to tar, having put in machinery for that purpose at a large expense.

Third. The Russia tow has to pay a duty of \$10 per ton, while the tarred or manufactured article made from the same quality of tow is allowed to come in free.

We employ fifty men and boys; we pay out for wages \$20,000 annually, and have to compete with pauper labor on the other side of the Atlantic. We feel that under these circumstances, our claim for protection is strong. We would ask, therefore, that Russia tow, imported for the manufacture of oakum be free, and a duty of one-half cent per pound or \$10 per ton be put on imported oakum.

Very respectfully,

GEO. STRATFORD OAKUM COMPANY,
GEO. STRATFORD, *President.*

Hon. WILLIAM MCKINLEY, JR.,
Chairman Committee on Ways and Means.

COCOA MATTING.

BROOKLYN, *January 9, 1890.*

DEAR SIR: I most earnestly appeal to you and all the members of your committee on behalf of my fellow workmen of the cocoa mat and matting industry to not make any alterations in the rates granted to us by the Senate committee in their bill. (Page 158, section 423, line 1778.) This rate would afford us a fair measure of protection against the horrid coolie labor of India, which costs from 3 to 10 cents a day. The goods made at this rate are shipped to our market, and goods made by us can not be placed on the market at the low rate of the India goods. This measure of relief would set a large number of men on full time who have been obliged to go idle two days a week for the past five years.

Please answer if our request will be granted, or if your committee will require the presence of a committee from us.

Respectfully, yours,

D. J. CURNEN,
Secretary Mat-Workers Protective Association.

Hon. WM. MCKINLEY,
Chairman Ways and Means Committee.

SILK AND ITS MANUFACTURES.

MONDAY, *January 6, 1890.*

The committee met pursuant to adjournment.

The CHAIRMAN. We will hear representatives of the silk interest, and will hear first any gentleman opposed to the present rate of duty and who wants a lower rate. Are there any gentlemen present who desire to be heard on silk interests?

STATEMENT OF F. W. CHENEY.

Mr. F. W. CHENEY, of South Manchester, Conn., addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, we have not any prepared argument to make in the presentation of this matter. We have only to say that the Senate bill was very carefully prepared under Mr. Fairchild's administration of the Treasury Department, and so far as it can be silk was placed upon a specific basis instead of altogether an ad valorem basis. This bill is acceptable to the silk manufacturers generally. We think, however, that instead of 50 per cent. that this bill gives us of protection, that on an average it is not more than 40 per cent.

The CHAIRMAN. This Senate bill is a reduction of the present law.

Mr. CHENEY. We may say the Senate bill as it is written probably averages about 40 per cent. protection. There will be great inequalities in all duties in any specific system. It is absolutely impossible to have uniformity under specific duties in silk unless you introduce many classifications, by which you bring in more complications in ascertaining the foreign market value. You will readily understand that you can take a pound of silk and make 5 or 50 yards of cloth, yet the duty at one end is prohibitive and at the other it will reach a vanishing point almost. We are satisfied that this Senate bill is an honest attempt to provide for a specific duty. We do not know how it can be made better. All we can say about it is that we think the rates are very low indeed on the better class of goods, goods which are worth from \$2.50 to \$3 per yard. The duty on that will only be about 25 per cent. On goods that are worth, say \$1 a yard, about 2 ounces to the yard, it will be 30 per cent., and when you get down to the lower grades you will get about 50 per cent. and over.

If there are any points we can throw light upon we will be glad to answer any questions.

The CHAIRMAN. Are there any questions to be put to Mr. Cheney? That is all, Mr. Cheney.

Mr. CHENEY. Mr. Richardson is chairman of the association. He is here, and will be glad to answer any question you may ask.

STATEMENT OF BRITON RICHARDSON.

Mr. BRITON RICHARDSON, of New York City, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, it might be in place to explain to the committee what the Senate bill provision is. It has been some years in maturing. In 1886, and in fact before that, our attention was directed to see if something could not be done in the way of specific duties or compound duties, so the importers of New York met. Plans were suggested from every side, and all these were submitted to the treasurer, and they sent them out to their custom-houses for the opinions of the appraisers, and this came back as being the best thing. Ad valorem, theoretically, is the best duty, but practically it is the worst. As Mr. Fairchild states in his letter here, the experts which he employed, taken from Washington, I pre-

sume, had six hundred samples of goods. They modified our scheme a little. Our scheme was a pound duty and a yard duty, and they suggested in place of that a scheme of a pound duty and an ad valorem duty. This is a little more elastic than the other, but still it has the objectionable ad valorem feature in it. This thing has been considered for years a good deal, and it is a crystallization of all the wisdom that we could get together, and we are satisfied with it. It is in some respects a reduction from 50 per cent. It is, perhaps, more fully collected than it was before. There is a matter in regard to laces and ruchings which Mr. Cheney and myself are not well acquainted with, but you have gentlemen here who will explain them to you. That is about all I have to say, unless you want to ask some questions.

Mr. GEAR. What proportion of the silk is manufactured in this country?

Mr. RICHARDSON. We manufacture about half the consumption; about fifty-five million.

Mr. GEAR. What is the character of this importation?

Mr. RICHARDSON. Ribbons, dress goods, handkerchiefs, ladies' dresses of all sorts, sarahs, gros grains, and all sorts of things.

Mr. GEAR. Does the quality of the goods made here compare favorably with the foreign?

Mr. RICHARDSON. Better; because they are not so heavily weighted. The ladies will tell you American silk will last longer. It is not loaded to so great an extent.

Mr. GEAR. How do the prices compare with the foreign goods?

Mr. RICHARDSON. We make them a little cheaper than they can with the duty added, if the duties were honestly paid and collected.

Mr. GEAR. The great difficulties you have to contend with are the undervaluations?

Mr. RICHARDSON. That is the great difficulty—a very great difficulty.

Mr. LA FOLLETTE. Where do you get your raw material?

Mr. RICHARDSON. From the East—Japan, Italy, France, and some little from Spain. The tendency of manufacture has been to reduce the price of silk. People who have looked into the matter are amazed. Silk is sold to-day at 50 and 60 cents which sold two years ago at \$2.50 a yard.

Mr. FLOWER. Do you get any silk from Kansas?

Mr. RICHARDSON. They make a little, but it is inappreciable. There are a few cocoons there, and it is all taken and used in some way, but it is inappreciable.

Mr. FLOWER. The climate of Kansas is, in the valleys, like that of Italy. Nearly every farmer in Italy raises cocoons.

Mr. RICHARDSON. That is a great mistake. In this country farmers can get the silk-worms and hatch the cocoons, but the great trouble is in getting the cocoons reeled. They apply a different rule in Italy. The proprietor gives out the worms to the people there and they hatch the cocoons. They gather leaves and feed them on shares. Then they sell the cocoons to the filature, where it is scientifically reeled with proper attention.

Mr. GEAR. What has been the effect if any in regard to the price of foreign silk since the silk industry in this country began?

Mr. RICHARDSON. The reduction is very slight.

Mr. LA FOLLETTE. Is there any reason, so far as your investigation has led you to believe, that raw silk can be successfully cultivated in this country?

Mr. RICHARDSON. When you remember the Japanese, to whom it is an instinct, and the Italians, who will work for 10 cents a day—I have seen this on Lake Como, where you could get labor at 10 cents a day—you can get a fair answer to the question. The reeling of silk is the most tedious incident in the manufacture of silk, and it is very slow. One woman can attend to but two threads. That is all she can do, because the cocoons are continually running off.

Mr. LA FOLLETTE. Did you state awhile ago the Italian peasant does not do this himself, but it is reeled off by somebody else from the cocoons?

Mr. RICHARDSON. In the factory. Then they get labor in the factory very cheaply. The labor you get here for the same thing you would pay \$5.50 or \$6 a week.

Mr. LA FOLLETTE. If that industry was protected against the cheap labor of other countries why could not it be built up here and let the raw material be produced in the United States? Why could not that be built up by protection as our manufacture of raw silk has been built up by protection?

Mr. RICHARDSON. That is different. There could not be adequate protection afforded to the raising of silk that would not cripple fatally the manufacturer.

Mr. LA FOLLETTE. But if you had a compensatory duty added?

Mr. RICHARDSON. I do not believe you could get a compensating duty for that purpose.

Mr. FLOWER. You would have to have about 1,000 per cent. on the raw silk, and I suppose about 1,500 on your manufacture?

Mr. RICHARDSON. Yes, sir. You can raise cocoons in this country fast enough and allow the moths to come out. Then they are utilized for spinning silk, which is a

very large industry; but for reeling silk in this country you can not let the moths come out, and when we get to raising these it would mean a very low state of affairs for the mass of labor.

Mr. LA FOLLETTE. You mean if they are brought in direct competition with the 10-cent labor?

Mr. RICHARDSON. Yes, sir.

Mr. LA FOLLETTE. But so far as raising cocoons is concerned that can be performed usually by the average farmer without a very great outlay for labor?

Mr. RICHARDSON. I presume it can.

Mr. LA FOLLETTE. It merely comprises the gathering of the mulberry leaves and the feeding.

Mr. RICHARDSON. It comprises more than that. Worms are exceedingly delicate and require a good deal of attention. A thunder-storm will be fatal sometimes to a whole country side, and they have to be very well cared for if you want to get good silk from them.

Mr. LA FOLLETTE. Take it in the section of this country where they are not troubled much with thunder-storms, that objection you spoke of would be obviated of course, and it would be simply supplying food to the worms.

Mr. RICHARDSON. Of course. Then you have to care for them to protect them from cold weather in the spring of the year, and the gas of the stove might prove fatal to them in the night. It is not so easy work as some people imagine. When cocoons are taken and carefully pierced and used for spinning silk they are pretty nearly as valuable to the parties raising them as the other.

Mr. LA FOLLETTE. Is reeling in Italy done by machinery?

Mr. RICHARDSON. Oh, yes. A woman sits with her basin full of cocoons, and she takes a little whisp like a coat broom, which takes up the ends of the cocoons. She puts the ends together, as many as are wanted. The cocoon does not make a thread itself, you have got to take so many cocoons—five, six, seven or eight, just as you want them, and it requires care to get the threads separated, and the same number of cocoons running. She sits with this hot-water basin, and the threads run over her on the reel she is to supply, and if she lets the cocoons run down then you get an uneven thread, detrimental in quality.

Mr. LA FOLLETTE. Are you an importer of raw silk?

Mr. RICHARDSON. Yes, sir.

STATEMENT OF ALEXANDER E. KURSHEEDT.

Mr. ALEXANDER E. KURSHEEDT, of New York, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, the committee may remember that I have already appeared here twice with regard to manufactures of wool and cotton. The company in which I am interested is also largely concerned in the manufacture of silk goods. New York is the principal center of these industries, not only in this country, but for the entire world. Taking into account the operatives employed there who come from Long Island, Westchester County, New Jersey, and other places it probably gives occupation to representatives of more branches than could be accommodated in the largest hall of the Capitol Building. Our factories represent the most advanced form of the manufacture. In New York there are few, if any, mills. The number of yarn-spinning establishments is very small, and there is almost no weaving of piece goods. Consequently, we are entirely dependent on other places or other countries for every pound of the raw material which enters into these advanced manufactures.

We desire to call your attention to what we consider certain grave defects in the schedule affecting manufactures of silk in the Senate tariff bill, and to request their revision by your honorable body.

Section 376 of Schedule L reads as follows:

"Webbings, gorings, suspenders, bracings, beltings, bindings, braids, galloons, fringes, cords, and tassels, any of the foregoing which are elastic or non-elastic, buttons and ornaments made of silk, or of which silk is the component material of chief value, 50 per centum ad valorem."

Raw silk, the material from which these articles are made, would continue to be imported free under section 687 of the Senate bill. The best grades, which are alone available, cost \$5.25 and \$5.75 a pound. The process of throwing constitutes the first stage of manufacture. This costs on an average 50 cents a pound. Dyeing, whether black or in colors, costs the same, bringing the actual value of the silk to \$6.75 a pound.

But an important element must here be taken into account. In the process of dyeing the silk loses a quantity of gum, which reduces its weight from 30 to 40 per cent. The return from the "pure dye" black is thus about 12 or 13 ounces to the

pound, while the return from that dyed in colors is only 1½ ounces. The cost of a full avoirdupois pound of the "pure dye," after these preliminary processes, is therefore \$8.32, and of the colored \$9.34. The system of weighting by the addition of chemicals is, however, employed to make good this loss. By this system the weight of the material can be increased 25 per cent. for 95 cents a pound, 100 per cent. for \$1.75, and 150 per cent. for \$3.30. The subsequent expense of manufacture is about 40 per cent. of the whole. Samples are submitted herewith.

Mr. Sloss, who is president of the Braid Manufacturers' Association, has a sample of these braids and would be pleased to show them to the committee so as to make this matter plain and answer any questions you may desire to propound.

Mr. SLOSS. These are black-dyed samples, made out of silk after the gum has been extracted. [Exhibiting samples.] This is what we call weighted or loaded silk in the black.

The CHAIRMAN. What change of duty do you propose on this class of goods?

Mr. KURSHEEDT. Seventy-five per cent. ad valorem.

MR. FLOWER. What is it now ?

Mr. KURSHEEDT. It is about 50 per cent. in the Senate bill, the same exactly as the piece goods.

Mr. SLOSS. Those buttons are made out of the same silk as that braid. The braid is manufactured and put into the buttons. This is an article that has been brought over under a duty of 10 per cent. This is what is called loaded silk, and will be explained by Mr. Kursheedt further on.

Mr. KURSHEEDT. In Europe the same operations are performed at less than half this cost. Our labor is not only much more expensive, but the cost of our dye-stuffs is greatly enhanced by heavy duties. Even after the payment of 50 per cent. duty the foreign article can thus be laid down in our market at nearly as low a figure as our own product. Careful estimates show the comparative cost in New York of 1 pound of silk braid, black and colored, manufactured from the \$5.75 grade of raw silk in Europe and America, as follows:

Colored braid manufactured in America.....	\$13. 14
in Europe	11. 64
25 per cent. weighted, manufactured in America	7. 56
in Europe	9. 00
100 per cent. weighted, manufactured in America	5. 60
in Europe	6. 24
150 per cent. weighted, manufactured in America	4. 62
in Europe	5. 18

This shows an average margin in favor of the domestic manufacturer of 14½ per cent. on the fine grades, and of only 8 and 9 per cent. on the low ones. This margin, even with honest invoices, is altogether too close for safety. If the foreign manufacturer chooses to take advantage of our tariff laws, it is no protection at all. While it may be possible not to undervalue defined grades, it is not possible, in most cases, as official appraisers have testified, to define these grades for valuation. In other words, unless the weighting is heavy, it can not be detected, and the invoiced misrepresentation of an article weighted 25 per cent. as one weighted 150 per cent. would probably escape notice. The successful evasion of the \$1.28 a pound difference in duty would enable the foreign manufacturer to offer his article for sale in New York at an equal price with us, if not for less money. In the case of a colored silk entered as pure, but on which weighting has made good the 4½ ounces lost in the vat, dishonest invoicing could save as much as \$1.69 a pound of the duty. It is thus no wonder that the importations of silk braids last year were valued at \$2,500,000, although their profitable importation under our present traffic is apparently impossible. The vital importance to every manufacturer of a change in this section is emphasized by the fact that there is almost no prospect of the home production of our raw material.

To pass to another subject, section 377 of Schedule L reads as follows:

"Laces and embroideries, neck ruffings and ruchings, clothing ready made, and articles of wearing apparel of every description, including knit goods, made up or manufactured, wholly or in part by the tailor, seamstress, or manufacturer, composed of silk, or of which silk is the component material of chief value, not specially enumerated or provided for in this act, 60 per cent. ad valorem."

It will be observed that the rate of duty which existed before 1883 and was applied equally to this and the preceding section is now retained only in the case of the former. But its complete inadequacy is evident. Considering that 90 per cent. of all neck ruffings and ruchings are made either by slow and tedious hand-labor or on machines invented in America, we maintain that their assessment at the same rate as the cloths from which they are manufactured is an unjust and oppressive discrimination, especially as 50 per cent. of their cost is in labor. In Germany, laborers on this class of goods receive only from 25 to 50 cents a day. Our payments are at least \$1.50 or \$2.50, or from five to ten times as much. The fiber and fabric employed are,

moreover, of so extremely delicate a nature that only the most expert workmen are available. It is important to note that the industry could never have been established in foreign countries but for American invention, or its product imported but for the unwise provisions of the tariff of 1883.

We therefore respectfully suggest the following changes in the sections under consideration.

Mr. Kisch, who represents the Ruffling Manufacturers' Association of America, has some samples which show the quality of these goods to which I am specially referring. Of course, laces and embroideries you are already familiar with. Mr. Flower knows all about them, anyway.

Mr. FLOWER. I have had a good deal to do with laces.

The CHAIRMAN. Proceed with your statement.

Mr. KURSHEEDT. I will merely read the proposed changes.

PROPOSED CHANGES IN SILK SCHEDULE.

Amend paragraph 376 so as to read as follows:

"Webbings, gorings, suspenders, braces, beltings, bindings, braids, galloons, fringes, gimps, cords, watchguards or eye-glass guards, cords and tassels, dress-trimmings, headnets, buttons or barrel-buttons, or buttons of other forms for tassels or ornaments, wrought by hand or braided by machinery, any of the foregoing which are elastic or non-elastic, made of silk or vegetable silk, 75 per cent. ad valorem."

Strike out section 377 and substitute the following:

"On laces, embroideries, lace window-curtains, and other articles of lace, or tambooured, braided, or embroidered articles, composed of silk or of vegetable silk, wholly or partly manufactured, or hemmed or stitched, with the needle or otherwise, by hand or machinery, including knit goods, 75 per centum ad valorem."

Amend section 378 so as to read as follows:

"All manufactures of silk not specially enumerated or provided for in this act, 75 per centum ad valorem."

The representatives of the silk association, Mr. F. W. Cheney, president, and Mr. B. Richardson, secretary, were present and assented to the above statement.

Mr. FLOWER. Now you say since the duty has been 50 per cent. they are enabled to import about two millions into this country?

Mr. KURSHEEDT. That two and a half millions are statistics for importations of braids. The importation of ruching is very extensive indeed. We are not able to give figures. Owing to the unjust discrimination of the tariff law the foreign manufacturers take our American machinery and send the goods to our market at less than we can produce.

Mr. FLOWER. Now, suppose you raise the tariff duty to 75 per cent., do you not think they will cheat more?

Mr. KURSHEEDT. No; if you have the right laws and have them properly administered.

Mr. FLOWER. How would you amend this law? Suppose you put it back to what it was before the law of 1883, what would be the effect?

Mr. KURSHEEDT. If you had never changed it possibly that would have been all right. Now they are in the business and are making every effort to stay in.

Mr. FLOWER. Is it not an incentive to cheat when you raise the duty?

Mr. KURSHEEDT. You have the reports from the appraisers in our custom-houses. You know exactly about this thing more than I could pretend to say; but I should say, as I said before, if we have a fair protection and the laws are sufficiently strong we will have justice.

Mr. McMILLIN. If I understand you correctly, the cheapest labor with which you have to compete in the making of these commodities is Germany.

Mr. KURSHEEDT. Germany and England.

Mr. McMILLIN. Which is the cheaper?

Mr. KURSHEEDT. Germany is cheaper, but England is very cheap also. There are some French goods likewise imported. But the chief competition which we have had has been from England and Germany. Every day people who have been driven out of manufactures—domestic manufactures—and in order to keep their line of goods up have to import manufactured foreign goods.

Mr. McMILLIN. And the duty on the material which you make, that is what?

Mr. KURSHEEDT. Two hundred per cent., and it is a specific duty; so much the square inch.

Mr. McMILLIN. The duty on your raw material is so high you can not manufacture?

Mr. KURSHEEDT. Yes. I think Mr. Flower understands our present situation. He can tell you we were right some years ago when the law of 1883 was passed. What we want is compensatory protection in our different industries.

Mr. GEAR. Are any dye-stuffs made here?

Mr. KURSHEEDT. They are all imported, I believe.

Mr. GEAR. No; none now made in this country.

Mr. KURSHEEDT. Not that I know of.

Mr. GEAR. This is dye brought from abroad [exhibiting].

Mr. KURSHEEDT. Yes, sir. Mr. Cheney probably could enlighten you better than I can about the dye-stuffs.

Mr. GEAR (to Mr. Cheney). Are your dye-stuffs made in this country or made abroad?

Mr. CHENEY. They are almost all made abroad (the aniline).

Mr. KURSHEEDT. Mr. Sloss has a paper to read which may not be pertinent to-day; but we have been here several days.

STATEMENT OF HENRY W. SLOSS.

Mr. HENRY W. SLOSS, of Sloss & Sons, New York, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I have the honor to bring before the Committee of Ways and Means of the Fifty-first Congress an article of raw material imported which is not made in this country. It is what is termed tinsel threads.

The CHAIRMAN. What do you make that into?

Mr. SLOSS. Into braid and various other articles. It is also used in embroidery, epaulets, and such things as that.

The CHAIRMAN. What is the present rate of duty?

Mr. SLOSS. The present rate of duty on the thread and manufactured article is 25 per cent. The Senate bill I believe calls for the same. We would like it changed so that the raw material may come in at 25 per cent., but on the manufactured article we want a protection of about 35 per cent., making in all 60 per cent. I have a brief here, if you gentlemen would like to hear the changes we propose to make in this.

Mr. GEAR. You say the raw material is not made in this country at all?

Mr. SLOSS. No, sir; it can be made here, but it is not at the present time. We have no protection upon the manufactured article. We get it in this shape. It is made in France and Germany largely, and is used all over the world. We get it in this shape and manufacture it into braids.

The CHAIRMAN. You want a duty of 25 cent. on the thread and 35 on the—

Mr. SLOSS. We want 60 per cent. on the manufactured article; that makes the protection about 35 per cent.

The CHAIRMAN. You can leave your paper with the stenographer and it will be printed.

Following is the paper referred to:

To the Committee of Ways and Means of the Fifty-first Congress:

GENTLEMEN: As the representatives of the Braid Manufacturers' Association of the United States, we desire to supplement our other applications with the following brief memorandum concerning section 164 of the proposed Senate bill. This section reads as follows:

"Bouillions, or cannetille, metal thread, filé, or gespinst, and epaulets, galloons, laces, knots, stars, tassels, and wings of gold, silver, or other metal, 25 per centum ad valorem."

The section is thus extended to cover more effectively certain staple articles of great commercial importance which we manufacture on a large scale. But it still contains two important defects, (1) its classification is incomplete, and (2) it assesses the raw material at precisely the same rate as the finished product. "Bouillions, cannetille, metal thread, filé, and gespinst" are the raw material referred to. They entered extensively into the composition of the other goods enumerated and into the composition of many articles of women's attire, and are also used in various ways for embroidery and in the manufacture of different kinds of buttons. Samples are submitted herewith.

The materials are not at present made in this country, but are imported from Germany and France. Yet we possess the necessary plant and appliances for their manufacture in all the ways indicated, and could undertake it but for the unjust provisions of the tariff. Previous to October, 1884, tinsel, braids, cords, etc., paid 45 per cent. ad valorem. The profit on them to the American manufacturer, even with that protection, was infinitesimal. Under the present conditions, with the increasing cost of labor, the retention of the duty on the raw material, and the lowering of that on the finished article, their manufacture would entail serious loss.

We therefore respectfully request that section 164 be amended to read as follows:

"Bouillions, or cannetille, metal thread, filé, lahn or gespinst, 25 per centum ad valorem; and epaulets, galloons, laces, knots, stars, tassels, regalia, beltings, bind-

ings, braids, fringes, gimps, ornaments, buttons or barrel-buttons, or buttons of other forms for tasseled ornaments, cords, cords and tassels, dress-trimmings, and wings of gold, silver, or other metal, 60 per centum ad valorem."

This would afford us a nominal protection of 35 per cent. The actual protection would be considerably less. Our proposition, we believe, is therefore entirely reasonable, and will meet with the approval of your honorable body.

We also request that section 390 of schedule N, concerning button forms, be stricken out. This section permits the admission of braids ostensibly for the manufacture of buttons at the nominal rate of 10 per cent., and we are convinced is often improperly taken advantage of.

STATEMENT OF PHILIP WALKER.

Mr. PHILIP WALKER, of the Agricultural Department, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, the Agricultural Department has been occupied for several years in examining into the feasibility of silk culture, and I received instructions from the Secretary to appear here in accordance with the request of your chairman to explain the position of raw silk in relation to the other branches of industry. You will excuse me if I begin at the beginning, as I think the matter is not so well understood as it might be. I have brought here some samples of the reelable cocoons which have been dried and are ready for reeling. It has been mentioned here that certain cocoons—I think Mr. Richardson mentioned it—that cocoons that are pierced can be carded. These are pierced cocoons, such as are carded by the manufacturers to-day. In fact, I may say these were obtained from an egg-producer in France, from whom Mr. Cheney bought the rest of the crop. These were samples which they gave me. They are macerated chemically to take out the gum, and generally worked up something as wool is. They are carded and formed into a thread by a special process. I brought these cocoons simply to show the distinctions in the different grades in the raw material of the weavers. The reelable cocoon makes what is called in the tariff raw silk. We take exception to this, because it implies unmanufactured silk. It is a silk which has been improved in value at least 20 per cent. from the value of the raw cocoon. That silk [producing sample] was produced from cocoons raised in the United States. It is not the first quality, but it happened to be all I had on hand. It has been made by the operatives at the Agricultural Department more for the amusement of spectators while we were experimenting on machinery.

Now, the silk made from these cocoons will produce a continuous fiber. The fiber of this skein of silk is continuous. It is the silk which is used in general in the United States for the production of domestic woven silks, and is the "raw silk" of which gentlemen have been speaking. Raw silk is produced principally in the extreme Orient and in Europe. Of the production in 1888—25,751,000 pounds—Europe produced 19,500,000 pounds, the Levant 1,250,000 pounds, and the extreme Orient exported a little over 14,000,000 pounds. Of the production of the extreme Orient we know nothing. The average annual production of raw silk for the nine years ending 1888 was 23,721,000 pounds. During all of these years the United States imported more than 3,250,000 pounds, and in 1889 imported 5,329,648 pounds, being considerably more than one-fifth the consumption of the whole of Europe and the United States put together; and this shows the importance of the silk industry in the United States and the importance of the market, which in my estimation might be created for the domestic reeled silk and which exists for foreign reeled silk to-day. The Agricultural Department is interested in this matter solely from the farmer's point of view, as the farmer produces the cocoons. He cannot find a market for the cocoon to-day, that is, for his unpierced cocoons, because there is no manufacture, or filature, as it is called, of raw silk, which is the only legitimate place for marketing his cocoons. There have been efforts made to produce raw silk in the United States ever since the country was first settled. There have been obligatory laws and bounty laws, and one thing and another, and in the early part of the century, the first half of the century, there was a duty which I do not think ever ran above 15 per cent. That duty was taken off just before the war. At the Agricultural Department we feel that if a market for cocoons can be established by the establishment of filatures of raw silk, that it will greatly add to the income of the farmers. That 5,000,000 pounds of raw silk that we import is estimated by the Treasury Department to have been worth about \$19,000,000, and I am away below the figure in saying \$15,000,000 of that is the value of the cocoons. Therefore, if we produce all of our raw silk we should increase, under the present figures, the income of the farming classes as much as \$15,000,000.

The grades of silk are classified in the tariff as raw silk (imported free of duty), and carded or combed silk in the gum (which is dutiable at 50 cents a pound), which

is an inferior product made of these pierced cocoons, and thrown silk, the manufacture of which follows the operation of reeling or of carding. I want it understood that carded and combed silk in the gum is inferior to reeled silk, but that it must go through some preparation in order to be prepared for the weaver. That operation consists in taking the several threads and twisting them in various ways to make a strong thread and one which will hold together. The gum which surrounds the threads has been boiled off, which is necessary prior to the operation of dyeing. Thrown silk, which I say is produced equally from spun silk and the reeling silk, has a duty of 30 per cent. placed upon it. That duty, if I am not misinformed, is absolutely prohibitive. There is no thrown silk imported into the United States to-day. At any rate, it does not appear in the reports of the Bureau of Statistics so far as I have been able to find. That thrown silk is manufactured in various ways, and when manufactured, as gentlemen have told you, it has a duty of 50 per cent. imposed upon it.

Mr. CARLISLE. Fifty per cent. or 50 cents a pound?

Mr. WALKER. Fifty per cent. on manufactured silk. After studying the question pretty thoroughly, the officials of the Agricultural Department who have been in charge of this matter have come to the conclusion that reeled silk can be manufactured in the United States with reasonable profit if a duty of \$1 a pound is imposed.

Mr. McMILLIN. Have you gone far enough in the experiment to determine what it costs to produce it in this country?

Mr. WALKER. There are two steps in the production of reeled silk. The production of cocoons can be carried on as cheaply as in Europe, because they can be produced by a class of people who are not otherwise employed. You have undoubtedly a great many of these unemployed people in your district who would be glad to add a small amount of cash to their incomes. Therefore we consider that the people of this country will be compensated if cocoons can be sold for European market prices.

Mr. McMILLIN. Do you not know that the State of Kansas pays a bounty for it?

Mr. WALKER. I think you are mistaken. They have given an appropriation for experiments, but no bounty.

Mr. GEAR. Have you made any investigation of how high a latitude these can be produced in?

Mr. WALKER. I have a map of the United States showing where cocoons were raised this year. Although not amounting to a great extent, they were raised in Michigan and Wisconsin. The great producing belt is Ohio, Indiana, Illinois, Missouri, and Kansas. Kansas produces more than one-fourth of the product in the United States.

Mr. GEAR. That does not exactly answer my question. Could it be raised in the other States in that latitude?

Mr. WALKER. It is a little doubtful. It is not the raising of the worms so much as it is the living through the winter of the food plants. The mulberry is pretty hardy, but it winter-kills it if it gets too far north.

Mr. LA FOLLETTE. Wherever the mulberry can be grown that industry can be carried on successfully?

Mr. WALKER. It can. There was silk raised in central Wisconsin this year, not a great amount, but the possibility was shown. We have even had silk raised up as far as Flat Head Lake, in Montana.

Mr. FLOWER. Is it raised in California?

Mr. WALKER. Yes, sir; the Agricultural Department purchased 799 pounds of silk this year from California.

Mr. BRECKINRIDGE. Silk in the hank is already on the free list?

Mr. WALKER. Yes, sir.

Mr. BRECKINRIDGE. What is the price of that silk abroad now?

Mr. WALKER. That silk is constantly rising now. It is quoted at 65 francs a kilogram at Lyons, say about \$6.50 a pound for the best silk, approximately, 10 francs a kilogram is \$1 a pound.

Mr. GEAR. It is worth about \$1 a pound, you say?

Mr. WALKER. Now, I say that would be worth about \$6.50 a pound. The average value of the silk imported into the United States last year was \$3.48, which was the lowest since 1869. That is according to the Treasury figures; but that includes all grades of silk. It was very low last year, but it has been rising owing to the failure of the Italian cocoon crop.

Mr. LA FOLLETTE. Will you just explain briefly to the committee the process of raising the cocoons by the farmers?

Mr. WALKER. The silk-worm has been a domesticated animal for forty centuries, now, and it has become utterly helpless, and if put on a tree and it falls to the ground can not find the tree again. The result is they have to be raised indoors. Say we take a room like this; it would be fitted with layers of tables running to the ceiling, about 2 feet apart, with just a passage of 3 or 4 feet between them. They utilize every inch of space. On these the worms are placed. Then they sprinkle over them leaves of the mulberry tree and the orange, on which they feed. As long as they are kept fed they will not move from the table. We begin here in Washington to raise

silk-worms about the 1st of April, and in about thirty days they begin to make their cocoons. We generally allow about eight days for making the cocoons; it takes only about three days, but we allow eight, and then we take the cocoons and put them in a steam bath, and that kills the chrysalis inside. The cocoon is then dried. Unless it is treated in this manner the moth will pierce through as happens when the cocoon is used for reproduction. About 1 per cent. of the crop is used for reproduction, so that item in the cocoon crop is of small proportions. The cocoon is a very firm pod of silk, being one continuous thread made by the worm from the outside to the inner.

In order to get the raw silk from that we take a certain quantity of them, about as much as there are in this box, soak them thoroughly in boiling water to soften the gum, as the silk does not come off unless the gum is softened. In carding silk this gum is removed chemically. In reeling silk it is simply softened and remains on the cocoon. The cocoons are then brushed with a brush of special construction, to which the outside layers of the cocoons stick, and when the ends are got hold of each cocoon hangs by its individual thread. That being done, the cocoons are ready for reeling. We take four or more cocoons, according to the size of the thread desired, and it requires eighteen or twenty of these threads to make a thread of sewing silk, so it takes 100 cocoons to make a thread of sewing silk. They reel silk in France for making silk tulles, which require as high as fifteen or twenty cocoons. I do not think they find much use for it in this country.

Mr. GEAR. You stated that 799 pounds of silk came from California. What did you pay for it—for these cocoons?

Mr. WALKER. We paid about 35 cents a pound for them.

Mr. GEAR. Would that pay for the trouble?

Mr. WALKER. I think it would. I wish to explain that cocoons, if dried, are worth \$1.15 a pound, but when they are first made the chrysalis is full of water and they weigh three times as much; so the price of the fresh averages only one-third that of the dry, and it is necessary to consider that question in giving the price and weight of cocoons whether they are fresh or not.

Mr. GEAR. Does the consumer dry them?

Mr. WALKER. As a rule, and the consumer always does the stiffling and drying, because the producer does not know how. In the United States the producer has done both until now, because there is no market in the localities of production.

Mr. GEAR. Is it harder to transport them in the crude state?

Mr. WALKER. They will bear transportation for a day or two.

Mr. GEAR. They are apt to heat?

Mr. WALKER. Yes, sir; and if shipped too late the moth is apt to emerge, but as a rule, in Europe, they are sold to the mills, which are located in the immediate vicinity of the producer.

Mr. McKENNA. In what part of California did this silk come from?

Mr. WALKER. We had most of these cocoons sent from the ladies of the Silk Culture Society of California; so I can not answer that question precisely. We bought some of the cocoons directly from Los Angeles.

Mr. McKENNA. What does that society do now?

Mr. WALKER. That society was organized several years ago, and has a station at Piedmont, located near Oakland. They own 15 acres of land, on which the Department of Agriculture erected a building three years ago which was finally sold at auction and purchased by the society. It was essentially a gift under legal conditions by the Government to the society. They are raising mulberry trees for distribution throughout the State, and making experiments in the culture of silk-worms of different varieties. I have now at the Department a lot of cocoons not included on this table which were raised by the society at Piedmont and sent to the Agricultural Department for reeling and we are to send the silk back.

Mr. McKENNA. Mr. Richardson said it was impossible to introduce the reeling here, and he hoped he would never see the country do it.

Mr. WALKER. I take the liberty of differing from Mr. Richardson for several reasons. I will admit he is right if raw silk remains on the free list, but I can not admit it if a duty at all proportionate to the other grades of silk is placed on raw silk. The cocoons under the best conditions of reeling are worth $87\frac{1}{2}$ per cent. of the raw silk which they will produce. The balance, $12\frac{1}{2}$ per cent., is the cost of reeling the cocoon. At \$5 a pound, \$1 a pound duty would be 20 per cent., of which $62\frac{1}{2}$ cents for the labor—these are European, French, prices—we can get labor in this country in the South for 50 to 75 cents a day of ten hours that can do this work.

Mr. GEAR. How much are the wages of reelers in Europe?

Mr. WALKER. About \$1.50 per day of twelve hours.

Mr. McMILLIN. What does the machinery cost that one hand can superintend?

Mr. WALKER. The machinery probably costs about \$60 or \$80.

Mr. CARLISLE. You say your labor cost per pound would be $62\frac{1}{2}$ cents?

Mr. WALKER. On the basis of \$5.

Mr. CARLISLE. That is the market price.

Mr. WALKER. That is what it is selling at to-day.

Mr. CARLISLE. You suggest a duty of \$1 a pound?

Mr. WALKER. Yes; that would be a duty of 20 per cent.

Mr. CARLISLE. It would be more than that, given the labor.

Mr. WALKER. Yes, sir; but it must be remembered it is an industry to be established, an industry in which the losses will be great in the beginning, and this must be compensated for and capital must be given a reasonable guaranty that the matter will be continued long enough to overcome those losses.

Mr. GEAR. It is a large per cent., but this duty falls on very wealthy people, who are the largest consumers of silk.

Mr. WALKER. I do not think a tax of \$1 a pound on raw silk will add 10 cents a yard to the wholesale price of the best silk produced. There is about one-tenth of a pound of silk in this skein [holding up same.]

Mr. McKENNA. A pound of silk will produce how much?

Mr. WALKER. It is very difficult and almost impossible to state that without taking a piece and counting the threads.

Mr. GEAR. That is due to the loading?

Mr. WALKER. That is due to the dyeing. In woven silks you can not get at the silk in it without a vast deal of trouble.

Mr. GEAR. That is loading.

Mr. WALKER. No, sir. The dyeing necessary to make an honest black must penetrate the fiber, and when it has once penetrated you can not get at the amount of silk absolutely until you take the piece of silk to pieces and pick out the threads and count them, and in that way you can get an idea of the amount of silk in it. I should suppose there was one-tenth of a pound of silk in a yard of black gros-grain dress goods.

Mr. LA FOLLETTE. What is the likelihood of this reeling being done automatically?

Mr. WALKER. We have a machine working at the Agricultural Department which is working as automatically as a printing-press. I put in the material at one end and it reels off the silk at the other end, no attention being necessary, except when the thread breaks, and keeping the basin clean.

Mr. LA FOLLETTE. If such machines were introduced, then there would not be anything in the way of the production of silk in this country being very extensively carried on?

Mr. WALKER. Such machines are apt to be used all over the world.

Mr. McMILLIN. What does that machine cost?

Mr. WALKER. I should hate to say, because you know a Congressional appropriation—

Mr. McMILLIN. You should state it.

Mr. WALKER. Congress has provided \$20,000 a year for the last four or five years. That has been expended in various experiments, for salaries, eggs, and experimental machinery. I suppose out of that we have spent \$3,000 or \$4,000 yearly in experimental machinery.

Mr. McMILLIN. What I was asking about was what does that particular machine cost?

Mr. WALKER. That machine could be made for \$50.

Mr. McMILLIN. Is there a patent that causes you to pay more than that?

Mr. WALKER. Yes, sir. There are also some features which have been invented in the Department which might be patented for the benefit of the public; but they do not cover principles, the cover mechanical details.

Mr. GEAR. Can one person attend to more than one machine?

Mr. WALKER. With one automatic machine one person ought to do what four people do. You can keep twenty-four threads running constantly. This is one point I wish to correct. It was stated here that two threads are reeled by one person. In the Italian mills to-day they reel four and six threads with first-class cocoons. Poor cocoons are expected to run only two or three. I am speaking of the ordinary size thread which enters into commerce. When I went to France to study this industry in 1881 they were reeling about half a pound of silk a day to the operative. Now they are reeling about a pound of silk a day to the operative. That is to say that labor is so divided up that each operative who is reeling reels about a pound of silk a day, which is twice what he was doing six or eight years ago when the work was not divided up, and that is entirely due to an American invention. It has been driven out of this country because there was no field for its work. We have produced in this country only 18,500 pounds of cocoons this year. To produce the silk we consume (I would state it takes 12 pounds of fresh cocoons to produce a pound of silk on a low average) it would take 64,000,000 pounds of cocoons. So our small production is not even a drop in the bucket. The Italian crop of 1888 was 96,500,000 pounds, half as much again as we would need to produce our raw silk. That was raised by 509,555 silk raisers. It would take 370,800 silk raisers to produce the 64,000,000 pounds necessary in the

United States. In other words, if cocoons were raised in the United States at the same rate as they are now raised in Italy, this matter would benefit more than 370,000 farmers to the extent of \$15,000,000 in the aggregate. It seems a big jump to go from 70,000 to 60,000,000, but Hungary is going toward it very fast under a system of government protection. In 1880 they produced about what we produced this year; in 1889 they produced 1,790,683 pounds.

Mr. GEAR. What protection did Hungary give?

Mr. WALKER. It provides for the reeling of cocoons in government filatures.

Mr. GEAR. Free?

Mr. WALKER. No; they buy the cocoons; they furnish the raiser the eggs and leaves, and then they buy the cocoon for two-thirds of the market price. They furnish the eggs free and forbid everybody from selling them in Hungary. They also furnish the trees, which, by an act one hundred years old, have been planted on government land. So they have got into the position of the landed proprietor who works on shares in Italy.

Mr. GEAR. That has been done by free labor?

Mr. WALKER. No, this work is done on shares.

Mr. GEAR. Is it done by the free labor of the country?

Mr. WALKER. As distinguished from convict labor, certainly. It is done by the peasants, not by convict labor at all. They are not obliged to take it up, but 50,091 persons raised silk in 1889. The silk raiser, if he works on shares, only gets half the market price where the eggs and leaves are furnished, but in Hungary the Government has paid two-thirds of the market price, and it makes no profit on these leaves and eggs.

Mr. GEAR. What is the ordinary price in Europe?

Mr. WALKER. For these cocoons about \$1.25 a pound. Those cocoons when first purchased are only worth about 40 cents a pound. These are the European prices as they existed this spring. The price has gone up, as the Italian market was very short. When I left Lyons in October they were placing orders for cocoons so that the raw material cost more than the market price of the product, but the product has gone up to meet it. That was due to one bad year. Lombardy having only one-twentieth of an ordinary crop, and the falling off of about two-thirds of the crop for the whole kingdom, has sent up the price of cocoons all over the world.

Mr. LA FOLLETTE. The production of the cocoons in this country by the farmers would not require any special outlay of capital.

Mr. WALKER. No, sir.

Mr. LA FOLLETTE. Or any special skill.

Mr. WALKER. Or any special skill, and it would amount on an average to \$10 or \$15 additional income for the work of four or five weeks. I have paid one raiser this year \$142 for cocoons raised in Johnson County, Mo. I have paid a good many of them more than \$10.

Mr. GEAR. Have you gotten any from the State of Iowa?

Mr. WALKER. We have got some, but not many. There is only one county that produced more than \$35 worth this year.

Mr. McMILLIN. With your experiments, what is it estimated it will cost the Agricultural Department to produce silk and get it ready to sell?

Mr. WALKER. Always with the provision it costs the Agricultural Department or any other Department more than anybody else—

Mr. McMILLIN. That is the experience of mankind.

Mr. WALKER. I presume it will cost twice as much as we can get for it, but we pay operatives \$1 a day for Department hours. I have endeavored to run up to eight hours but I cannot do it. Under our condition there in the museum they are bothered all the time by visitors.

Mr. GEAR. The Department is more for instruction to the people than it is to make money?

Mr. WALKER. Certainly.

Mr. FLOWER. Are you making this now?

Mr. WALKER. Yes. They were running Saturday when I left and it is now working. We have got machinery that we could run all right. I said that it took in above 62½ cents for labor. I venture to say the automatic machinery will reduce it one-half. That would not lower the price of silk as much as it would appear on the face, because the work of making it is such a small item in the ultimate value. It was stated that Italian silk reelers could be obtained for 10 cents a day. That is true, but it applies only to small children, and they work fourteen hours for it. I made this year a second trip to Italy to investigate the matter. I have lived among them and know the trade thoroughly.

I have been employed in the silk mills there, and I have seen girls so small they could hardly reach the winding frames at which they were obliged to work. The impression in Italy seemed to be that it cost more to hire girls at 10 cents a day than women at 25 cents, as they do so much less work and require so much more superin-

tendence. There has been an impression in the country that the Chinese labor was so cheap. So it is; but the silk has to be passed over and re-reeled, and the recent report of the consul-general at Shanghai says that the reeler of China gets 24 cents a day. It has been published that he got only 6 cents a day, a matter we would hardly care to compete with; but 24 cents a day is small Italian wages for women. In France they get 30 cents, and I have often known reelers in the mill where I was employed getting 42 cents for twelve hours' work on account of superior production.

Mr. CARLISLE. This is work by hand?

Mr. WALKER. Yes, sir.

Mr. CARLISLE. You spoke of machinery used to do this work?

Mr. WALKER. Yes, sir. The machinery I use is experimental machinery.

Mr. CARLISLE. Do you mean the automatic machine is not used?

Mr. WALKER. No. The best machinery to-day prepares the cocoons for reeling automatically. It has reduced the cost of making silk in certain mills in France, Italy, and Austria from 10 francs a kilogram—\$1 a pound—down to 6½ francs a kilogram, which is 62½ cents a pound, and those are the prices I went on.

Mr. BAYNE. How long has this machinery been in use?

Mr. WALKER. About three years.

Mr. BAYNE. This experimental machinery you spoke of?

Mr. WALKER. In France or here?

Mr. BAYNE. Here.

Mr. WALKER. For a short time only.

Mr. BAYNE. Is that similar?

Mr. WALKER. No, sir; we use this preparatory machine, and we are endeavoring to go further and make the whole process automatic. The preparatory machinery is used in the Department.

Mr. BAYNE. You say the machinery has been in use about three years?

Mr. WALKER. Yes, sir; the preparatory machinery.

Mr. BAYNE. Then it has passed beyond the stage of experiment?

Mr. WALKER. It has been introduced in a dozen or fifteen mills, aggregating seven hundred basins, and they are negotiating for increasing the plant, and there is a shop with forty men making that machinery all the time.

The CHAIRMAN. Is there anything further?

Mr. CHENEY. In regard to Mr. Walker's automatic machine, it is the invention of Mr. Serrell, and it has been a good many years in operation abroad.

Mr. WALKER. He went over in 1883. He worked on this thing two years prior to that.

Mr. CHENEY. But before that he was abroad. His machine is yet in an undeveloped state. It is not a practical working machine; it is not in successful operation in a single village in Europe. Mr. Walker says it runs there automatically—

Mr. WALKER. Mr. Cheney has had an opportunity to see it.

Mr. CHENEY. It is undeveloped. Mr. Serrell was an ingenious man and introduced a good many improvements into the filature, and this is only a pet of his. He has not yet put it in operation. In regard to the cost of the production of silk in this country, we never can produce silk here at all. We can not work exactly under the same conditions as other silk-producing countries. I have seen the silk produced in France, Italy, China, Japan, and India, and under the conditions that exist there, when we can work under the same scale of wages as they have, we can produce silk in this country but not before. If you put a duty upon raw silk you would have to put a duty upon manufactured silk at 75 per cent. ad valorem. The beginning of silk culture in America extends away back to the earlier days of Virginia, when King James tried to establish it there, and it has been tried every few years since up to the present time.

Mr. LA FOLLETTE. About what is the difference between the wages of labor in the manufacture of silk in the countries with which you compete in your manufacture?

Mr. CHENEY. We pay about twice as much as they do in England, about three times as much as they do in France, three and a quarter times what they do in Italy, and probably ten times as much as they do in China or Japan.

Mr. LA FOLLETTE. Then there is not much greater difference between the scale of wages paid in the competing countries where they manufacture silk as compared with the markets where they produce the cocoons and this country. If you can successfully manufacture silk in this country, notwithstanding the difference in the wages here, why could you not produce the cocoons in this country and the raw silk in this country notwithstanding the difference in wages?

Mr. CHENEY. It requires a good deal of investment of capital. In the first place you have to plant the mulberry tree. There is the Agricultural Department who cultivates the tree. Then the care of the worm is something that requires the greatest nicety and faithfulness. They have to be arranged as carefully as babies, and spare room given to them. It is not unskilled labor that can be applied to them. You can not turn silk-worms loose and let them grow.

Mr. LA FOLLETE. It is not unskilled labor that is employed in the manufacture of silk?

Mr. CHENEY. I am speaking of—

Mr. LA FOLLETTE. I am speaking of the manufacture of silk.

Mr. CHENEY. What was your question?

Mr. LA FOLLETTE. It is not unskilled labor employed in the manufacture of silk?

Mr. CHENEY. No.

Mr. LA FOLLETTE. It requires the greatest nicety and superior intelligence and long practice to educate one in the art of manufacturing silk, does it not?

Mr. CHENEY. Well, I have summed up everything I have to say, and I say we can not produce silk in this country at all.

Mr. LA FOLLETTE. Yet we manufacture silk in this country under conditions with competing countries?

Mr. CHENEY. We do that under the tariff.

Mr. LA FOLLETTE. Yes, sir; under the tariff. If we can compete with other countries under similar conditions in regard to manufacture, if we were to apply this in reference to the production of raw silk, why would it not be just as effective to enable us to produce it?

Mr. CHENEY. The experiment has been a very long one. It dates back to the early settlement of Virginia, and there has been no success in it.

Mr. FLOWER. Sixty-four million pounds of raw silk are imported into this country.

Mr. WALKER. Sixty-four million pounds of cocoons would be sufficient to make the raw silk imported into the country, say 5,329,648 pounds of silk.

Mr. FLOWER. Then 5,300,000 pounds of raw silk is imported into this country. That comes in free now, and you wish to impose a duty of a dollar a pound on that?

Mr. WALKER. Yes, sir.

The raw silk produced for consumption in the western world was as follows in the following years:

	Pounds.
1884	21,837,200
1885	20,497,400
1886	23,790,800
1887	26,732,200
1888	25,751,000
1889. (Not yet reported.)	
Annual average.....	23,721,720

During the same period there were imported into the United States:

	Pounds.
1883-'84.....	3,222,546
1884-'85.....	3,424,076
1885-'86.....	4,754,626
1886-'87.....	4,599,574
1887-'88.....	5,173,810
1888-'89.....	5,329,648

About one-half of the above importations came from Japan, one-quarter from China, and one-quarter from Europe.

In 1888 the raw silk of the western world was produced in the following countries:

Western Europe:		Pounds.
Italy		7,845,200
France		1,455,600
Austro-Hungary		675,400
Spain		182,600
Total.....		10,458,800
Levant:		
Anatolie.....		374,000
Salonica, Volo, Adrianople		264,000
Syria		508,200
Greece.....		39,600
Caucasia		110,000
Total.....		1,295,800
Extreme Orient:		
China, exported from Shanghai		4,963,200
China, exported from Canton		1,529,000
Japan, exported from Yokohama		5,280,000
India, exported from Calcutta.....		2,224,200
Total.....		13,996,400
Grand total.....		25,751,000

RIBBONS AND HAT TRIMMINGS.

STATEMENT OF BRITON RICHARDSON, OF NEW YORK.

Mr. BRITON RICHARDSON, of New York City, addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, we were before you last week in regard to silk duties. On that day a storm broke upon us, which brings us here again to-day. That was a decision of the Supreme Court, which has thrown us back very materially by their interpretation of what is known as the hat trimmings clause, which Mr. Ketcham alluded to this morning as being very uncertain and ambiguous and misleading. That interpretation of it has included silk goods which can be used for trimming hats and bonnets, and dutiable at only 20 per cent. Now, this has been an evil we have been wrestling with since the passage of the act of 1883, since Judge Folger's time, and the evil has been somewhat temporized with and modified by the action of the Treasury, but we fear now the Treasury will go into this matter of refunding, and admit goods we think ought to be, and we know it was the intention that they should be, admitted at 50 per cent. instead of 20 per cent. duty. This evil we feared for a long time, and during Mr. Hewitt's time here in three separate sessions he introduced a bill for the correction of this evil. It has been in every bill for administration or for tariff since then. It was in the bill which Mr. Mills proposed. There was a little bill with a promise of safety which we got introduced at the last Congress; but the time was so short we got nothing done. We were not suffering then as now by the decision made in the Supreme Court on Monday last. We propose to repeal that part of the clause that is defective, inasmuch as the word "vegetable" was inadvertently left out, and to take verbatim the words in section 6, act of March 3, 1883, which reads as follows:

"Hats, etc., materials for: All goods, wares, and merchandise not specially enumerated or provided for in this act, made of silk or of which silk is the component material of chief value, 50 per centum ad valorem."

That clause referred always to things of that sort and ornaments of hair and whalebone, and by the omission of the word "vegetable" and the word "material," which was for the first time omitted, we were laid open to attack on silk goods which could be used for trimming hats, which pays as trimmings a duty of only 20 per cent. We fought against that as long as we could, and now we are at a crisis, and we ask your help, gentlemen, in completing this bill, which was presented by Mr. Fitch on the 18th of December, and is now, I believe, before this committee. We ask that it be reported and put upon its passage immediately. We are *in extremis*, and the victim is bleeding to death, and we want surgical aid quickly. In the opinion given by Judge Blatchford, the said ribbons not being mentioned in the silk clause, he interpreted it to mean they should come in a clause in the sundries admitting them as trimmings. The ribbons were mentioned in all the tariff acts up to 1875. They were then omitted for a purpose which we quite understood.

In 1874 we had to give heavy refunds on some ribbons which were always called silk ribbons, and had been sold and bought as silk ribbons, but because they put a thread of cotton on the edges a claim was made for a refund of 10 per cent. on account of the admixture of cotton, and finding it was impossible to specify them from other kinds of silk goods, the phraseology of the act was changed in 1875 to "all goods, wares, and merchandise made of silk, and of which silk is the component material of chief value, 50 per cent. ad valorem," and that same phraseology is adopted verbatim in the tariff act of 1883. So we got rid of one trouble, and now we are in another, and we want to reintroduce that word "vegetable," which was inadvertently left out. It has been in all the bills which have been proposed for passage, and we ask you, gentlemen, to consider our condition, which is perilous in the extreme; and we ask you to be kind enough to put this bill upon its passage. Senator McPherson tells us this morning that he is prepared to facilitate its passage in the Senate, and that he will lay it before the Finance Committee.

The CHAIRMAN. Did you say this correction was in the Hewitt administrative bill?

Mr. RICHARDSON. Yes, sir; it was in the administrative bill and the tariff bill.

The CHAIRMAN. Do you remember what section of the Hewitt bill it was?

Mr. RICHARDSON. I do not; but I will endeavor to find a copy of the bill? It is bill No. 584.

STATEMENT OF JOHN W. GRIGGS.

Mr. JOHN W. GRIGGS, of Paterson, N. J., addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, we are here as delegates of the Silk Association of America and also of the Silk Association of New Jersey. The difficulty arises on account of a construction that the Supreme Court of the United States has given to the two clauses in the tariff act of 1883. I have a copy of the court's

opinion here which was delivered on the 6th of January, 1890, in the case of Robertson against Edelhoff. By the act of 1883 the silk schedule was arranged as follows :
 "Silk and silk goods: All goods, wares, and merchandise not specially enumerated or provided for in this act, made of silk or of which silk is the component material of chief value, 50 per centum ad valorem."

From that time to this silk ribbons and all other silk goods, no matter what use they were chiefly adapted for, whether for hat trimmings or anything else, were charged 50 per centum ad valorem, as coming under that clause, for the reason that the Secretaries of the Treasury held that distinction that if silk was the component material of chief value in the goods, then those goods were provided for in this section. The courts, however, hold that this is not so, but that goods, no matter if the silk is the component material of chief value, if they are adapted for hat trimmings are to be admitted under another section of that act, which reads as follows:

"Hats, etc., materials for: Braids, plaits, flats, laces, trimmings, tissues, willow sheets, and squares used for making or ornamenting hats, bonnets, and hoods composed of straw, chip, grass, palm-leaf, willow, hair, whale-bone, or any other substance or material not specially enumerated or provided for in this act, 20 per centum ad valorem."

The court holds that this clause fixes a specific duty upon all goods, no matter what material they are composed of, which are to be used in hat trimmings.

Mr. McMILLIN. I believe the word "vegetable" was left out of that section, and that is what they lay stress on in that decision.

Mr. GRIGGS. Yes, sir; because in prior legislation on this subject it has been inserted, of which there is a full record, and it will be laid before the committee if it is so desired. Ribbons were specifically mentioned under the silk schedule. Mr. Richardson has told you why they were left out. In the former schedule it read: "Or any other vegetable substance or material." But the word "vegetable" was left out of the hat schedule, and word "ribbons" left out of the silk schedule, and now the court says all material, no matter if it may be composed of silk which is adapted for use as hat trimmings. They hold that ribbons under that clause shall be admitted at 20 per cent. Now, about one-third of the silk manufactured in this country, and I think the aggregate production in this country would be twenty millions, is ribbons. Many large concerns produce \$1,000,000 of goods a year, and are devoted exclusively to the manufacture of ribbons. Their stocks are manufactured and ready now to be put upon the market for the spring trade. They have been manufacturing at the high rate on raw silk that has prevailed for the last six months, and they have been manufacturing at the current rates of labor, and I think the percentage of profit to them is not large at all—is not large enough to cover this difference. If this damage is not immediately repaired the market will be flooded with the product of the foreign factories and our manufacturers will be forced to put their goods upon the market at a great loss, the amount of which I can not state, and the mills will have to be closed. That is all the result of a misconstruction, either by the draughtsman of the bill of 1883 or the Supreme Court; it does not matter which. Everybody had supposed that silk ribbons and all other goods in which silk was a component material of chief value had to pay 50 per cent. duty. We find now they have only to pay 20 per cent., if they are adapted for hat trimmings.

All that has been said by Mr. Richardson is true in regard to the tariff bills that have been prepared since. The point in this case was raised in August, 1883, immediately after the passage of the tariff bill of 1883. All bills prepared since 1883 have corrected that mistake by inserting the word "vegetable" in the hat clause, and it read: All goods, wares, and merchandise in which silk was the component material of chief value should pay a duty of 50 per cent., and we merely say that that be immediately put on its passage.

Mr. BRECKINRIDGE. I was not in here during the early part of the testimony. Have you stated the difference between the duty as determined by the court and the duty as you understood it to be contemplated by the existing law?

The CHAIRMAN. That is in the record.

Mr. GRIGGS. It is the difference between 50 and 20 per cent. The bill which we ask you to pass reads as follows:

"Hats, materials for: Braids, plaits, flats, willow sheets, and squares fit only for use in making or ornamenting hats, bonnets, and hoods, composed of straw, chip, grass, palm-leaf, willow, hair, whalebone, or any vegetable material, not specially enumerated or provided for in this act, 20 per centum ad valorem."

STATEMENT OF WILLIAM STRANGE.

Mr. WILLIAM STRANGE, of Paterson, N. J., next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I wish to state if ribbons are to be dutiable at 20 per cent. and 50 per cent., according to their use, the tariff would have to be changed. If they are coming to be used as hat trimmings to-day chiefly,

they may to-morrow be used for other purposes than hat trimmings, which now, according to the decision of the Supreme Court, do not come under the head of the 50 per cent., so the tariff would have to be changed from time to time, and it seems to me that a tariff that would thus have to be changed would be a very poor tariff for the American people to have. This is the only addition I would make to the previous statements.

The CHAIRMAN. I will submit this question to the committee in executive session whether we take up this question separately or not. If the committee sees fit, we will take up this question at once.

CORDS, BRAIDS, GALLOONS, ETC.

NEW YORK, January 11, 1890.

DEAR SIR: We represent the American producers of goring, suspender webs, garter webs, in every variety; cords, braids, beltings, bindings, galloons, etc, made both elastic and non-elastic, and tariff legislation interests us under silk, wool, and cotton schedules.

Silk: In this schedule, by an inadvertence in law of 1883, an enumeration of our articles was omitted, which resulted in the assessment of duties under the final webbing clause at 35 per cent. This having been successful the attempt has been made lately to reduce the amount of duty to that of the India rubber clause or 30 per cent.; in fact, the attempt has lately been made to import silk, wool, and cotton goods of our make under this rubber clause, and contentions now exist in the courts in reference to this matter, although our understanding is that the Supreme Court has decided that the goods shall be known by the customs exactly as they are known in the trade, and the words "India rubber" are never applied to our goods, although a small portion of the make of these goods is of India rubber thread, the rubber thread being inserted to give elasticity to the silk, wool, or cotton fabric. It is proper to note here that in all instances silk, wool, and cotton are the "component parts of chief value" in the make up of our goods.

Without going into unnecessary detail we beg to state that a careful study of the Senate bill introduced January 18, 1889, seems to cover all points which have caused so much unnecessary misunderstanding and litigation arising therefrom, so that we are ready to say that as we are able to understand Schedules I, paragraph 325, K, paragraph 360, L, paragraph 376, in their effect they cover the points which are so important with us; as far as silk is concerned it is thoroughly and effectually demonstrated that we can not make the goods in competition with the foreign without the 50 per centum protection.

Yours,

Hon. WILLIAM MCKINLEY,
Chairman Committee on Ways and Means.

EDWARD D. CANDEE,
Chairman Committee.

EYEGLASS CORDS.

SANDWICH, MASS., January 17, 1889.

Chairman Ways and Means Committee.

I manufacture in a small way silk eyeglass cords, and silk guards or watch-chains. There are many thousand dollars' worth of eyeglass cords imported, which can be laid down here, duty paid, for 96 cents per gross, and it is impossible to manufacture the same article in this country for less than \$1.42 per gross. We have no protection, and can only be protected by a specific duty of not less than 87 cents per gross for eyeglass cords, and 75 per cent. ad valorem for goods worth over \$2 per gross.

There is not to exceed \$2,000 worth of eyeglass cords manufactured in the United States per year because of insufficient protection.

A. H. ARMSTRONG.

NEW YORK, January 16, 1890.

DEAR SIR: The inclosed is a copy of a petition which was placed in the hands of the Hon. Frank Hiseock December 21, 1888, together with the original signers. We respectfully urge your honorable committee to give this your careful consideration, as foreign competition, especially in low-priced silk and cotton goods, is becoming ruinous to our industry. If there is any further information desired, we shall gladly furnish same.

Very respectfully,

Hon. WILLIAM MCKINLEY,
Chairman Ways and Means Committee.

W. A. KEYS,

SCARFS AND NECK-TIES.

To the honorable Finance Committee of the United States Senate :

We, the undersigned manufacturers of scarfs and neck-ties, respectfully represent that the present rate of duty on these goods is inadequate to protect us from the competition of foreign manufacturers, who, by reason of undervaluation, and the extreme low rate of wages, import and sell at such low prices as to destroy this industry to a very large extent.

It is estimated that out of our population of 60,000,000 of people at least one-half, or 30,000,000, wear neck-ties of some sort. Calculating that each person wears out at least three ties or scarfs per annum, it would consume ninety million ties, or seven million five hundred thousand dozens. These are made principally by women, at a cost varying from 50 cents to \$1.50 per dozen, and would produce the sum of \$7,500,000, distributed among a needy class of female operatives.

The above labor, however, is but a small part of the money entering into the cost. There are other industries hinging largely upon it. The boxes in which such goods are sold necessitate the manufacture of ten million paper boxes, at an average cost of 10 cents, supplying another needy class of workmen with at least \$1,000,000 per annum.

An average of one yard of cotton flannel enters into the composition of each dozen, or 7,500,000 yards, all manufactured in this country, costing 12 cents per yard, or \$900,000.

The goods are not yet ready for market until the paper manufacturer and the printer are called into requisition. Their labor and material, to the extent of 10 cents per dozen, contribute to the sums previously named a further one of \$750,000.

It appears by the above that this industry, when fully protected, will distribute among our workmen as follows:

Wages	\$7,500,000.00
Box-makers	1,000,000.00
Domestic manufacturers of linings, etc	900,000.00
Paper, and printing bands, labels, etc	750,000.00
	<hr/>
	10,150,000.00

In contrast to the above, we can state from actual knowledge that the cost of the items named is 75 per cent. greater in this country than in London, Paris, and Berlin.

One-half of the average cost of these goods made in this country is that of the labor, etc., to make them. It can therefore be readily seen why we need the protection desired, which is afforded by the tariff to other similar articles when brought in manufactured.

For instance, leather, ready manufactured, pays one rate, but when made into shoes a higher one. Skins for gloves, tanned, finished, and colored into leather, ready for cutting into gloves, pay 20 per cent., but when manufactured into gloves, 50 per cent. The same applies to various manufactures of cotton, flax, and wool.

It may be with reason asked why we now ask for this protection. We answer, so long as European exporters manufactured these goods themselves, we did not feel the competition as at present. Now, exporters to the United States employ a system of labor known as the "sweating system." No self-respecting American manufacturer is willing to resort to this extortion to compete with the foreigner.

We propose to change the rate of duty of 50 per cent. ad valorem to read as follows:

Neck-ties or scarfs, of silk or silk chief value: Costing \$4 per dozen or under, 15 per cent. and \$2 per dozen=\$2.60; present duty, \$2. Costing over \$4 and under \$8 per dozen, 15 per cent. and \$4 per dozen=\$5.20; present duty, \$4. Costing \$8 and not exceeding \$12 per dozen, 15 per cent. and \$6 per dozen. Costing over \$12 per dozen, 50 per cent. ad valorem.

All neck-ties or scarfs, of whatever material other than silk, costing \$2 or under per dozen, \$1 per dozen; present duty, 35 per cent. Costing over \$2 and not above \$4 per dozen, \$2 per dozen; present duty, 35 per cent. All above \$4 per dozen, \$2.50 per dozen; present duty, 35 per cent.

[Here follow the signatures of petitioners.]

STATEMENT OF JOSEPH NEUMANN.

JOSEPH NEUMANN, of San Francisco, Cal., appeared before the committee and said:

Mr. Chairman, one of the speakers before me, Mr. B. Richardson, of New York, in answer to a question in regard to the production of silk, stated that silk can not be produced profitably in the United States, on account of too high wages paid to labor and unsuitable climate, such as thunder storms and rains, which are detrimental to the proper progress of the cause. In answer to another question, on the same subject of the climate of California, he conceded that California could produce cocoons, but objected to the success of the cause on account of the too high wages paid to reelers for unwinding the silk from the cocoons against the wages paid to reelers in Europe and Asia; but, said he, the cocoons can be raised, and by letting the moths come out, so that it will clear the silken shell from its grub, the perforated cocoons can then be marketed. Now, gentlemen, this matter is erroneous and absurd, and shows very clearly the obstacles put in the way to the development of silk culture within the limits of the United States.

Notwithstanding my twenty-six years' labor in behalf of the cause, with all the proofs that I have brought to bear upon the subject, and notwithstanding that the climate of California is highly favorable, its superior does not exist in any part of the globe, it must be apparent that a persistent opposition, based upon prejudice and ignorance, was the reason why I did not succeed to advance the enterprise to a success. By permitting the grub to escape, it turns the perfect cocoon into the category of a rag, from which nothing else but shoddy silk can be made. What an idea! To permit the grub to escape means nothing less than to destroy the prospects of silk culture.

Silk culture means to stifle the grub or chrysalis, and preventing the same from destroying the cocoon, as it is a continuous fiber of upwards of 1,200 yards, while the perforated cocoon fiber is from one-sixteenth to one-half inch in length. For illustration the following is the cause of the matter: Between 500 and 600 cocoons of the best variety, well seasoned, will weigh 1 pound and will be worth \$1.50 per pound, and it will take 3 pounds of the same to manufacture 1 pound of raw silk, which will be worth, according to the present price, about \$3 per pound, from which only the best silken goods can be manufactured; while the perforated cocoon, meaning to permit the grub to emanate as a butterfly, destroys its long fiber, which converts it thereafter into a rag, from which only shoddy silks can be made. This class of cocoons will take 6,000 to make 1 pound, worth from 25 to 35 cents per pound, and its threads when spun into skeins, may be worth from \$1.50 to \$2 per pound, against the \$3 per pound for the raw silk from the perfect cocoons, which take 600 to the pound. From this it can readily be seen where the opposition to the development of silk culture comes from.

The idea that a man or set of men, who enjoy the benefit of a privilege given to them by a law of Congress, of a protection as it originally was of 60 per cent. ad valorem, now 50 per cent. on finished manufactured silks, and removing the duty from raw silks and all articles of the same which they could classify as such—that they should have the audacity to advocate the destruction of the cocoons, by permitting the moth to escape, and thus destroying the original value of its fiber, which means to destroy silk culture, for fear that the producers will ask Congress to place a duty upon the raw silk, can only be classed as erroneous and absurd.

The production of raw silk alone is the foundation of the future success in silk manufacture. While the production of raw silk is the fundamental principle of its manufacture, we should naturally think that these people who are here to-day demanding from Congress the highest protection on the manufactured silks and speaking against the fundamental principles, stand as reasons why I, in my twenty-six years' labor in silk culture, could not succeed. This shows very clearly that Congress, in the early sixties, erred when they were revising the tariff by putting a tariff of 60 per cent. ad valorem upon finished manufactured silks and letting the raw silk come in free. Let us investigate the matter in regard to how the tariff stood upon silken goods prior to our civil war. Then there was a duty of 25 per cent. on finished manufactured silks and 15 per cent. duty on raw silk as it came from the original filature; this left 10 per cent. only for protection for finished manufactured silks.

Ever since the close of the war, by the revision of the tariff finished manufactured silks received a protection of 60 per cent. ad valorem, now 50 per cent., and allowed the raw silk to be imported free of duty; the importers of raw silk sent machinery to China and Japan, and having the raw silk as originally reeled in the filatures of those countries re-reeled, and classing the same as raw silk as originally reeled in the filature, called it "filature silk," and this advanced the silk another 15 per cent. in its manufactured state, still bringing it into this country free of duty. Through this our Government is out and out injured to about \$8,500,000 annually, which it ought to collect as duty upon raw and re-reeled silks so imported. Thus it can be seen, that

a sharp-edged knife was put into the hands of importers of raw silk, and also those who are agents of foreign producers, to prevent Congress to pass a law to settle this vexatious question for the development of this particular branch of industry.

The consumption of silken goods annually in the United States amounts to about \$150,000,000, summed up according to my statistical view as follows: About \$55,000,000 worth of silk goods are manufactured in the United States, \$24,000,000 of which goes abroad for raw silk and shoddy. Of this \$6,000,000 to \$8,000,000 goes annually for labor and the balance to capital. About \$55,000,000 passes through the custom-houses as imported of foreign manufacture. Now let me say that the undervaluation of the invoices of the same annually will amount to about \$15,000,000 and the smuggling, which only pays when the tariff upon the article is too high, amounts to about \$20,000,000 annually. This shows that we are consuming very near the amount which I stated without a cent's worth of home production.

Shall we say that it is impossible for the people of the United States to enter into competition as silk producers on account of the cheap labor of Europe and Asia? The question naturally arises, is the production of cocoons subject to labor or climate? I say that it is principally climate, and where the climate for the perfection of the worm does not exist it can not be accomplished. The production of cocoons runs in parallel line with all agricultural products. If the farmers have a successful crop in any agricultural product it makes them rich, and if a failure it makes them poor. In the production of cocoons it is entirely different; the failure of a crop is not a universal one; it only affects those farmers who through neglect and natural phenomena lose their crop while their next door neighbors may succeed very well.

Shall we believe that within the limits of the United States there does not exist climates equal to that of France or Italy? I say that the most of our Southern States are even more favorable to the development of silk culture than are France or Italy, and the climate and soil of our wonderful State of California has not its equal in any part of the globe. Notwithstanding the great wonders accomplished in the silk culture in the years 1866 to 1870, say principally in the three years, that is 1868, 1869, and 1870, the State produced 34,000 pounds of cocoons, and notwithstanding these proofs brought to bear the enterprise went back upon us, on account of the same opposition which existed in those years and which has now become more visible than heretofore. From the very simple remark made by Mr. B. Richardson, that the moth should be allowed to escape, meaning the destruction of silk culture, this was accomplished in the years 1868, 1869, and 1870 in California, by the same class of people, by paying as high as \$6 per ounce for silk-worm eggs. This price was an inducement for the producers to destroy the cocoons, and this was what the majority of them did, and this was the reason of the destruction of the prospects of silk culture.

I was induced in 1865 to prepare machinery to utilize the crops of cocoons and to manufacture them into fabrics. In the spring of 1866 I traveled across the Isthmus, as there were no railroads in those days, and bought machinery in the East, about six hundred and fifty spindles, for all kinds of work in silk industry, together with ten weaving looms of the old style, which are still used in Europe for manufacturing the best grades of silk. I could not find any reeling machines for unwinding the silk from the cocoons, and I did not deem it necessary to go to Europe for one, as I knew how it ought to be made. I returned home in August, after having had all of my machinery shipped by steamer across the Isthmus at heavy expense. I temporarily set up two looms and wove about 200 yards of gros-grain and taffeta, from silks which I bought in New York ready for weaving purposes. This work of mine stimulated the country and silk culture was the order of the day, as it appeared very clear that a market for the cocoons had been established. I then went to work and invented a reeling machine and completed it in the year 1867, and in July of the same year I reeled the first skein of raw silk upon it, a sample of which I forwarded to the Department of Agriculture in Washington, D. C.

After everything was in order, and I was ready to receive cocoons, it became apparent that the production of the same had not reached a sufficient quantity to make it advisable for me to set my machinery in motion. In 1868 the first lot of cocoons, produced on a large scale in the city of Santa Barbara, Santa Barbara County, Cal., were exhibited at the State board of agriculture fair, held at Sacramento in the fall of the same year. I also exhibited my silk reeling machine and weaving loom, and had them both in operation during the continuance of the said fair. The Hon. Leland Stanford was then a resident of Sacramento, and will testify to the truth of my statement. The State capitol building, which was in process of erection, had to be finished for occupation in 1870. The governor of the State at the time, the late Henry H. Haight, visited the exhibition and became infatuated with the concern and made an agreement with me that the first cocoons so produced should be manufactured into two national flags, the one for the State and the other for the National Government.

I bought the cocoons produced in Santa Barbara and paid \$1.50 per pound for the same. There were about 800 pounds of well-dried cocoons and 3 pounds of them manufactured 1 pound of raw silk. I started to operate the reeling machine, of my

invention, in February, 1869, and by August I had 130 pounds of raw silk manufactured, which I exhibited at the State board of agriculture fair in 1869. After returning from the fair I set the balance of my machinery in motion.

Among my helpers I had no less a personage than the present manufacturer of silks, Mr. William Ryal, of Paterson, N. J., and his young wife, who were sojourning in California at that time. He and his wife will also testify that the flag is entirely of home production and manufacture. I had both flags completed by February 10, 1870, and exhibited them at the State capitol on February 14, 1870. Each flag measured 20 by 36 feet, and with embroidered stars. On the 12th day of July, 1870, I presented one of them to the Senate of the United States, and it was accepted by the same, as will be seen by the following extracts from the records of that body.

"IN THE SENATE OF THE UNITED STATES, *July 12, 1870.*

"The Vice-President laid before the Senate a letter addressed to him by Joseph Neumann, of California, presenting to the Senate a National flag, manufactured by the said Neumann from California silk.

"Mr. Cole submitted the following resolution, which was considered by unanimous consent and agreed to:

"*Resolved*, That the Senate accept the silk flag presented by Mr. Joseph Neumann, and tender him their thanks for the same."

"IN THE SENATE OF THE UNITED STATES, *April 25, 1884.*

"*Resolved*, That the silk flag presented by Mr. Joseph Neumann, of California, to the Senate, and accepted by the Senate on the 12th day of July, 1870, the said flag being, it is believed, the first American flag made of American silk, be deposited in the Smithsonian Institution for exhibition and preservation.

"I certify that the foregoing is a correct copy of the resolution of the Senate of the United States adopted April 25, 1884, relative to the silk flag presented to the Senate by Mr. Joseph Neumann, of California.

"ANSON G. MCCOOK,

"*Secretary United States Senate.*"

I will state here that raw silk was worth \$16 per pound at the time I manufactured the flags, and, as a proof of this statement, Mr. B. Richardson, of New York, is a witness that the late Mr. Hamill, of the firm of Hamill & Booth, at the end of July, 1870, after closing up my silk culture exhibit in the rotunda of the Capitol, on my arrival in New York paid me \$32 per pound for organzine in gum. His object was to make a dress for his wife out of the first silk produced in the United States. Notwithstanding all this labor of mine, with the proofs brought to bear, silk culture went back upon us. This was because of the same opposition which always did exist, and still does exist and will continue to exist until Congress will pass a law to provide for the proper development of silk culture.

We are consuming now about \$150,000,000 worth of silk goods per annum, and with the growth of our Republic through the development of our resources more wealth and riches and better intellect ensues and will increase the wants of our people for more refined dress. Who will say that within another quarter of a century the consumption of silk goods will not amount to \$300,000,000 per annum?

Congress in the past six years has appropriated in all about \$130,000 to encourage the enterprise, and to my knowledge this money was used to uphold a sham show and actually used to destroy the prospects for the development of silk culture. Proofs of my statement I have plenty at hand. The defeat of the silk-culture bill, which was pending in the Fiftieth Congress, is mostly the fault of those people who had received money from the Government to promote its cause. This can be easily seen from the remarks made by Mr. Cheney, one of the oldest and richest silk manufacturers of the United States, who imports that class of cocoons which are only fit for manufacturing shoddy out of what is called spun silk, as well as from those of Mr. Richardson, who is a large importer of raw silks, and who denies the possibility of producing silk in the United States, for fear that the raw silk will have to pay a duty in proportion to the finished manufactured silks as soon as we enter the field as competitors.

It should be understood that raw silk from the original flature is one-half finished and the re-reeled silk is three-quarters finished in the manufactured state. The original flature silk as it used to come to this country ought to pay 25 per cent. and re-reeled silk 35 per cent. duty ad valorem, as long as finished manufactured silks pay 50 per cent. duty ad valorem. It can be readily seen that the Government, the way the raw silk now comes in, is losing annually \$8,500,000.

Notwithstanding that the opposition was so clearly shown before your committee, I am not advocating an immediate tariff upon raw silk, for the following reasons: First. The placing of a tariff upon raw silk now will not help the development of

silk culture, but the passage of the bill for the development of silk culture now pending before Congress is of urgent necessity. Other countries in which silk culture is carried on are still encouraging the same through bounties, though it has been established for hundreds of years, and our Government will have to do likewise if it wants to see silk culture successfully established in the United States. Second. A tariff now will upset the existing order in the manufacturing districts. The manufacturer, by having to pay a duty upon raw silk just now, will naturally go back upon the laborer by reducing the wages to balance the duty which he pays, and as the manufacturing has already accomplished some good, as out of the \$55,000,000 so manufactured about \$30,000,000 remains at home to pay the laborer and, as I understand, there must be 50,000 to 60,000 hands employed in the various stages of silk manufacturing. All that I wish these gentlemen to do is to take their hands off and stop interfering with the development of silk culture, as it will finally benefit them as well as the country at large.

While the same bill, of which I have spoken, was pending before the Fiftieth Congress, raw silks were sent to the United States and sold for prices far below the cost of production in Europe and Asia. This was done for the very purpose to defeat the said bill and to discourage capital from taking hold of this industry. As soon as it became apparent that the bill had been defeated raw silk advanced in price from \$2 to \$3 per pound, and we were fleeced out of \$10,000,000 to \$15,000,000 on the 5,500,000 pounds of raw silk so imported.

WORKS OF ART.

STATEMENT OF J. CARROLL BECKWITH.

Mr. J. CARROLL BECKWITH, of New York, appeared before the committee and made the following statement. He said:

Mr. Chairman and gentlemen of the committee, I have the honor to be present before your committee with my colleagues as representatives of the executive committee of the National Free Art League, a body composed of something over seven hundred American artists, sculptors, and painters of high standing throughout the country, who desire the removal of all duty on works of art. We are in the exceptional position, I think, of having a duty on works of art which we do not desire. This duty was placed on works of art without the consent of the painters and sculptors of America, and has been kept on against their wishes. I refer you now to our secretary, Mr. Kenyon Cox, who will address you.

STATEMENT OF KENYON COX.

Mr. KENYON COX, of New York, secretary of the National Free Art League, appeared before the committee and addressed them as follows:

Mr. Chairman and gentlemen of the committee, the position we occupy is that we do not want to be protected. There is a duty on foreign works of art of 30 per cent. ad valorem. We believe that we represent almost the entire body of American artists in saying that protection does not protect us, and is rather a hindrance to the progress of art in this country. The first tariff on art in this country was passed in 1861, putting a tariff on works of art as a war measure, and that continued until 1883. Up to that time works of art had been admitted into the country free of duty, as they now are in every other highly civilized country of the world. In 1883 there was a petition signed by a large number of American artists, asking that that tariff of 10 per cent. should be taken off works of art. Nevertheless the tariff on works of art was raised to 30 per cent. My impression is that this was done in a conference committee through the influence of one Thomas Donaldson, who went before the committee on that matter. The 30 per cent. duty had not been recommended by the tariff commission, had never been proposed in either house of Congress, and never had been before the public in any way, and never had been demanded by anybody that I know of. From that time the artists began to agitate its removal.

The CHAIRMAN. Do you remember what the Mills bill did with works of art?

Mr. COX. As originally drawn it placed works of art on the free list.

The CHAIRMAN. I mean, as it passed the House?

Mr. COX. The clause admitting works of art free of duty was finally struck out in the Democratic caucus.

The CHAIRMAN. What did the Senate bill do?

Mr. COX. It did not touch the matter at all, but left the tax as it is now.

The CHAIRMAN. What is the reason of the opposition of Donaldson and others?

Mr. COX. We have never been able to find out whom he spoke for nor what his reasons may be. In the first place the artists began by petitioning for the abolition of the 10 per cent. duty, which they did not believe in, but nevertheless in spite of that petition the duty was raised to 30 per cent. ad valorem. In 1884, one year later the Society of American Artists passed a resolution declaring against the continuance of the tariff on works of art. They appointed a committee which appeared before the Ways and Means Committee on that subject, and I believe that a bill was introduced taking off that tax, but it did not pass the House. Some time later, I think in 1885, a committee of the Union League Club of New York, of which C. B. Curtis was chairman, determined to find out the sentiment of the artists of the United States on the question of a tariff on works of art. It circulated throughout the country a circular and sent it to every artist and every art institution and teacher of art whose address could be found, asking what duty in their opinion should be imposed on works of art—whether there should be any duty, and if so, what duty. To that circular of the

Union League Club they received 1,435 answers. Of the 1,435 artists or art-institutions who answered this circular letter, only 7 answered that they favored a retention of the duty of 30 per cent.; 28 answered in favor of the old duty of 10 per cent.; there were 34 in favor of a specific duty; there were 21 answered in favor of various grades of duty, some wanting a high duty on certain articles and less on others. But of the 1,435 answers, 1,345 were in favor of a total abolition of the tariff on works of art. That would seem to show pretty well where the artists stand.

The CHAIRMAN. How many artists or institutes of art are there throughout the country?

Mr. COX. It is hard to say. When you begin to ask who are artists it is hard to draw the line. There was at that time a publication which has been discontinued in this country called the Art Year Book. That publication gave the addresses, as far as was known at that time, of every artist who was sufficiently advanced to enter his work in any of the well-known art exhibitions of the country. If his works were received at the exhibitions he was considered an artist. It was from that Art Year Book that those petitions were sent out. Only a small part did not answer. The list of artists included all of the best-known men of the country and a great many of lesser note.

At its last annual meeting, in 1889, the National Academy of Design passed the following resolution:

"Resolved, That the present ad valorem duty on foreign works of art is injurious to the best interests of art in this country, and that it should be replaced by a moderate specific duty or abolished altogether."

The CHAIRMAN. What would you call a moderate specific duty?

Mr. COX. I would say, so far as I represent the artists here, we are in favor of no duty whatever. While we admit that a small specific duty would be better than the present ad valorem duty we favor the unconditional abolition of the tariff on works of art. We have formed a National Free Art League, and it met for the first time on the 21st of March last. It has not been much more than nine months in existence, but I think we can say we have a pretty good backing among the artists of the country, for in that nine months the membership has reached 1,163, of whom 913 are artists from every part of the country, from San Francisco to New York. In New York and Philadelphia we have the largest membership, but they are all over the country. They are not protectionists or free traders or anything else, but agree that a tariff on art is not a good thing for the artists or for the country. It includes pretty nearly the whole of the Society of American Artists, and includes academicians and the president of the National Academy of Design. This league was organized specially to procure, if possible, the abolition of the tariff on works of art. It favors the total abolition of that duty. We have our reasons, of course, for this. We would not come here favoring the taking off of the tariff without having what we consider good reasons. It is not quixotism with us. We think it is sound sense. Mr. Coffin, of our executive committee, has taken pains to prepare a statement giving our reasons.

Mr. CARLISLE. Works of American artists abroad are now admitted free, I believe. Mr. COX. They are, but they ought not to be, in my personal opinion, unless all works of art are so.

Mr. CARLISLE. Do not gentlemen abroad buy works of art and place them in the hands of American artists abroad to be shipped in free?

Mr. COX. I have never heard of that before, but it seems to me most unlikely, as the value of a picture, for instance, depends upon the reputation of the painter, and its identity would be destroyed if it were imported as the work of an unknown American. No American artist of reputation would lend his name for such a purpose. I would say that I think it is the feeling of a great many artists that if there is to be a tariff on works of art, it ought not to be a discriminating one, but we do not believe there ought to be any at all. If you will allow me to call Mr. Coffin, he will discuss this matter.

STATEMENT OF MR. WILLIAM A. COFFIN.

Mr. WILLIAM A. COFFIN, Secretary Society of American Artists and member executive committee National Free Art League, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee: I suppose it is scarcely necessary since you have heard Mr. Cox's figures for me to say that we represent the great body of artists not only in New York but in the United States; that we represent no particular coterie or society, but the artists as a whole, and not those of one set as against another. We do not consider that the present tariff upon works of art is in the nature of a protective tax. The price of a work of art depends upon the individual reputation of the artist; it sells for a certain price because a particular man

painted or modeled it, and a cause which enhances the price of foreign works of art has no beneficial effect upon domestic production. It does not follow that because there is a tax on works of art, it will help American artists, because a man will buy the pictures he wants only, and no others. We therefore hold that by taxing foreign works of art, you do not help us but rather put us in an inferior position as appearing to be afraid of unrestricted competition, and the 30 per cent. duty works to our disadvantage. I believe that one of the arguments in favor of the retention of this duty is that it is a tax upon luxury, but it is a difficult thing to say whether it is or not. We can at least say this, that works of art are not actually consumed, and unlike silks and champagnes, which are luxuries, they can neither be worn, eaten, nor drunk. It is true that when the best works of art come here they are bought by the wealthy, but they eventually find their way into museums, and their influence as an educator is very great. I would like if I had time and the statistics at hand to give you some notion of the value of good art to the country in an industrial way. I am sure that France gets great advantage from the way in which she has fostered art, and much of her wealth may be traced to the fact that her designers excel all others. In our country we need the influence of the good art of other countries—we need it for our wall-papers, our furniture, and hundreds of other things. This duty is a tax upon education. In so far as it succeeds in its object, it tends not only to retard the advance of general culture and to restrict the opportunities of our artists for study, but to hinder the proper education of large classes of artisans and to prevent the attainment of a high standard of work in many industries.

It is a tax levied by no other government of a country pretending to high civilization. That is a question which concerns international courtesy. The imposition of this tariff is resented by other governments. I know that France and Italy resent it. I am sure it has been the subject of correspondence between those Governments and ours. I understand that Mr. Whitelaw Reid, our present minister to France, has had some correspondence on the subject to present to our Government, and I know that his newspaper favors the abolition of the duty. Now this is purely a non-partisan question. We represent all shades of political opinion. Cultivated men who want higher civilization, and who believe in good art and good literature, are in favor of the abolition of this duty. The point that we do not need the revenue I shall not attempt to discuss. If we do not, here is one tax that those who are supposed to be benefited by it want removed. Leaving out of the question the important point of the value of art on the industry of the country, the American painters and sculptors ask for the abolition of the duty because we hold that the American buyer can not be forced to purchase pictures in this country by keeping out those of foreign artists. At present enormous prices are paid for foreign pictures, while those by American artists sell for more modest figures. We shall certainly never get to a place where our works will be preferred or sell on a level with foreign works under this duty. It is likely enough buyers in general do not know that the artists oppose this duty, and it is used as an argument against our work. We should like to have the best work we can get here, for if a man brings in a good picture it is to our advantage. We are American painters, and we want to stay and work in New York, or Boston, or Philadelphia. We do not want to go abroad to take advantage of the art atmosphere that exists in the European art centers; we want to create such an atmosphere at home. We intend to work in America, but good art will not grow here of itself, for it is well known that the art of painting is simply transplanted from one nation to another. The French are now the leaders. That is incontestable. They got it from the Italians at the time of the Renaissance, the Italians got it from the Greeks, the Greeks got it from the Egyptians, I suppose, and where the Egyptians got it we do not exactly know.

Now, American art will be helped by the introduction here of the best work by foreign artists. We hope our country will lead one of these days. Our showing at the Paris Exposition this last summer was very creditable, but we can do very much better if we are left untrammelled and if we are given, so to speak, a fair, open field and allowed to compete with others without any protective or any other sort of a tariff.

MR. BAYNE. Are you painters or sculptors?

MR. COFFIN. We are painters, all three of us, but we have many sculptors in our organization. Mr. Augustus St. Gaudens, for example, is a member of our executive committee. So far as that goes our interests, painters and sculptors, are practically the same. For instance, I rarely ever paint a water-color while other painters do, and we hold the same views on this question. The same thing is true of landscape, of figure and animal painters and sculptors.

MR. FLOWER. Is it a fact that anybody who imports these pictures, any of the wealthy men, are always willing to lend them or show them to you?

MR. COFFIN. A great deal of good has been done in that way. Owners of pictures in New York have been very liberal and very good in that respect, and that has been of great value to us. Mr. Henry G. Marquand is one of these, and is a conspicuous

instance of a wealthy man helping the general cause of art education. What he has done for the Metropolitan Museum in New York is well known. Of course it is only the wealthy who can buy the best works of art. As in other things we must look to private enterprise in this matter. Our Government does not buy pictures and statues for public museums, and the only way we shall get them here is through these wealthy citizens. They find their way into the museums eventually.

The CHAIRMAN. You think that men will buy foreign pictures whether there is duty or not?

Mr. COFFIN. I certainly do, sir; and they will sometimes buy cheap things. Collectors often begin by buying cheap and trashy things, and then learn to appreciate better art. Then they sell the trash and buy better, and so go on improving their collections and finish by having a good one if they live long enough, though it does sometimes happen that they die with a bad lot of things on their hands. On this point, however, of men buying foreign works whether there is a duty or not, I would like to add that the duty prevents very often the importation of valuable works that it would be to our best interests to have in this country, and I know of instances where such works have been actually purchased abroad and have not been brought here because their American owners prefer to have them held for them over there, hoping that the duty will be taken off. Many of these works are such as can only be obtained at rare intervals and the opportunity has to be seized when it presents itself. Were it not for the duty these works of art would be brought here at once and we would get the benefit of them.

VIEWS OF THOMAS DONALDSON.

THE PROPOSITION TO ADMIT FREE OF DUTY FOREIGN WORKS OF ART USED FOR LUXURY.

Three gentlemen appeared before the honorable Ways and Means Committee of the House of Representatives, on December 30, 1889, and asked that foreign art for the purpose of luxury be admitted free of duty.

Mr. J. Carroll Beckwith, Mr. Kenyon Cox, and Mr. Wm. A. Coffin, all of New York City, were the gentlemen. It will be especially observed that they all come from New York City. Mr. Beckwith said nothing, but advertised a new, nine months' old, organization called the National Free Art League, and had noted the fact that he was of the executive board. Mr. Cox said that he was also of the executive board of this new art experiment, and Mr. Coffin also notified the expectant committee that he was of the same board. The board probably consists of three. Beyond this what he said was of little real moment, as it was statement, not reason. These three gentlemen did not file a petition or present a line from any artist, layman, dealer, or buyer, asking for the admission of art works free for luxury.

Mr. Cox was the chief spokesman, and he labored under the difficulty of not stating what was true, and being ignorant—unintentionally, of course—of both the law and facts. He demanded the free admission of foreign art for educational purposes. It is so admitted now.

FOREIGN ART IS ONLY DUTIABLE WHEN USED FOR LUXURY OR TRADE.

The act of March 3, 1883, the existing tariff law, provides that all foreign art for education, culture, exhibition, museums, churches, associations, etc., enters free. See also sections 2503, 2508, 2509, Revised Statutes United States.

Foreign art imported for private use, luxury, decoration of private houses, trade or commerce, as are silks, feathers, diamonds, ribbons, velvets, champagnes, brandies, Persian rugs, only, is now taxed for expenses of the Government.

Mr. Cox stated: "The first tariff on art in this country was passed in 1861, putting a tariff on works of art as a war measure. * * * Up to that time works of art had been admitted into the country free of duty."

Of course he doesn't know anything about the law, and so is excusable. The several tariffs on foreign art used for luxury have been as follows:

In the tariff of 1790-1791, 1792, 10 per cent. ad valorem; acts of 1794 and 1795, 10 per cent.; acts of 1797-1800, 12½ per cent.; acts of 1804, 1807, and 1808, 15 per cent.; acts of 1812, 1813, 1815, and 1816, 30 per cent.; acts of 1841 and 1842, 20 per cent.; acts of 1812 and 1846 paintings on glass, 30 per cent.; act of 1861, to March 3, 1883, 10 per cent.; act March 3, 1883, 30 per cent.

The committee, with the above knowledge in their minds, must have smiled at the law statement of Mr. Cox.

Mr. Cox also evidently knows nothing of the Tariff Commission of 1882 and its acts.

That Commission was charged with the investigation of the tariff, and to advise as to reductions or increases. The free foreign art clause for luxury was considered in open session; testimony was taken; reports of special agents of the Treasury were used, and one especially, that of Col. George C. Tichenor, now Assistant Secretary of

the Treasury, in line with retention of this duty, and the Commission reported to Congress that the duty on foreign art brought into the United States for luxury and trade and commerce be made 30 per cent., and the House Committee on Ways and Means so ordered, and it became a law March 3, 1883, more than seven years ago. The petition filed at that time from American artists was one to reduce the duty on frames. From that moment to the present the battle has been incessant by a handful of men to repeal this law and admit foreign art free for luxury. They have been millionaires, art dealers, art hucksters, artists who earnestly believe in free trade, artists who are dependent, and some cranks, almost all of these urged on by rich men. In justice to a majority of them, it must be stated they have asked that oil paintings, water-colors, statuary, etchings, engravings, and lithographs be admitted free.

Almost all of these movements have originated in Europe and are aided by American artists who received their art education in Europe, and are "so thankful, you know." In May, 1884, so incessant was this demand that the Ways and Means reported a bill on the subject. It was a less vicious proposition than this present scheme. It was a bill to merely reduce the present 30 per cent. duty to 10 per cent. On the 19th day of May, 1884, on this bill, reported by Mr. Hurd, of Ohio (got left the following fall in a manufacturing or laboring district), the House of Representatives, after a full discussion on the question of suspending the rules for the passage of H. R. No. 6,751, the above bill, which was to reduce the duty on foreign art used for luxury from 30 to 10 per cent., in 35 minutes set its eyes in death by a vote of 52 in its favor to 179 against it, and 92 not voting. Of the 52 who voted aye only 17 survived in the Congressional election of that fall.

Make a note here, brethren; free luxuries and taxed necessities do not work well together in a popular government and under a protective tariff.

Brethren, on pages 4294 to 4298 of the Record "of the first session, Forty-eighth Congress," you will find some mighty interesting reading in this matter. By the way, the dinner-pail frequently has brains at the handle. During 1885, 1886, and 1887, the free foreign art for luxury people never ceased their efforts. In 1888 the Mills bill placed foreign art for luxury on the free list. The indignation aroused by this was so great, that in the caucus of the Democrats of the House, held in May, 1888, on motion of Mr. Holman, of Indiana, the free art for luxury clause was stricken out and almost without opposition. July 9, following, in the House, Mr. Breckinridge made the motion to concur in this, and so monstrous was the proposition considered that at once his motion was unanimously agreed to, and this in the midst of a heated partisan tariff discussion. The Finance Committee of the Senate, during 1888, were urged to insert free foreign art for luxury in their bill (see the Record). Oh, no; too much experience in that committee to be caught, and the matter was not inserted. The appearance of the three gentlemen from New York is the next move. It will be noted here that the Secretary of the Treasury, in his recommendations for tariff reduction in 1889, did not suggest free foreign art for luxury. He fully understands that duty is only paid on paintings or statuary when entered for private use, luxury, or trade, or commerce, and that for every purpose of education, art education and culture, exhibition, decoration of public places, etc., such articles are admitted free by the present law. Art for private use and purposes of decoration is purely luxury. You can not eat, drink, or wear it.

Permit me in this connection to suggest that in revision of tariff laws no duty now fixed by the law of March 3, 1883, on an article of luxury, should be removed until taxes are first removed from articles of necessity, and further in this connection, the following lines from the platform adopted by the Republican party at Chicago, Ill., June 21, 1888, and upon which the present Ways and Means Committee obtained power, are of interest:

"The Republican party would effect all needed reduction of the national revenue by repealing" * * * etc., and "release from import duties those articles of foreign production [except luxuries], the like of which, and etc." * * *

This means that articles imported for luxury are to remain upon the dutiable list so far as the action of the Republican party can affect them.

Do not be mistaken, gentlemen; you are not asked to relieve the poor or to take a duty off of a necessity.

You are not asked to aid education. You are asked to further aid the rich and provide them with free art-luxuries, and the poor are to pay duties on necessities to the end that revenues may come from customs to pay interest on the public debt and expense of Government.

Why not take the duty off of champagne? Every drinker will petition for it—vote for it. Why not give him free champagne as well as Vanderbilt, Marquard, Belmont, or other rich picture-buyers their foreign pictures free?

Let us balance the books a moment.

The following is a newspaper statement of the American workingman's burden of taxes under the tariff of March 3, 1883:

[From the Philadelphia Evening Call, May, 1888.]

"SOMETHING FOR CONGRESSMEN TO READ AND PONDER ON.

"The American workingman returns at night from his toil clad in a woolen suit taxed 55 per cent., stockings and undershirt taxed 75 per cent., a cotton shirt taxed 45 per cent., a woolen hat taxed 75 per cent., and, perchance, a pair of gloves in winter taxed 75 per cent.

"He carries in his hand his tin dinner-pail taxed 45 per cent., and greets his wife with a cheery smile as she looks at him through the window-pane taxed 60 per cent., from which she has drawn aside the curtains taxed 40 per cent.

"After scraping his boots on a scraper taxed 45 per cent., he wipes them on a mat of bagging taxed 40 per cent., he lifts the door-latch taxed 45 per cent., steps in on a carpet taxed 63 per cent., and gives a kiss to his wife in a woolen dress taxed 70 per cent. She has a needle taxed 25 per cent. in her hand with which she has been mending, with thread taxed 46 per cent., an alpaca umbrella taxed 50 per cent.

"It is a small brick house, which they have bought with their hard earnings of a building association. The bricks were taxed 20 per cent., the lumber taxed 16 per cent. and the paint 54 per cent. The wall-paper taxed 25 per cent. makes the room brighter, with its plain furniture taxed 35 per cent.

"Hanging his hat on a brass pin taxed 45 per cent., he hangs his pail on a steel pin taxed 45 per cent., and proceeds to get ready for his supper. He washes his hands with castile soap taxed 20 per cent. in a tin basin taxed 45 per cent., and wipes them on a cotton towel taxed 45 per cent. He then goes to the looking-glass taxed 45 per cent., and fixes his hair with a brush and comb taxed 30 per cent.

"He is now ready for his supper, which his wife has cooked on a stove taxed 45 per cent., with pots and kettles taxed 53 per cent. The table is spread with the commonest crockery taxed 55 per cent., and he drinks his water out of a cheap glass tumbler taxed 45 per cent. His meal is a frugal one, because hard times have cut his wages down, and he is saving every cent he can to pay the next installment due on his house.

"With an appetite worthy of an ampler meal he takes up his knife and fork taxed 45 per cent. and begins to eat a piece of salted fish taxed 25 per cent. He pours on it a little vinegar taxed 36 per cent. Upon his boiled potatoes, taxed 40 per cent., he sprinkles salt taxed 80 per cent., and eats a small pickle taxed 35 per cent. He ends his meal with a pudding of rice taxed 112 per cent., and an orange taxed 20 per cent.

"After supper he smokes a pipe and enjoys the happiness of his wife, who has this day bought a woolen shawl taxed 65 per cent., a black silk dress taxed 50 per cent., and a pair of scissors taxed 45 per cent."

The rich man is now said to be the real recipient of all of this, and that he gathers the whole profit crop. The wage-earner is said not to get his share of the boodle. It seems to be a question, brethren.

Will free foreign art for luxury to rich men change the above? If the poor man wants a chromo or a lithograph must he continue to pay a duty? No one proposes to give him these free. It is only the rich man who is to be aided.

JUSTICE SHOULD BE THE RULE.

If one kind of art is to be free, why not all? Why should not this free art clause embrace the art of engraving, etching, lithographing, and all carving and statuary? And why not porcelains and bronzes? All are pleasant aids to culture.

Give the poor man his low-priced picture free, if you give the rich man his high-priced one free.

IF ART IS TO BE FREE, WHY NOT ARTICLES ENTERING INTO ITS MANUFACTURE?

In justice to American artists residing in the United States, if oil-paintings and water-colors painted by foreign artists (in countries where materials are free and all living expenses quite 30 per cent. lower than in the United States) are to be hereafter admitted free, all articles in aid of art progress and culture, or for art instruction, or used in the making of pictures, should also be admitted free.

Our artists residing in America now pay very heavy duties on almost all of the materials they use; they are as follows: On linseed-oil, 25 cents per gallon; white lead, 3 cents per pound; turpentine, 20 cents per gallon; varnishes, 40 cents per gallon and \$1.25 in addition if spirit varnishes; colors and paints, water, tube, or otherwise, including lakes, 25 per cent. ad valorem; palette-knives, 45 per cent. ad valorem; gold leaf for frames, \$1.50 per package of 500 sheets; silver leaf for frames, 75 cents per package of 500 sheets; drawing-paper, 25 per cent. ad valorem; hair pencils and brushes, used by painters, 30 per cent. ad valorem; painters' canvases, 35 per cent. ad valorem; gold frames, 35 per cent. ad valorem.

If foreign oil-paintings and water-colors are to be admitted free, the following should be added to the free list, in aid of art culture and instruction:

"Lithographs, etchings, engravings"—bound or unbound—"art books and pam-

phlets, statuary of whatever materials, such as marble, stone, wood, ivory, metal, or plaster," all being indispensable aids to art progress.

"Linseed oils used by artists, all tube and water colors, including lakes, all varnishes used by artists, drawing-paper, hair pencils, brushes used by artists, painters' canvas, palette-knives, palettes, easels, frames for pictures (oils and water-colors), and gold and silver leaf used in making picture-frames."

If statuary is to be admitted free, "all marble for statuary and ornaments" should also be admitted free, as our sculptors and designers will be much benefited thereby, and the work or cutting can be done here, and another industry thus be created.

Frames are indispensable to pictures; why should not they also come in free? Why not have a general clean up in this matter and brush all of these things out of the tariff?

Mr. Cox in his statement mentioned that another man—sometime ago, in fact several years ago—another New York man, a member of the Union League (the members of which are generally high-tariff men when they want to sell or manufacture anything, but low-tariff when they buy), sent out a circular on the art question and received some 1,435 answers. These were from artists, of which 1,345 were for the total abolition of tariff on works of art. No petitions were filed, it will be noted. The chairman—evidently surprised at the small showing of artists made in a country containing 67,000,000 of people—asked Mr. Cox: "How many artists or institutions of art are there throughout the country?"

Mr. Cox promptly answered: "It is hard to say." Of course he doesn't know, and then showing his first real knowledge, he continued: "When you begin to ask who are artists it is hard to draw the line." Mr. Cox probably had in mind the other fellow's idea of what an artist is and who is an artist.

There are more than 3,500 artists, male and female, in this country, Mr. Chairman, and more coming each year, and never so many as during the past seven years since the art tariff for luxury has been 30 per cent. The effect of this has been to keep out cheap foreign pictures which come in competition with our artist beginners; now they find a market. During the past few years, and especially since the 30 per cent. duty on foreign paintings for luxury or trade, we in the United States have purchased the best examples of foreign contemporaneous art, so that now in this we excel Europe. Mr. Cox admitted that such artists as he knew were divided as to whether there should be any duty, or an ad valorem or a specific duty; and concluding, he said: "It (the League) favors the total abolition of that duty (on art). We have our reasons, of course, for this. We would not come here favoring the taking off of the tariff without having what we consider good reasons." And then he proceeded to say that another gentleman had them. They were inferentially something in a lump, or in a box, or something to be sort of passed around.

Mr. Coffin, he said, had them (ominous name), and he proceeded to yield these reasons up to the committee. They must, however, have been mislaid before the copy went to the printer, as no reasons for free foreign art for luxury can be found in the ten minutes of pleasant conversation Mr. Coffin, aided by some dialogue, held with the committee. He did mention one to be expected use of free foreign art for luxury: "In our country we need the influence of the good art of other countries for our wall paper, our furniture, and hundreds of other things." The other things is good; equal to, "etc." in a legal pleading. Mr. Coffin insisted that free foreign art for luxury would aid American art, saying: "We shall get pictures and statuary here through * * * wealthy citizens."

The Chairman now asked: "You think that men will buy foreign pictures whether there is duty or not?"

To which Mr. Coffin replied and gave away his case, and the case of Beckwith and Cox, and the European educated artists, who want to help the boys out on the other side, don't you know; and the rest, "I certainly do, sir!" So the existing tariff does not keep foreign art out at all, and our artists are not deprived of art examples from abroad by the present tariff. Mr. Coffin, near the end of his conversation, let the truth out handsomely, and most likely explained one reason why he was present.

"I know of instances where such works (valuable works of art) have been actually purchased abroad and have not been brought here, because their American owners prefer to have them held for them over there, hoping the duty will be taken off."

Thanks, Mr. Coffin; if this is not reducing the divine art of painting to the level of commerce, language does not convey meaning.

Mr. Coffin placed this free foreign art for luxury on the ground it should be treated by a tariff for revenue or protection, purely a commercial one, and showing the commercial side as well of some of our rich American foreign art buyers. The Committee of Ways and Means have nothing to do with art differences or theories. It faces an existing law. It either is a law by reason of facts or usefulness, or has become obsolete by non-use or change of conditions. This law has stood almost continuously since 1790. It has been attacked by rich men, speculators, foreign governments, foreign ministers, mistaken men, so-called art zealots, long-haired men, and always by New Yorkers, but it has stood rock-ribbed and firm, because right.

The three young men from New York did not propose that all art should be admitted free. They only asked that oil-paintings, water-colors, and statuary, for private use and luxury, be hereafter admitted free. Please bear this in mind.

It is only nine months, gentlemen, until another Congressional election, and you should tread softly on the ice, because it is thin in places—awfully thin—and such bald legislation as free foreign art for luxury, in the interest of one class, is out of line with justice, in the face of the continuance of taxes on the necessities of life used by the average citizen.

The three gentlemen from New York bounded into the arena, accompanied with a gust of foreign air, which must have quite unnerved some of the new members of the committee. They thought they were presenting something new. It is an old theme, well worn, and frequently sat down upon. They are simply new recruits and controlled by opinion, friendship, or prejudice. They did not know the existing law as to art. They did not file a petition, they simply conversed. They mentioned "our society" and the fact that they were of the executive board. They did not mention the probable fact that they three constituted the board and passed what resolutions they liked. They attacked an old and settled law, and asked its repeal without saying why, only that they wanted it done.

The committee will observe that the petition from American artists asking for the retention of the duty on foreign art used for luxury, and duly filed with Major Carson, the clerk, contains the names of some American artists of standing—great standing—amongst the hundreds of signers.

In conclusion, let it be understood that this raid on the present duty on oil-paintings, water-colors, and statuary, when used for luxury, is a foreign raid dictated by Parisian and other art dealers and rich men who want luxuries as cheaply as possible, and aided by some zealous young men who think they have found something.

In reaching a conclusion in this matter the one great fact must be kept constantly in mind, that under the present law all art for education, culture, museums, colleges, institutions, or free instruction in any way enters free. Also exhibitions of foreign art are permitted for one year, free of duty, and that any person desiring to present a museum or collection with paintings or statuary pays no duty on them; but where they are used as commerce for barter and trade, as silks are, or wines, or iron, or as luxury, they pay duty, as do other commercial commodities or luxuries, and this is what you are now asked to change.

The duties collected in 1888 from foreign art and statuary for luxury or commerce amounted to \$432,225.83, and for the year 1889, \$357,921.47.

It is sometimes urged that we should make all foreign art free because in France or abroad our students get free art education and courtesies. They get just what they pay for, and just what the people of all and every other country get. Not one favor is accorded them but which an African negro or a Chinaman receive, and not one would they receive if they did not have gold, shining, rattling gold.

Another idea should be at once got out of the committee's mind. The American artists are not beggars or charity patients, at home or abroad. True, their calling is precarious, and they depend for patronage on the rich (a very weak aid in the case of American art in most cases), and this may account for the zeal of some of them in trying to aid their patrons at the expense of the many.

Respectfully,

THOMAS DONALDSON,
No. 326 North 39th Street, Philadelphia, Pa.

VIEWS OF EUGENE F. AUCAIGNE.

NEW YORK, January 15, 1890.

DEAR SIR: I think my name is not unknown to you, as my father is well known by you, and I think he has spoken to you of our bronze foundry.

Why I take the liberty to write to you is because I have noticed a great deal lately—articles in newspapers—about reducing duties on works of art. Suppose duties were reduced or taken off bronzes imported into this country, every bronze foundry in this country would have to close up, because people can get bronzes cheaper on the other side than here; because we pay our workmen three times more wages than they receive in Europe. We, alone, have spent something like \$300,000 in five years to establish a bronze foundry, equal to any European foundry, and what is more, we will cast larger pieces and risk more than any one of our craft would dare to. Besides, we think and we know we can do as good work as can be done anywhere, because, as this is a new industry in America, we can not afford to slight any work.

I have the honor to be, your obedient servant,

EUGENE F. AUCAIGNE,
General Superintendent The Henry-Bonnard Bronze Company,

Hon. R. R. HITT, M. C.,
Washington, D. C.

SUGAR.

STATEMENT OF JOHN DYMOND.

Mr. JOHN DYMOND, of Louisiana, addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, we come from Louisiana—a committee composed of Professor Stubbs, Governor Warmoth, Mr. Foos, and myself—representing the sugar-planters of that State, and we were appointed by the Planters' Sugar Association and Exchange. I pause first to present their memorial.

A MEMORIAL FROM THE SUGAR-PLANTERS OF LOUISIANA.

The domestic sugar industry of the United States is one of the most promising, if not the most promising, of all the agricultural industries of the country, and since the beginning of the new sugar industry in 1864, when the crop was but 5,000 tons, it has made more rapid progress under more difficult conditions than has any other agricultural industry of the country.

The chief development occurred in Louisiana, and during the rest of the decade ending with 1870 the annual production so increased that the average reached 38,000 tons per annum. During the next decade ending with 1880 the annual average rose to 93,000 tons, an increase of about 145 per cent. The nine years of the present decade thus far show an annual average of 133,000 tons, an increase of 43 per cent., and it requires no sanguine judgment to say that the average for the next decade will double the increase of either of the past. The average of the past three years has been about 165,000 tons, which quantity exceeds the production of any other country from tropical cane, except Cuba, Java, and Brazil.

This great increase in our domestic sugar production has been brought about under difficulties without parallel in its history, and which made success seem almost impossible. The cost of labor remained comparatively constant, while the prices of sugar fell off two-thirds. The enormous increase of the beet sugar crop of Europe steadily lowered prices of sugar, and it was only the most intense efforts in the direction of excellence and economy that enabled the planters of Louisiana to withstand the shrinkage in values and to increase their crops.

These efforts in Louisiana for better work have gradually led to the adoption of all the best methods, and have placed Louisiana in the front rank of enterprise and excellence in sugar manufacture. Scientific investigations have been inaugurated, all that had been done by the General Government in Kansas for sorghum was availed of, and all that had been done in Europe for the beet was also utilized so far as it was applicable to our tropical canes.

Concurrently with our work in Louisiana has come the development and success of the beet-sugar industry in California and of sorghum in Kansas. The great amount of light thrown upon sugar production, the outcome of the scientific investigations of the General Government and of our own experiment station, have now awakened every man interested in sugar to the enormous capacity of this whole country for sugar production. Louisiana, Texas, and Florida are now actively engaged in enlarging their sugar culture, and Mississippi, Alabama, and Georgia have thousands of acres of lands well adapted to cane culture, that with our increasing knowledge will soon be brought into it. Kansas has had its drawbacks; has gone too fast, perhaps, in a difficult industry; has expected too much and is somewhat disappointed; but the fact remains that she has discovered a crop that is better adapted to her lands than any other crop; that will make sugar in paying quantities, and which only needs time, patience, and investigation to enable it to overcome all obstacles to success.

The beet-sugar industry has become an accomplished success in California, and while it takes sometime to induce a farming community to engage in any new industry, yet it has been done in California and is made a financial success. A most brilliant success has just been made in beet sugar in Kansas, where 166 pounds of sugar 99 per cent. pure have been made per ton of beets from an experimental field of 4 acres, the total crop of 60 tons giving this result.

With the new discoveries that have been made, with the application of all the skill of the chemist and of the mechanic, the domestic sugar industry of the country stands to-day more promising from an agricultural and manufacturing point of view than ever before in its history.

The capacity of the United States to produce its own sugar admits of no doubt. The alluvial lands of Louisiana that are readily drained are not yet one-third under cultivation, and adequate drainage works will bring millions of acres more into use. The introduction of new and hardy varieties of tropical cane that will withstand 50° to 60° Fahrenheit greater cold than the old varieties, will extend the culture above the northern line of Louisiana, and where tropical cane culture ends sorghum culture should begin, and this plant seems to flourish up to the northern limits of Kansas, and here beet culture may begin and extend a long distance north. This culture, now inaugurated in Kansas, will be increased there this season, and a new factory is constructing for Nebraska. Tropical cane culture is now a success in Florida, and thousands of acres of fertile lands there are now preparing for it. Texas has an immense area of lands well adapted to cane culture, and has gone extensively into it during the last few years, adopting all the new methods, including diffusion.

It may be proper to speak of sugar from a politico-economic point of view. Its production has been fostered in Europe for nearly a century, and yet the extraordinary advance in methods and increase in results that now affect us have only become apparent during recent years. Fifteen years ago beet sugars cut no figure in our markets. Now they control the values of sugar throughout the world.

All this seems to have been brought about by legislation favorable to beet sugar; and the various European governments that have been requested by Great Britain to enter into a convention for the suppression of the so-called sugar bounties, seem now without exception to refuse to make any change in their laws, fearing to do anything that might imperil the sugar industry, it being of such vital importance to the state wherever carried on.

To show how sensitive is the beet industry of Europe to favorable or unfavorable condition, we should state that the recent rise in sugar, brought about by a clique of German speculators, so stimulated the production of sugars there that the present crop shows an increase of some 500,000 tons.

This 500,000 tons is a surplus that must be dumped chiefly upon the American market, and must of course seriously affect values here. France, Germany, Austria, and Russia, thus making their own sugar, and about all else that they consume, will want to sell us their sugar and to buy nothing from us, but to take our money. This absorption of our money for sugar assumes a serious aspect when we consider that we send abroad \$100,000,000 now, and that we shall soon need to send \$200,000,000 unless we develop the domestic sugar industry.

To us in Louisiana the sugar industry is of vital importance. We have invested over \$100,000,000 of capital, and the industry gives employment and support to over one-half our people. Our lands are better adapted to cane culture than to any other. The crop is the most certain one we know of and withstands the vicissitudes of the season better than any other. A total crop failure is unheard of, the most disastrous seasons yielding one-half a crop. With these advantages have come the disadvantages of old methods, imperfect machinery, high cost of labor, and falling markets. We have been struggling against these disadvantages all these years, but with the success we have stated, and we are anticipating better results every year.

Our levee system has been so strengthened that we are now hoping for entire immunity from the floods formerly so disastrous.

The sugar crop of Louisiana is of especial importance to the whole country in this, that its advent lowers the level of sugar values for the whole country. This reduction of values on all sugar, foreign as well as domestic, gives the consumer a benefit, as long as the Louisiana crop lasts, that largely counterbalances the tax he pays on sugar.

The sugar crop of Louisiana is of vital importance to the whole country because of the immense inter-state trade arising from it. This now amounts to some \$40,000,000 per annum. No other State buys from the North and West so nearly all it consumes. The \$20,000,000 received for the sugar crop goes to the coal, iron, and oil men of Pennsylvania; goes for the corn and meats of Ohio, Indiana, Illinois, and Kansas; goes for the furniture, dry goods, boot and shoes, hardware and harness of the Northern States, and creates a trade almost equal to that of the United States with all the West Indies.

We submit that if our statements to you are found to be based on facts, is it not wise and just that our industry should be protected to the extent that will enable us to produce our own sugars?

We submit that there is no other agricultural interest in which the possibilities are to-day so great. We ask only a calm, deliberate consideration of the industry.

All of which is respectfully submitted.

JOHN DYMOND,
JOHN FOOS,
W. C. STUBBS,
H. C. WARMOTH,
Committee.

Mr. FLOWER. I would like to ask you one question. Do you call your sugar farms in Louisiana sugar plantations or sugar farms?

Mr. DYMOND. Sugar plantations.

Mr. FLOWER. How many acres have you in the large ones?

Mr. DYMOND. In a large one there are about 1,000 acres.

Mr. FLOWER. How much plant in actual value have you on each plantation?

Mr. DYMOND. When you say plant do you mean machinery?

Mr. FLOWER. Yes; machinery.

Mr. DYMOND. It is rather hard to say, because there is some old machinery on every plantation; but to organize a new plant suitable for 1,000 acres would cost at least \$100,000 to do the work well. There are plantations on which the sugar house costs more than that money.

Mr. FLOWER. How much time is this plant occupied during the year in the manufacture of sugar?

Mr. DYMOND. From seventy-five to eighty days.

Mr. FLOWER. Could not you make sugar cheaper in Louisiana by taking a plant for 75,000 acres instead of say 1,000 acres?

Mr. DYMOND. That conviction is now creeping over the people of that State; and that system is being adopted as rapidly as the necessary organization of capital can be effected.

Mr. FLOWER. A larger plant could be made available for 50,000 acres of land?

Mr. DYMOND. Of course that is far beyond any experience we have had.

Mr. FLOWER. Exactly; but a combination of farms just as they do in the Northern States with cheese and butter.

Mr. DYMOND. Yes, sir; exactly.

Mr. FLOWER. You state also in California the beet sugar is a financial success?

Mr. DYMOND. Yes, sir.

Mr. FLOWER. Notwithstanding the free sugar from the Hawaiian Islands?

Mr. DYMOND. That free sugar from the Hawaiian Islands comes into the American market on the general level of American values.

Mr. FLOWER. It comes into this market nearly exclusively?

Mr. DYMOND. It comes into California and reaches as far as New Orleans.

Mr. CARLISLE. Is there any competition with the production of the sugar grower except the free sugar from the Sandwich Islands?

Mr. DYMOND. There is no possible competition thus far with the California sugar grower. We consider him a friend to us.

Mr. CARLISLE. The sugar in the Eastern States, New York, Massachusetts, and elsewhere, does not compete with Spreckles' Sandwich Island sugar of California?

Mr. DYMOND. That sugar comes in, I believe, under the law at not above 13 Dutch standard. Therefore it is refined in the United States by some one.

Mr. CARLISLE. How far does that sugar come and compete with the sugar refined in the East.

Mr. DYMOND. It comes east as far as New Orleans and has been sold in that market.

Mr. CARLISLE. It goes to New Orleans by water?

Mr. DYMOND. No, sir; it goes over the Southern Pacific Railroad.

Mr. GEAR. Is it refined or raw?

Mr. DYMOND. It is raw sugar sent to New Orleans. California sells sugar, I believe, in Kansas City.

Mr. CARLISLE. Does it come east of that?

Mr. DYMOND. I think possibly it may be sold in St. Louis.

Mr. CARLISLE. The point is simply this. You say the production of beet-sugar has been a success financially in California. Now, I want to see whether it is protected or not.

A BYSTANDER. The sugar of California does not sell any cheaper because it comes in free, but rather the sugar plantations on the Sandwich Islands make just that much more.

Mr. DYMOND. The free sugar from the Sandwich Islands does not depress the price of sugar in the United States.

Mr. CARLISLE. Therefore the free importation of the Sandwich Islands has not injured the sugar of this country?

Mr. DYMOND. It has been no source of injury so far.

Mr. GEAR. What do you use for fuel on your plantations?

Mr. DYMOND. Coal, chiefly. We are very large consumers of coal.

Mr. GEAR. Do you use bagasse?

Mr. DYMOND. Yes, sir.

Mr. GEAR. It is only of recent years you have used it?

Mr. DYMOND. With any effectiveness.

Mr. GEAR. Does Cuba use that in the preparation?

Mr. DYMOND. They use it by drying it in the air.

Mr. GEAR. The climate is of such character that permits them to dry it?

Mr. DYMOND. In the past we had slave labor (a large amount of labor) to dry it. Now they are gone.

Mr. GEAR. That is the difference between the cost of labor of Louisiana and Cuba?

Mr. DYMOND. We think it is about four times the cost in Louisiana that it is in Cuba. I suppose the cost in Cuba is ordinarily about one-fourth of ours.

Mr. GEAR. What does the ordinary plantation labor cost now?

Mr. DYMOND. A dollar a day.

Mr. GEAR. What did it cost with slave labor?

Mr. DYMOND. We have had no experience with it.

Mr. GEAR. Other gentlemen here, I presume, could tell.

Mr. DYMOND. There is not a gentleman in this delegation who used slaves.

Mr. GEAR. But they know about it?

Mr. DYMOND. But that was thirty years ago.

Mr. GEAR. I understand that; but I want a comparative value of the labor then and now. Some of you ought to know.

Mr. DYMOND. That involves the whole matter of the increase of slaves by birth, and all that comes in and complicates the problem.

Mr. GEAR. You can say it was valued at so much by the year and the value probably was understood in a money price according to his skill. I want to see how it compares then and now. You could answer that question?

Mr. DYMOND. No, sir; I do not think I could.

Mr. GEAR. You did not go to that country until after that time?

Mr. DYMOND. No, sir; I used to sell you goods in New York.

Mr. GEAR. Yes; and I am very glad to meet you again. How many acres of cane are there in your country?

Mr. DYMOND. Two hundred thousand.

Mr. GEAR. That includes all the acreage?

Mr. DYMOND. No, sir; there is an immense quantity of sugar-cane being produced in all the Southern States which are converted by small mills into sirup and sugar.

Mr. FLOWER. Just as the loom was used in every household?

Mr. DYMOND. Yes, sir.

Mr. GEAR. You had 227,000 acres of cane in 1880; do you think you have that much now?

Mr. DYMOND. There has not been any material change. The chief change that has occurred with us has been the increase in our cultivation and the increase in our manufacture.

Mr. GEAR. What amount of sugar do you make in Louisiana?

Mr. DYMOND. According to a fair average, it would yield from 15 to 20 tons per acre, and perhaps a fair estimate would be that this cane will yield 125 pounds per ton.

Mr. GEAR. That is 2,000 to 2,500 pounds of sugar to the acre. Is not that a full estimate?

Mr. DYMOND. It is not anywhere near what we would do should we adopt the advanced styles of machinery. That is probably above the average of the State now.

Mr. GEAR. That is above the average?

Mr. DYMOND. Yes, sir.

Mr. GEAR. Has the acreage increased?

Mr. DYMOND. I believe it has; but not very rapidly. We are trying to develop more intense culture. We wish to get more cane from an acre, and to get more sugar from that cane.

Mr. GEAR. Are the planters generally putting in refining apparatus?

Mr. DYMOND. Yes, sir.

Mr. GEAR. Do you not lease a good deal of land? You take the cane and grind it on shares?

Mr. DYMOND. That system is developing, and is about to start.

Mr. GEAR. What per cent. would you lease?

Mr. DYMOND. Not much; not 10 per cent., perhaps.

Mr. GEAR. How often do you plant the cane?

Mr. DYMOND. Once in three years. The custom is to plant cane and get three crops, and then rotate the crop with field peas or corn, and then resume with the sugar-cane.

Mr. GEAR. How often do they plant in Cuba on an average?

Mr. DYMOND. They are planting much more frequently than formerly. They used to plant once in five or six years.

Mr. GEAR. Do you import any cane for rotation?

Mr. DYMOND. For seed? No, sir; we have all the cane coming from foreign countries through the experimental station. Professor Stubbs has charge of that, and will represent the scientific side of the industry.

Mr. GEAR. What has been the average crop of Louisiana for ten or twenty years?

Mr. DYMOND. I should say 165,000 tons for the last three years and 133,000 tons for the past nine years.

Mr. GEAR. Have not the last three or four years been much more profitable than the ten years before? Have there not been better seasons for production?

Mr. DYMOND. 1886 was bad; 1887 was good; 1888 was indifferent, and 1889 was a season of unexampled drought.

Mr. GEAR. Are Bouchaeau reports considered the standard?

Mr. DYMOND. No, sir; I hardly think them so.

Mr. GEAR. Are they fairly accurate in regard to the production of sugar?

Mr. DYMOND. I think so, except there is an error in the total crop of 1889, which he has corrected in most of the books he sent out.

Mr. GEAR. I noticed that. They are fairly correct in other particulars?

Mr. DYMOND. That would be a matter of calculation on his part.

Mr. GEAR. I suppose they would be considered fairly reliable, as a man living in Louisiana would not want to represent the matter worse than it was.

Mr. DYMOND. This man is not a practical man, and does not go at it in that way. I would answer that any man who makes a reasonably fair inquiry would arrive probably at about the truth; but not being an expert, his judgment may be inaccurate. But I believe his reports are fairly accurate.

Mr. GEAR. And so considered by the trade?

Mr. DYMOND. Yes, sir.

Mr. GEAR. What is the comparison of sugar produced in Louisiana compared with the per cent. imported into this country?

Mr. DYMOND. About one-eighth.

Mr. GEAR. Now this last year.

Mr. DYMOND. We have no statistics for 1889. In 1888 we had 240,000 hogsheads.

Mr. GEAR. This is the largest yield since the war?

Mr. DYMOND. The year before was still larger.

Mr. GEAR. The year before the war was the largest production ever made in the country?

Mr. DYMOND. Yes, sir; I think so.

Mr. BAYNE. Are you a resident of Louisiana?

Mr. DYMOND. Yes, sir. If it pleases the committee, I would be glad to have Dr. Stubbs explain the scientific side of the sugar industry.

STATEMENT OF DR. WILLIAM C. STUBBS.

Dr. WILLIAM C. STUBBS, of New Orleans, La., next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, my connection with the sugar industry of Louisiana is purely scientific. Five years ago when the sugar industry had been depleted by disasters, floods, low prices, and unskilled labor, they determined by private contribution to call science to their aid. They therefore established and have since maintained a sugar experiment station. Heretofore the sugar-cane industry had had very little attention from scientific investigators. This, I believe, was the first experiment station that had ever been established in the interests of tropical sugar-cane. I am and have been the director of this station, and for four years I have watched with close observation and patient study the habits, characteristics, and feasibility of both sugar-cane and sorghum. We have grown them both each year, and when I look back to-day at the condition of affairs in Louisiana when I went there four years ago and compare them with the conditions as they exist to-day, I can say to you gentlemen that there is not an industry in the world that has made such progress. There was not a filter process in the State of Louisiana four years ago, and to-day all scums and settlings from each sugar-house instead of being thrown away is utilized by this process.

To-day there is not a representative house that has not one of these filtering processes for utilizing the settlings and scum that formerly went to waste. A few years ago the three-roller mill crushed the cane. To-day diffusion batteries are competing with each other for complete extraction. Our juice was formerly evaporated in open pans, entailing great loss. To-day the vacuum is used by all large sugar-houses in the State. This is due to the National Government and to the able and wise administration of Dr. Wiley, the chemist of the Agricultural Department, who has given valuable contributions to the sugar industry of Louisiana and also successful diffusion to Kansas and Louisiana. Only three years ago the first trial was made in our State, and we have during the past season successfully operated ten complete diffusion batteries in our State and the adjoining State of Texas. It was, I think, unusual five or six years ago for an open-kettle sugar-house of our State to obtain on the average 75 to 80 pounds to the ton, thereby reducing the average of the State to about 100 pounds to the ton. I remember well the first year I was in Louisiana when my friend,

Governor Warmoth, announced to the public he had secured a yield of 169 pounds to the ton what a startling cry of amazement went up from one end of the State to the other. Since that time yields of 200 pounds to the ton are becoming common with the diffusion batteries. During last year I extracted on an experimental run 250 pounds to a ton of cane. This shows what science so far has done, or rather I might say the experimental station has created a stimulus in that State, aided by investigations of the National Government.

In regard to agriculture our success has been almost as great. Five years ago there was not a thousand pounds of fertilizer sold in the whole State of Louisiana. Last year the sugar-planters used alone 15,000 tons, exclusive of many thousand tons of cotton-seed meal. Our cultivation has also improved, and the station has been introducing, through the kindness of our Department of Agriculture here and our consuls in foreign ports, over twenty-five varieties of sugar-cane, and we have them now grown upon our sugar experimental station, and during the past season they were distributed in considerable quantities over the State of Louisiana. Some of these canes we find possess a hardness and vigor of growth that will enable them to withstand the seasons further north of us. I went to Kansas last spring for the purpose, and I am watching with a great deal of interest to see if we can not domesticate it in the State of Kansas. Now this is from a chemical and agricultural standpoint. There is another thing that you gentlemen can appreciate when I call your attention to the fact that the manufacture of cane sugar from sugar-cane and sorghum is one of the most intricate problems of which we have any knowledge, and I wish to say that since my early boyhood I have spent my life in the laboratory. There is no process, perhaps, of any manufacture that involves so many complications as the manufacture of sugar. When I went to Louisiana we had a great many old negroes and profoundly ignorant sugar-makers who were marvelous in their line. There was not a sugar chemist in the State of Louisiana, and this year we have been able to furnish over thirty sugar-houses with educated, practical chemists.

These three branches of the sugar industry have been under my control as director of the sugar experimental station, and we have been patiently investigating the cane as to its field requirements and manural wants, to determine what fertilizers will both increase the tonnage and sugar content, and also determine the question of germination. The question of germination has always been of interest to the sugar-planter. We have a sugar-house in which we have been testing all varieties and methods of manufacture of sugar, and at the same time the many new ways which have been constantly offered to us by the sugar-planters. In the laboratory we have had a chemical investigation going on, not only of the sugar plant when matured and during its growth, but to see if we can not study the wonderful transformations which take place in the plant in storing up that sugar, and at the same time the production of the sugar in this manufacture. Along with this we have been educating these people taken from every class throughout the country, and have had them in training one or two years. We have not been able to supply the sugar-houses at all during the past year. Now, gentlemen, this is the progress we have made since I have been in the State of Louisiana. Of what took place before I went there I can not, of course, authoritatively speak; but this much I can say. During the last five years, I believe (and I have a very good evidence for making the positive assertion), every dollar of income that has been received by the planters of Louisiana has been invested in the land, and nothing to-day prevents their open-kettle sugar buildings in the State from disappearing and in their place making a central factory except the want of capital, and nothing prevents capital from going to the State and developing the land but a want of confidence in the permanency of the sugar industry in the State of Louisiana. A few years ago such a thing as selling cane by the ton was almost unknown in our State, and yet this past season I presume more cane was sold by the ton than all the previous years of the raising of cane in Louisiana. Central factories did not exist in name, but many of our planters have erected large machineries.

My friend, Mr. Foos, over there, this year harvested 1,340 acres of cane that will require a battery of 400 to 500 tons capacity per day, and it leaves him very little time to buy outside cane, although he is now contemplating extending his plant for the benefit of the small farms. The tendency in Louisiana to-day is towards central factories. It is an object for which we have been working for years. The railroads which are permeating our country are chiefly engaged in transporting the cane from the field to the sugar-house, to the sugar-planter. What we call sugar-planter should now be called sugar-manufacturer. He buys this cane from the sugar-planter at a price which will enable him to divide with the agriculturist. This is south Louisiana. At the same time while this is going on in south Louisiana a feeling that they could grow their own sugar has been manifested through all north Louisiana during the last two years, and we have an experimental station now under our control near Baton Rouge, in Baton Rouge Parish, and one opposite Vicksburg. We have grown both the tropical cane and the sorghum plant. Last year we shipped sorghum both from Baton Rouge and from the station opposite Vicksburg down to

the experimental station. At the same time we have been growing the tropical sugar-cane, and we suppose during last season the sugar content was equal to the lower part of the State, and the tonnage somewhere approximating it. That is due to the fact that in the northern part of the State we have a number of one-horse farmers who do their own work, and have their own farm, and therefore the cane raised had better attention than when it is raised by the gang system, such as prevails in the southern part of the State. It is so much so that we are now enlarging the sugar industry in Louisiana, and we believe the time is not far distant that from one end of the Arkansas line to the north of Mexico will be planted in sugar, except as much as is needed to produce products for home consumption. Nor is this idle talk.

We have demonstrated it in three parts of the State. In the production of these varieties to which I alluded just now we can easily succeed with suitable cane up in the northern portion of our State. If we find we can, I may remark further, there are thousands upon thousands of acres of land in Louisiana that to-day will yield sugar-cane of the highest quality, provided we can get the means to develop the central factories. That seems to be the only drawback to developing the industry to its fullest extent. You must remember our people are poor and that every dollar of their capital invested in the sugar-houses has been produced by the toil of these men since the close of the war. I am informed that every sugar-house in Louisiana was dismantled. And here let me remark it takes longer to get a cane crop than any other crop. It takes three years to get its first plant. The cane must be planted three years before the harvest can be expected, and it takes a large quantity of cane to plant an acre. The average quantity of cane planted to an acre is 6 tons, and you can imagine what 1,000 acres is at the rate of 6 tons to the acre. It would consume a large quantity of cane.

Mr. GEAR. What is the average product of an acre?

Mr. STUBBS. From 15 to 20 tons.

Mr. GEAR. And it takes 6 tons of seed to plant an acre.

Mr. STUBBS. It takes one-fifth of the crop of the State of Louisiana every year, unless I can get them to adopt the policy which I earnestly recommended, that is, to plant the tops, which are of no practical value for sugar, and which germinate, as I have demonstrated, very well, and then harvest the whole crop. I received, the day before I left Louisiana, a bundle of cane seed from the Barbadoes Islands, and it was never known to seed anywhere until last year.

Mr. GEAR. You say it is unusual for it to seed.

Mr. STUBBS. Yes, sir. I am going to plant this and try to propagate it. With these facts before us, and with the fact that we have a most magnificent country extending north of Louisiana, which I had the pleasure of visiting this summer, in Arkansas and in Kansas, and I had the good fortune to be entertained by the planters of Kansas and of examining their sugar works, and I honestly believe (and I have made these utterances many times before) that the time will soon come—I do not mean to-day or to-morrow, but ultimately—when the smoke of sugar houses will rise in one continuous column from Nebraska down to the Gulf of Mexico. There is no reason on earth why every single farm between Nebraska and the Gulf of Mexico should not put in a sugar-producing plant and immediately produce sugar.

Mr. GEAR. You include sorghum and the sugar made of beets?

Mr. STUBBS. Yes, sir; but I am speaking of sorghum and sugar-cane. Beets are not adapted to south Louisiana. They can not grow there, first, on account of the labor, and then it is too wet. I have been giving every aid and assistance to the experimental station of Kansas looking towards the development of the sorghum plant. Last year we grew over a hundred and odd varieties of sorghum, and I desire to say that the plant showed in the laboratory as high as 18 and 20 per cent. sugar and less than 2 per cent. of glucose, and I think with a proper use of fertilizers and scientific selection we can raise that plant to the dignity of the cane plant from the State of Kansas down to the Gulf of Mexico. It will also prove a valuable adjunct in Louisiana. It ripens early in July, and our sugar-cane does not ripen until late in October. We have been trying for three or four years to introduce sorghum into Louisiana planting, so as to have an early crop in July running straight along until October, and then the sugar cane comes in from October until January. We are aiming to do that in north Louisiana. South Louisiana is not so well adapted to the sorghum crop, because they are alluvial lands that require heavy draining. Our soils are too heavy and the climate too moist. With this remark I suppose I can rest at least the scientific side of the question, that that section of the country is capable of producing all the sugar we need.

Mr. GEAR. What is the mean temperature of Louisiana?

Mr. STUBBS. The mean temperature of south Louisiana varies, but it is somewhere about 70°.

Mr. GEAR. What is the mean temperature of north Louisiana?

Mr. STUBBS. It is about 4° or 5° colder; the elevation is very nearly 200 feet.

Mr. GEAR. It is hardly that at Baton Rouge?

Mr. STUBBS. No, sir; the highest point in Louisiana is about 300 feet; that is in the hills. Baton Rouge is only 45 feet.

The CHAIRMAN. How many acres of land in Louisiana could be utilized for cane sugar?

Mr. STUBBS. There are 45,000 square miles in the State of Louisiana, and I think about one-half is alluvial in South Louisiana. Of that amount, with drainage, I suppose one-third is fit for the cultivation of sugar. We are draining every year. We have companies running exclusively on that kind of work and bringing whole properties outside of cultivation into cultivation.

Mr. GEAR. That is 22,500 square miles?

Mr. STUBBS. Yes, sir.

Mr. GEAR. About 12,000,000 acres?

Mr. STUBBS. Yes, sir. We have lands enough to grow all the sugar consumed in the United States and all the cotton used in the United States if we had the capital to develop it.

Mr. GEAR. You stated that you had an experimental station for sorghum sugar. How many acres have you?

Mr. STUBBS. Five or 6 acres.

Mr. GEAR. What does it cost a ton?

Mr. STUBBS. This is an experiment, and we do not get the price per ton. Sometimes I have a man employed to whom I give \$2,500 a year.

Mr. GEAR. What is the average cost of the sorghum sugar produced per pound in Louisiana?

Mr. STUBBS. I assume the sorghum lands in Louisiana can be cultivated, according to the lightness of the land, at from \$2.50 to \$10 an acre. When we cultivate it in the lower portion of Louisiana they take four mules and two hands, and it costs four times as much as it does in north Louisiana. When we glance at the difference between the two we estimate it costs in Louisiana from \$2.50 to \$10 an acre.

Mr. GEAR. How many planters are in Louisiana?

Mr. STUBBS. Eleven hundred, they are stated to be.

Mr. GEAR. What is the average size of the plantations?

Mr. STUBBS. Mr. Dymond responded to the question that the average plantation was 1,000 acres. I should say the average size is greater than he stated, because all the land is not used for sugar-cane purposes.

Mr. GEAR. Do you get as little on the river front as you can?

Mr. STUBBS. We want all the river front we can get. It runs 40 arpents deep; hence what is calculated as an average large plantation in Louisiana will average 1,000 acres in cane. Then we have quite a number of small plantations, running from 300 to 500 acres, with open-kettle houses, which make only molasses.

Mr. GEAR. The plantations lie mostly where?

Mr. STUBBS. Below Baton Rouge.

Mr. BAYNE. Down towards Morgan City?

Mr. STUBBS. Yes, sir. There are three Congressional districts representing the sugar industry in Louisiana. Mr. Price represents more than half the sugar industry. This is called the sugar-bowl of Louisiana all down the Mississippi.

Mr. McMILLIN. You stated there are 1,100 sugar-planters. Have you any estimate of the number of hands employed?

Mr. STUBBS. Yes, sir; I can give you that for this reason: I am connected officially with the State of Louisiana, and every year we get these statistics rendered. The exact number of hands employed on each plantation is very hard to get. The whole number engaged in the southern part of Louisiana in the making of sugar is from 400,000 to 500,000. Then I want to make the statement, in addition to that, a large amount of labor from Mississippi is used. We send to Mississippi and get cotton hands. I believe it takes twice as many hands to take off the crop as to make it, and so we import them in large quantities from Mississippi.

Mr. McMILLIN. You mean these four or five hundred thousand are men, women, and children?

Mr. STUBBS. Yes, sir.

Mr. McMILLIN. You spoke in regard to making the cotton crop and the corn and pea crop. This is a necessary process in the preparation of the ground for replanting?

Mr. STUBBS. Yes, sir. Our regular rotation consists in going once in three years back to peas and corn. The corn crop is merely an incidental crop.

Mr. BAYNE. You stated that at a comparatively recent period you succeeded in extracting more saccharine matter from cane than was obtained some years ago.

Mr. STUBBS. That was last year, not this present year. This last year the highest yield was 206 pounds. Our cane was not so rich.

Mr. BAYNE. Was that the result of better appliances?

Mr. STUBBS. Precisely, sir. We have had three hundred and odd field experiments with different kinds of fertilizers going on for four years. We are trying to find a combination of fertilizers that will give a large tonnage and a large sugar content. The year before last we had a very exceptionally rich cane and we made 250 pounds of sugar to the ton of cane, and it simply demonstrated the fact of what can be done if we get our planters and our sugar-makers and our engineers educated up to a proper degree so as to manipulate the sugar-cane.

Mr. BAYNE. Are more acres in cultivation now than four or five years ago?

Mr. STUBBS. I should say it was smaller; I do not think it is more.

Mr. BAYNE. Are any more persons investing capital there?

Mr. STUBBS. Yes, sir. The sugar lands are more valuable to-day, and find more ready sale to-day.

Mr. BAYNE. There has been considerable capital taken there from the North?

Mr. STUBBS. We have much Northern capital there. Our present successful sugar-planters are Northern men. I am the only Southerner of these four gentlemen who represent this delegation here. All the rest are Northern men.

Mr. BAYNE. Have they been making money in the last three or four years?

Mr. STUBBS. I can say I think they have from my stand-point, but they do not think that they have from theirs. The sugar-planter does not count the money made at all which he puts into improvements and machinery. They can better answer that themselves. I should think he has made money, because the improvements have been very great. I have never seen such a real awakening among the sugar-planters and the putting in of every class of improvements as during the past year.

Mr. McMILLIN. I will get you to state if it is not a fact instead of making rapid increase in the acreage they have been making an effort to improve the character of the product per acre by the addition of expensive machinery rather than extending the acreage at present?

Mr. STUBBS. There are two kinds of sugar-planting. First, he is trying to almost double the crop in the field so as to get twice the tonnage, and then in the sugar-house he is endeavoring to get twice the quantity of saccharine matter from that cane.

Mr. GEAR. Have you any agricultural societies or associations that give you the acreage of crops in your State?

Mr. STUBBS. Yes, sir; we have a thorough agricultural organization throughout the State. We have a State Agricultural Society; then the Sugar-Planters' Association. Then there is the North Louisiana Agricultural Society. These have branch associations, etc.

Mr. GEAR. These societies get out statistics in regard to the acreage?

Mr. STUBBS. Yes, sir.

Mr. GEAR. Is the report of the State Agricultural Society fairly accurate?

Mr. STUBBS. Yes, sir; we have a commissioner of agriculture whose duty it is to collect statistics.

Mr. GEAR. Are his reports fairly accurate?

Mr. STUBBS. I should say so. I presume it is as reliable as any other data you can get.

Mr. GEAR. It would not be as reliable as the census?

Mr. STUBBS. No, sir.

Mr. GEAR. Give us the statistics of your commissioner of agriculture in regard to the acreage. Does he give it as being changed since 1880?

Mr. STUBBS. In 1880 it was 177,000 acres, and this year it is estimated between 180,000 and 190,000. If you look at the census of 1879 you will find the acreage 177,000. This year we estimate it at 185,000 to 190,000. I will explain that in a moment. You are referring to the entire State of Louisiana?

Mr. GEAR. I was referring to the whole of Louisiana.

Mr. STUBBS. I was referring only to the sugar district of Louisiana. As I remarked, in North Louisiana we have small farmers caring for 1 or 2 acres; that does not enter into the sugar calculation at all.

The CHAIRMAN. What would be the effect upon your industry if the duties upon sugar were abolished?

Mr. STUBBS. These gentlemen could answer better than I could. I could say one thing. During the past year, from an unprecedented drought, lasting from the 13th of April to the 20th of June without any break at all, no planter in our State has made any money.

The CHAIRMAN. Is the reason why you can not compete with other sugar-growing countries on account of the labor?

Mr. STUBBS. Seventy-five per cent. of the expense of making sugar by the domestic planters is the labor.

The CHAIRMAN. You have much higher labor than competing countries?

Mr. STUBBS. Very much so. We pay \$1 a day for hands. I am now paying that at all three of my stations to laborers who have no skill at all.

The CHAIRMAN. What is paid in other countries?

Mr. STUBBS. I was reading in one of the sugar papers that the labor of Cuba was 25 cents a day; but I have never been there, and I do not know.

Mr. LA FOLLETTE. You say you pay the labor at the experimental stations. Is that the average rate paid on the plantations?

Mr. STUBBS. Yes, sir. I pay just what the farmers around me pay. I can not afford to pay higher.

Mr. GEAR. You say the average price of field labor of Louisiana is \$1 a day in the sugar district?

Mr. STUBBS. Yes, sir. Some men get a little cheaper than that, but that is the average for three parts of the State. During the grinding we pay \$1.50 a day.

The CHAIRMAN. And because of this difference in the price of labor you think this duty ought to be maintained?

Mr. STUBBS. I think so.

The CHAIRMAN. If the labor was the same here as in competing countries would you need this duty as a protection?

Mr. STUBBS. I do not like to answer that question, not having given the political side of this question any attention at all. I will say this: I have never found any plant that was more thoroughly at home than sugar-cane is in south Louisiana. As a proof, on the 19th day of August, at Baton Rouge, I had over forty grades growing in the field. We had a tornado and the cane crop was the only one that resisted the storm. The cotton was torn out by the roots, but the cane resisted the storm and I made a most excellent crop of sugar.

Mr. BAYNE. The life of the cane in Louisiana is not as long as it could be made?

Mr. STUBBS. Probably not. We cut at nine months old and at eighteen. There are stalks weighing 8 and 10 pounds, and we consider ourselves fortunate if we run the stalk up to 5 or 8 pounds.

Mr. GEAR. What is a fair average in Cuba?

Mr. STUBBS. It would be 30 or 40 tons to the acre.

Mr. GEAR. How much sugar would that make?

Mr. STUBBS. If worked in the new diffusion process it would make 250 pounds. If worked by the old process they would get very little more than Louisiana. I wish to say, gentlemen, that I am in almost daily correspondence with sugar-growers in every direction, and there is hardly a day we are not in receipt of letters complimenting us in Louisiana on the great progress we are making in sugar-making. Only a few days ago I had a letter from New South Wales calling upon me for information, and asking if Georgia was really making such progress as was attracting the attention of the sugar world elsewhere.

Mr. LA FOLLETTE. What was the total number of pounds produced in 1889?

Mr. STUBBS. That has not been estimated yet.

Mr. LA FOLLETTE. For 1888?

Mr. STUBBS. These gentlemen can tell you better than I.

Crops of sugar made in Louisiana since the war, in tons.

1864.....	5,000	1873.....	55,936	1882.....	150,762
1865.....	11,269	1874.....	73,042	1883.....	138,447
1866.....	25,625	1875.....	90,091	1884.....	106,519
1867.....	23,529	1876.....	106,232	1885.....	144,556
1868.....	52,636	1877.....	79,846	1886.....	91,230
1869.....	54,375	1878.....	133,263	1887.....	178,224
1870.....	90,551	1879.....	106,233	1888.....	167,429
1871.....	80,288	1880.....	136,446	1889.....	not in.
1872.....	67,825	1881.....	76,864		

STATEMENT OF GOVERNOR H. C. WARMOTH.

Governor H. C. WARMOTH, of Lawrence, La., next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I do not think that I can add anything to the statement of Dr. Stubbs. All I can say is, it is a remarkable thing in the history of legislation that Pennsylvania, from whom we are buying all our coal, should be in favor of cutting down the duty on sugar. We buy an enormous amount of coal from Pennsylvania for our use. We buy hundreds of thousands of dollars worth of cooperage machinery from them, and I think it is a remarkable thing that they should be the people who should wish to cut down the duty on sugar.

Mr. GEAR. Do you not manufacture any hogsheds?

Mr. WARMOTH. No, sir; we use barrels almost exclusively. We get cooperage machinery from Pennsylvania and Ohio. We buy materials from Tennessee and Ken-

tucky, thousands and thousands of dollars of them. We get all of our meat and bread from Iowa, Missouri, and Kansas. We buy about everything we use in Louisiana from the North and West, and yet these high-protected industries in the North are crying continually for free sugar, which does not mean free pork to us. This is hard on these people in Louisiana, who believe in the protection idea and sustain the protection party, who voted the Republican ticket; and of these four or five hundred thousand people 90 per cent. of us did it. We think it a rather remarkable thing that our Republican friends are continually crying for a reduction of the duty on sugar and nothing else. You will excuse me, gentlemen, for this lecture. I speak with some feeling. I have been conducting some political campaigns in Louisiana. When I go to a sugar-planter and ask him to vote he says to me: "Don't the people of Pennsylvania and Ohio, etc., want to cut us down 50 per cent.?" I do not think I have made progress in converting the Democratic vote—

The CHAIRMAN. What do you think of 20 per cent.?

Mr. WARMOTH. I think it is just as bad as 40; only half the degree.

Mr. GEAR. Do you not find it pretty difficult making conversions of your Democratic friends?

Mr. WARMOTH. There is not much difficulty in converting our Democratic friends and getting them to vote right, but the great difficulty is to get the votes counted.

Mr. BAYNE. How would a bounty operate?

Mr. WARMOTH. It would be destructive to the industry.

Mr. BAYNE. Why so?

Mr. WARMOTH. Because it would disclose the fact, which everybody understands that the tariff is a bounty, and the moment it is understood that we are singled out and a bounty paid into our hands there would be a universal cry for the destruction of that bounty.

Mr. BAYNE. From whom would the cry come?

Mr. WARMOTH. Unanimously from the country.

Mr. BAYNE. Suppose the effect of paying a bounty would be to develop your industry and make it produce an adequate supply for the consumption of the country?

Mr. WARMOTH. No bounty would be of any benefit to us, because it would be very short-lived. We could not get a man to put capital in the sugar industry under a bounty.

Mr. BAYNE. How much more sugar do you produce now than ten years ago?

Mr. WARMOTH. We produce much more for the acreage under cultivation.

A BY-STANDER. Thirty thousand tons per annum.

Mr. WARMOTH. You must bear this in mind in regard to the acreage in Louisiana used in the cultivation of sugar, that in 1884 we had a crevasse that swept away one-third of the sugar industry. It commenced 20 miles above New Orleans and extended to the Gulf, and it ruined the sugar-planters. That was a disaster that could not be overcome in a year. It required replanting and these people were all ruined. It has been demonstrated by experience the longer the levees are maintained the less liability there is of overflow. Owing to the war the levees of the river were allowed to go down. The result was an annual overflow spreading over the whole country, and in consequence of that there was a general rising of the bottom of the Mississippi River; so after the war we began to construct levees. We built long levees, costing hundreds of thousands of dollars. We kept building these levees until we have now got a continuous line of levees from Arkansas on both sides of the river to the Gulf, and the result is we have not had a single crevasse since 1884, five years. The longer we maintain the levees, which we do with watchfulness and prayerfulness, we will be able to keep the Mississippi River from the land.

You must not interfere with the sugar industry if you want friends in Louisiana. The people of Louisiana are dependent upon that industry. The city of New Orleans would be vacated of its people if it is destroyed. Our whole business would be destroyed if the sugar interest is destroyed.

The CHAIRMAN. You make the claim because of the difference in the cost of labor there and in competing countries.

Mr. WARMOTH. Because of the difference of the price of labor; because of the fact we can not produce enough at present to make the sugar business pay; but the time will come, under proper treatment of our seed, by careful selection of our seed, by getting proper fertilizers and proper cultivation, which we have just begun, and I believe in ten years from to-day we will produce sugar as cheap in Louisiana as anywhere in the world.

Mr. BAYNE. How many acres did you have in cultivation last year?

Mr. WARMOTH. Eight hundred acres.

Mr. BAYNE. How many, taking a number of years back?

Mr. WARMOTH. I had less acreage last year, for the reason I plowed out 150 acres.

Mr. BAYNE. How many acres do you have in cane?

Mr. WARMOTH. About 1,000 acres altogether.

Mr. BAYNE. For a number of years you have had about 1,000 acres?

Mr. WARMOTH. No, sir; I have increased my acreage from about 700 to 1,000 acres in the last five years.

Mr. BAYNE. Are you going to plant any more next year?

Mr. WARMOTH. I am going to plant so that instead of having 450 acres to the factory this year I shall have 600 for the factory.

Mr. BAYNE. Do you find the business profitable?

Mr. WARMOTH. Yes; when we have good seasons, for the reason that I get the very best results attained in the State of Louisiana.

Mr. GEAR. How often do you have a good season?

Mr. WARMOTH. About two good seasons in three years, or three good seasons in five.

Mr. GEAR. How long has sugar been cultivated in Louisiana?

Mr. WARMOTH. I think since about 1820.

A BY-STANDER. 1794 was the first crop.

Mr. WARMOTH. The cultivation of sugar-cane amounting to anything began in 1830.

The CHAIRMAN. What amount of increase of acreage do you think there will be?

Mr. WARMOTH. I will increase my acreage until I am "busted," which will not be a great while if you reduce the duty 20 per cent. We can not stand a reduction of half a cent a pound at the present prices. Owing to speculative prices last summer sugar was put up to 7 cents a pound for raw sugar. The result was Germany, France, and Austria went to work and increased their output so that Germany itself would have 500,000 tons more sugar this year, and that will tend to reduce the price of sugar all over the world. If you get the prices down 20 per cent., which is half a cent a pound on raw sugar, we can not make a living.

Mr. GEAR. Suppose Congress gives you a bounty equal to that?

Mr. WARMOTH. So far as I am concerned I would just as soon have a bounty as a tariff.

Mr. GEAR. The duties are a trifle over 2 cents. That makes the average sugar 4.77 cents a pound exclusive of freight charges. This 2.02 cents is a direct tax, and we all feel that it means to us a larger per capita on man, woman, and child in this country. If we give you that 2 cents would not you make just as much money?

Mr. WARMOTH. Yes, sir.

Mr. GEAR. Would not the people be relieved of the direct tax imposed by the duty of 2 cents a pound as compared with a bounty?

Mr. WARMOTH. But you have got to collect and pay this bounty; so it is as broad as it is long.

Mr. GEAR. We do that on the refined sugar.

Mr. McKENNA. By that arrangement where would your market be? If you have this bounty system and let the doors be opened to foreign sugar, where will you get a market?

Mr. WARMOTH. We get the same price as the foreigners; but if you open the doors to the European beet sugar that will supply the United States all the sugar we want, and they pay a bounty to encourage the production and export.

Mr. BAYNE. They pay a bounty only on that exported.

Mr. WARMOTH. On that which is exported. They pay on that exported, and that necessarily floats it level with that consumed at home.

Mr. McMILLIN. So you would have thus to compete with sugar made in Germany under a bounty given to the product for the purpose of sending it away.

Mr. WARMOTH. Lord Derby was waited upon by colonial sugar-growers, who protested against the bounties of Germany, France, and Austria. He said: "Gentlemen, why should not they furnish the sugar to the colonies." The result was sugar was so cheap they fed it to the stock. We could not compete against them.

Mr. BAYNE. It seems to me a bounty of 2 cents a pound would stimulate your industry infinitely beyond anything derived from that produced from the tariff.

Mr. WARMOTH. You give us a bounty of 2 cents a pound and give us a guaranty that the next Congress will not come here and repeal it. If you can do that I will take a bounty, as far as I am concerned—if you take the responsibility of giving us a guarantee; but you can not do it, in my judgment. You will not be able to do it. What I am willing to do, and what we claim you should do as members for the protection of this industry in this country, are different things. We want to stand on the same basis as other protected industries.

Mr. BAYNE. You want this because you do not produce an adequate supply?

Mr. WARMOTH. You must remember that in Louisiana during the war we burnt up all the sugar-houses, we destroyed all the property, we took away all the labor and demoralized it. We rode our horses over their fields. You could see chimneys standing with no buildings attached to them. These people can not recover themselves in a few years. A sugar plantation of 1,000 acres, with the sugar-house and all that sort of thing; costs from \$250,000 to \$300,000.

Mr. GEAR. Is it not a fact that we have had a varying tariff on sugar for ten years?

Mr. WARMOTH. I know that.

Mr. GEAR. I take it for granted that sugar-producing land is not confined to Louisiana, southern Alabama, and Texas, but it runs away up to the Red River of Arkansas, where there are sugar-growing lands under certain conditions. If it is a fact that that is the case, why has not this industry been developed in one hundred years?

Mr. WARMOTH. It is a sufficient answer to the question to say we have just found out how to make sugar.

Mr. GEAR. So they are not up with the average American farmer?

Mr. WARMOTH. I beg your pardon. When I began planting sugar fifteen years ago the plantation I now own yielded 100 pounds of sugar per ton, and about 12 or 15 tons to the acre. I have rebuilt that sugar-house about three times. I have got in my sugar-house one single piece of machinery that was there when I went there, and that is an old pump. I have put in entirely new apparatus, a new mill, and then I did not get enough. I put in a diffusion battery, and now I have not got enough. I find a man at Newark, N. J., has invented a machine that will beat diffusion. He is now experimenting on it under the supervision of the chemist the Agricultural Department at Washington. So we have gone on improving our methods until we are able to get 20 tons of cane to the acre, and to get over 200 pounds of sugar per ton. Can you show me an industry in this country that has increased as rapidly as that in the last ten years under such difficulties? In other words, we grew enough cane last year to produce 500,000 hogsheads in Louisiana alone.

Mr. GEAR. And you do not produce more —

Mr. WARMOTH. Simply because we have not the machinery and the money to put it up.

Mr. GEAR. Some gentleman stated there were eleven hundred planters. Then I understand there are also very small planters. Do you take any cane from them?

Mr. WARMOTH. Yes, I have bought cane. I buy cane because a man may have his machinery at a point very distant from his sugar-house.

Mr. GEAR. You have not yet got the improvements of modern machinery to make sugar of the highest grade?

Mr. WARMOTH. Only whites and low clarified.

Mr. GEAR. You could do that with additional protection on your sugar?

Mr. WARMOTH. We do not compete with the refiners because it costs so much. We can not refine against the refiners, as it costs from half a cent to three-quarters of a cent a pound.

Mr. GEAR. But you would get a higher price?

Mr. WARMOTH. It costs a great deal more to make it.

Mr. GEAR. You get a higher price for the raw if you refine it?

Mr. WARMOTH. Yes, sir. The sugar-growers of this country get no benefit from the tariff, except on the low grade.

The CHAIRMAN. Do you send it to be refined?

Mr. WARMOTH. Some is refined and some is consumed as it is.

Mr. GEAR. The tendency is to make these refined sugars.

Mr. WARMOTH. Yes; but here is the trouble—less than half of our people are able to do it.

Mr. GEAR. Therefore, if the discriminating schedules in the tariff in favor of refined sugars be extended it will cost you but little more to refine them.

Mr. WARMOTH. I can not answer your question affirmatively for the reason, if we consider the facts in the case, that our capacity to put up establishments for refining these sugars is so much less than those who compete with us—the refiners.

Mr. GEAR. Because you run your mills eighty days?

Mr. WARMOTH. That is the only reason; and we do so small an amount of work each day.

Mr. BAYNE. Do you import sugar into New Orleans?

Mr. WARMOTH. Yes, sir.

Mr. BAYNE. Why do you do that?

Mr. WARMOTH. It goes to the refiners.

Mr. BAYNE. So you do not supply Louisiana?

Mr. WARMOTH. We supply Louisiana refiners for about three months with a low grade of sugar. Besides we furnish a very large supply of sugars that are not first-class sugars.

Mr. BAYNE. What proportion of the refined sugar of New Orleans do you supply to your refiners at New Orleans?

Mr. WARMOTH. I can not tell the proportion. I can tell you that the sugar I make is about 70 per cent. refined sugar.

Mr. BAYNE. I mean of the total consumption of refined sugars of New Orleans, what proportion does Louisiana supply to them?

Mr. WARMOTH. I really can not tell you because I am not familiar with the statistics. I know that for several months they would be working on Louisiana sugar.

Mr. BAYNE. How many months do they refine?

Mr. WARMOTH. Seven or eight.

Mr. BAYNE. And you supply about three months?

Mr. WARMOTH. I should think so.

Mr. BAYNE. And five or six months' time they run on imported sugars?

Mr. WARMOTH. Yes, sir; they bring them from the Hawaiian Islands, and large quantities of sugar are brought from the Sandwich Islands and dumped into the market of New Orleans every time we are marketing our crop, and that is free sugar.

Mr. GEAR. Are the refiners of sugar of San Francisco shipping into your country?

Mr. DYMOND. Some few have been. These two great refineries of New Orleans supplied our Mississippi Valley—

Mr. WARMOTH. I beg your pardon. There is not a pound sent north of St. Louis.

Mr. DYMOND. These two refineries are shipping clear to Minnesota.

Mr. WARMOTH. That is a very recent arrangement. These two refineries are doing an enormous business, turning out an enormous quantity of sugar per day.

Mr. McMILLIN. You have stated that the trouble in the increase of the yield from your cane is the lack of improved machinery that has recently been invented for securing a great amount of sugar out of the cane. You have also stated that the absence of that was accounted for by the fact that the people were not able to purchase it. Now, under the bounty system, will the mass of the people there invest money in the introduction of machinery?

Mr. WARMOTH. I think not.

Mr. McMILLIN. They lack confidence in the result?

Mr. WARMOTH. In other words, if it was understood, as I had the honor to state before this committee some years ago, that Congress would let us alone capital would have confidence in our industry and invest in it. It has only been in the last fifteen years that I have had anything to do with it. There have been a number of bills introduced in Congress to put sugar on the free list, and nearly every Congress (especially the Democratic Congresses) has introduced a bill to cut the duty on sugar. That is what has been scaring them—

Mr. FLOWER. You must be scared worse with this Republican Congress which proposes to cut it 1 cent a pound and put it on the free list.

Mr. WARMOTH. I think I can confidently say that this Republican Congress will not strike down any industry in the United States.

Mr. FLOWER. Have you read the Senate bill?

Mr. WARMOTH. That was a Presidential year, and the Mills bill was gotten up for the purpose of electing Cleveland, and the Senate bill was gotten up as a reply to that.

Mr. GEAR. You are a large planter—larger than the average?

Mr. WARMOTH. Yes, sir.

Mr. GEAR. Any payment of bounty by the Government to these small farmers who have 5, 10, and 20 acres would stimulate them to go into the cultivation when they know they could go to the Government at any time and draw that bounty.

Mr. WARMOUTH. That is if you make it permanent.

Mr. GEAR. Would you not thus stimulate the small grower of sugar and add to his meager resources?

Mr. WARMOTH. It will do no possible harm if you make it permanent. If this proposition to pay a bounty should prevail everybody would believe it would not last one year and you could not find an iron man in Pennsylvania or Ohio or anywhere else that will sell machinery to a Louisiana planter on time—and they have to buy on time—if they had to get it out of this bounty.

Mr. BAYNE. Do you not have the same difficulty under the present system?

Mr. WARMOTH. We do have it in a very great measure, because we are constantly menaced with the fear of a reduction of the duty, and the result of that places the Louisiana planter in a very hard position.

Mr. GEAR. Is it not an actual fact that merchants do not take that into consideration? If you go to a manufacturer to buy anything it is the same. He does not look at your reference in regard to your ability to pay. It does not make any difference what your resources are, if your references are all right he will sell to you.

Mr. WARMOTH. If he is not satisfied that there is going to be prosperity in that branch of business he will shut down on them, and he will not let them have the articles.

Mr. GEAR. Say Mr. Dymond and I would go and buy sugar or anything else. The man would say, "Mr. Gear, who is your reference?" and I would say, "So-and-so," and if that reference was satisfactory I would get my goods. They do not say: "How many acres of sugar are you going to make this year?"

Mr. WARMOTH. It is not that way? The majority of the Louisiana planters go to the factory and get money to run the crops. The majority of them go to the merchants and borrow money to make the crop. They put a mortgage upon the plantation—upon the crop. If they have a bad-crop year they pay pretty big interest and large commissions, so in a few years the merchants own the plantations,

Mr. GEAR. What are the average wages of farm-hands in Louisiana, such as is paid on the plantations? What do you pay men for hauling and plowing and that kind of work?

Mr. WARMOTH. From \$1 a day to 60 cents. Our best hands get \$1 and board. Then, in addition, we furnish a house; we furnish fuel; we furnish 2 acres of ground, and we furnish a team to cultivate that in corn or anything else.

Mr. BAYNE. I see by the report of the Bureau of Statistics for the year ending June 30, 1888, there were imported into New Orleans 42,525,889 pounds of cane sugar. How does it compare with your product for that year?

Mr. WARMOTH. I really do not know. I am not quick enough at figures.

Mr. DYMOND. That would be about one-ninth as much as the Louisiana crop. We had about 180,000 tons. It would be about one-ninth of the crop.

Mr. WARMOTH. Do you furnish pretty steady employment there to the women and other members of the family suitable to their strength?

Mr. WARMOTH. Yes, sir; everybody works.

Mr. BRECKINRIDGE. They have no lack of opportunity to work?

Mr. WARMOTH. No.

Mr. BRECKINRIDGE. You lie side by side with the cotton-producing industry, in some places overlapping it a little?

Mr. WARMOTH. Yes, in the upper part of the State.

Mr. BRECKINRIDGE. Every wage-worker is in competition with the other.

Mr. WARMOTH. The result of that is that a large number of the people are getting ready along the cotton belt to go into the sugar industry. It is being done, and it is a marked improvement on the line of the Red River in the increased sugar-culture.

Mr. BRECKINRIDGE. Is there abundance of labor sufficiently skilled to meet any demand there may be in case the sugar industry is enlarged to that extent?

Mr. WARMOTH. I think they are getting a large invoice of labor north of Alabama.

Mr. BRECKINRIDGE. Is it your opinion if raw sugar is put on the free list and the duty on refined sugar brought to a nominal rate that it would stop the sugar production of Louisiana?

Mr. WARMOTH. Signally and absolutely. I do not believe there would be a crop made. All the capital invested in machinery would be destroyed and our people would be forced to entirely change that industry.

Mr. BRECKINRIDGE. Cotton is not grown in your region at all?

Mr. WARMOTH. No, sir; we entirely devote ourselves to sugar-raising.

Mr. BAYNE. If the duty on sugar were cut down, as proposed by the Senate bill, 50 per cent., is it your opinion it would largely increase the importation of sugar into the country?

Mr. WARMOTH. I think it would certainly increase the importation into the country to supply the deficiency that would be created by our going out of the production of it.

Mr. BRECKINRIDGE. The question was asked here the other day if there was not some organized effort in your section of the country to restrict the price of labor, the rates of wages? Do you know of any effort to reduce the wages of labor except the ordinary law of supply and demand?

Mr. WARMOTH. No, sir; I do not think it exists in any part of our State.

The CHAIRMAN. I never heard that charged.

Mr. BRECKINRIDGE. Governor Gear asked somebody in regard to it.

Mr. WARMOTH. There is no organization except the sugar organization.

Mr. GEAR. Is not the tendency in Louisiana towards a concentration in the ownership of these plantations? I am speaking of the wealthy planters.

Mr. WARMOTH. There is such a tendency, you might say, under these improved conditions.

Mr. GEAR. There is a general tendency to concentrate the business?

Mr. WARMOTH. I think that is the case where I said in regard to the merchants who advance to these planters and where the people get behind and are obliged to sell out and the merchants have to take them in. I think in those cases there is a concentration to some extent.

Mr. LA FOLLETTE. Have you got the product of sugar of Louisiana for the last ten years?

Mr. WARMOTH. Of each year?

Mr. LA FOLLETTE. Can you get it for each year?

Mr. WARMOTH. Yes, sir. Mr. Gear has Mr. Bushrow's report here and has this statement, which contains his statement of the amount. I will submit that to-morrow.

Mr. WARMOTH. I wish to call the attention of the committee to this article, taken from the Washington Post of January 6:

BEETS INSTEAD OF WHEAT.

READING, PA., *January 4.*

The farmers of Berks County intend to go extensively into sugar-beet culture. At the meeting of the county agricultural society yesterday a special committee of five who were appointed to inquire into the subject reported that they had thoroughly canvassed the county; that nearly every farmer promised to put out during the first year 2 to 5 acres in sugar beets, and that the total would amount to thousands of acres. The farmers have obtained assurances that Claus Spreckels will erect a sugar factory near here and consume their products. The society at once appointed another committee of one hundred and fifty well known farmers to push the project.

The farmers are thoroughly alive on the subject. They see that farming wheat no longer pays, and they are anxious to go into something else. In a letter written here recently Mr. Spreckels assured the Berks farmers that sugar-beet culture would pay them twice as well as wheat. The sheriff is selling farms and farm stock nearly every day. Many farmers will retire in spring, while numerous farms are for rent. The farmers who will remain in the business are eager to go into anything which will pay them better.

STATEMENT OF HAMILTON DISSTON.

PHILADELPHIA, *January 4, 1890.*

DEAR SIR: Owing to illness I am unable to appear before the Ways and Means Committee on Monday the 6th instant, and, therefore, take this method of saying a few words regarding the sugar industry in the State of Florida.

We have successfully demonstrated that the rich muck lands of the State are capable of producing a large amount of sugar per acre, probably exceeding 2 tons, and the number of acres that are susceptible of reclamation and cultivation can be placed at not less than 500,000, which would give about 1,000,000 tons of sugar.

In addition to this there are other lands in Florida which can be made to produce a fair yield of sugar by the use of fertilizers.

You will see from this statement, which can be verified by an actual examination, that Florida is about to become a very important factor in the sugar business, provided, of course, there is to be sufficient protection given by Congress to enable us to compete successfully against foreign sugars.

As to the amount of protection required, I would prefer to have those who are more conversant with the business give the figures, but my judgment is against a bounty—from the fact that it would be an unpopular measure, and the outcry might become so great against it as to cause its repeal, thus leaving the sugar industry without sufficient tariff protection and no bounty to aid the producers.

I shall be glad to furnish the Committee on Ways and Means with further information if it should be required.

Yours, truly,

HAMILTON DISSTON.

HON. THOMAS M. BAYNE.

PRODUCTION OF BEET SUGAR.

STATEMENT OF HON. S. R. PETERS.

HON. S. R. PETERS, a Representative from the State of Kansas, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I am interested in the three S's, silk, sugar, and salt. The hearing upon the question of silk was not completed when the committee took a recess, and I did not come in in time to renew it directly after. I want to say a word in regard to it, although it may be a little out of place. There are more cocoons produced in my Congressional district than in any other in the United States, and perhaps, in order to explain something about the production of silk cocoons, I might state in the outset that my district is a large one, composed of thirty-seven counties in southwestern Kansas, and having a population of about four hundred and twenty-five thousand people. The aggregate vote at the last Congressional election was between seventy-three and seventy-four thousand, so it is not a barren desert that I represent, nor people that are not industrious. Now, we had a legislative enactment, a law passed some years ago, by which we established a silk station at Peabody by the legislature of the State of Kansas. Under the stimulus of that act the production of cocoons in the State of Kansas has been largely increased in the last two years. In short, to state it more definitely and succinctly,

the crop of cocoons for 1889 was over 5,000 pounds, or a little over one-fourth of the entire production of the United States. This silk station is situated in Marion County. Marion County alone, under the stimulus of that silk station, produced more cocoons in 1889 than was produced in the entire State any previous year, showing that there is some logic and argument and force to this question of stimulus, and that was the only stimulus we had, namely, the location of this silk station, which would purchase these cocoons from the various parties who raised them, and under such a stimulus the production of that one county alone in which this station was located increased so it exceeded the entire production of the State in any prior year.

Mr. GEAR. What was the value of that?

Mr. PETERS. The value of those 5,000 pounds of cocoons would be \$1 a pound or \$1.12 a pound. Of course, this is entirely in its infancy as yet, but it is one of the most feasible and practical matters of bringing legislation home to the poor people and to the farmer upon his farm that can be brought before Congress, because the parties who raise those cocoons, which bring to them from \$25 to \$150 a year, are not required to make any outlay; it is absolutely that much money brought into the farmer's household without any outlay and without any investment, except the mere inconvenience of attending to these silk-worms for a period of four weeks in the year. We have a large class that came from Russia who were familiar with this business there. They brought with them their customs, and they have gone into this business largely. Our country is a great country for the Russian mulberry, as it is our best shade tree, because it is sure and rapid in its growth, and these Russian mulberry trees supply food for the worms. We have millions and millions of osage orange hedge, and the party who sees fit, in connection with his farm business, to raise from \$25 to \$150 worth of cocoons does so without any outlay at all, and it simply brings into his pocket that much in cash that would not have been received, and for only about four weeks' work. A large number of eggs were distributed in my district the last year with the most gratifying result. This legislation will benefit the farming population not only in Kansas, not only in my district, but wherever the Russian mulberry and the Osage orange hedge can grow. Of course, we sell all the cocoons now to the silk station at Peabody and the Agricultural Department at Washington.

What we want is to have that trade stimulated in some way by legislation that will insure us a sale for those cocoons. I am not interested particularly in these manufacturers of silk. I do not care how much you increase the protection on their manufactures. I do not care, nor do my people care, because whatever you do add it is simply a luxury and whatever is paid for it comes from those who can afford it. So you can increase the protection to the manufacturers of silk as much as you please. But I want protection for these people out there in my district. I want a protection on raw silk that will stimulate this industry. I am talking for those people who can raise from \$100 to \$150 worth of cocoons a year, and I want you to give them a fair, reasonable, and certain market for what they may produce.

Now, I believe that is all I care to say upon the silk question. Mr. Walker demonstrated very clearly, I think, that it is feasible to give protection to this industry. The simple stimulus given by the State of Kansas brought results beyond the expectation of anybody and shows what the stimulus of legislation coming from the national capital would do for this industry.

The CHAIRMAN. Did the State of Kansas pay a bounty?

Mr. PETERS. No, sir. All the State of Kansas did was to make an appropriation to carry on the silk station and thereby furnish a market for cocoons.

Now I come to the next question, the question of sugar. I want to eliminate all the Louisiana business from the question. I do not expect to speak for Louisiana. I will let them speak for themselves. I simply speak for the sugar industry which I have the honor to represent in Congress. I believe, so far as my observation goes, in all that has been said in regard to the sugar industry of Louisiana. In the district in which I live there are seven sugar plants. In the first place, I would start out by saying the production of sugar from sorghum amounted to 1,200,000 pounds.

The CHAIRMAN. Did you say sugar plants?

Mr. PETERS. Yes; seven sugar plants.

The CHAIRMAN. You mean mills?

Mr. PETERS. Yes, sir. That does not include the sugar that will be made from the seconds which is now being made. The estimate of the State sugar inspector is that about 200,000 pounds of sugar will be made from these seconds that are now being run through the mill, so we will have a product of sorghum sugar in Kansas of 1,400,000 pounds, perhaps 1,500,000. Now, in 1887, we only produced about 300,000 pounds of sugar. In 1888 we produced a little over 600,000 pounds of sugar. In 1889 we produced 1,200,000 pounds, to say nothing about the sugar that is to be secured from these seconds. So you see, we have doubled our production for the last three years. We had an experience similar to Louisiana in 1883. We brought from New Orleans a large sugar-mill and went to raising sorghum and made sugar by the

old crushing process, this three-roller mill process. We continued to make sugar that year and the next year, 1834, but the trouble was we could not extract enough juice from the cane to make it profitable, and that mill stands there to-day as a monument to the industry and its failure at that time, the result of the lack of proper machinery, for the simple reason that we could not extract enough juice. Instead of extracting 97 per cent. of saccharine matter as is now obtained by the diffusion process, we only got 60 per cent. Instead of making 70 pounds, we could only then make 50 pounds of sugar from a ton of cane, and the result was we could not make enough sugar to pay, and the mill stopped. There was no further experiment made in that industry in Kansas until this diffusion process was introduced by which a larger extraction of saccharine matter could be obtained from the cane. It is yet in its infancy, but it is becoming a very lively infant. If you let it alone, if you do not trouble it, there will be no need to talk of paying any bounty.

The CHAIRMAN. What do you think of a bounty?

Mr. PETERS. I think it is a contemptible thing so far as legislation goes. I stand here as a protectionist—

The CHAIRMAN. What objection have you to a bounty?

Mr. PETERS. My objection is, in the first place, it can not be made permanent. There is no Congressional legislation that the Fifty-first Congress can place upon the statute-books that can not be changed by the Fifty-second.

The CHAIRMAN. Is not that equally true of the tariff law?

Mr. PETERS. Of course, the Fifty-second Congress can revise the tariff, but the tariff is something that has been the growth of a series of ages, certainly of a series of years in this country, and the people know about it, but a bounty is something that nobody knows anything about, something that has never been attempted before by legislation in this country.

Mr. GEAR. I believe a Democratic Congress in 1857 reduced that tariff to 24 per cent. What effect would that have upon your industry? Now you have got 80 per cent.

Mr. PETERS. There was no sugar made from sorghum in 1856 and 1857. This making of sugar from sorghum is an entirely new industry. In Louisiana sugar was made from the tropical cane, and subsequently—

Mr. GEAR. I am speaking about the uncertainty of tariff legislation. Tariff laws are just as uncertain.

Mr. PETERS. What was your question?

Mr. GEAR. You stated in your reply to the chairman's question that a bounty was uncertain. Now, we had a tariff law which was equally uncertain thirty-three years ago; we had a tariff of 24 per cent., while now we have a tariff of 80 per cent. on sugar. That illustrates the uncertainty of the tariff?

Mr. PETERS. I do not think it does, for this reason, as I stated, the tariff is an accepted feature of this Government. It is the accepted law; both the Democrats and the Republicans recognize the essential necessity of a tariff. We hear, of course, sometimes in our political arguments about free trade. There is no such thing as free trade in this country, and can not be. The most ardent Democrat is not a free-trader. The next objection to a bounty is that it invites from year to year an agitation of this very question.

Mr. GEAR. Does not the tariff?

Mr. PETERS. Not necessarily. The agitation of this tariff question is brought about by political discussions. There would be a strong element of agitation which would enter into the question of bounty, and that would be this: Suppose you raise one-half the consumption of sugar in the United States and ran that bounty up until \$25,000,000 of money was paid directly from the Treasury. There would not be a school-house in your district where they would not have meetings and pass resolutions demanding its repeal. Why? Because it is paying \$25,000,000 directly in money from the Treasury instead of paying it, as under the tariff, by bringing in almost imperceptibly the money from those who import the sugar.

Mr. GEAR. I imagine the people in my district would not complain very much.

Mr. PETERS. The difficulty about it is that your bounty is not given to the proper person. It is a bounty on sugar, and a farmer who needs the benefit of legislation has nothing to do with the making of sugar. It requires capital, and the farmer can not usually afford to put up a plant of \$75,000. What he desires upon his little home of 160 acres of land is to have a market in his neighborhood, so that he can dispose of what he can raise. We have not the capital in Kansas that you have in Iowa. It requires a plant costing \$75,000 in every township, and we have not the money to build them. The farmers of a township can not raise it. We must go to capitalists; we must go to Boston, New York, to the money centers, and say we want money to put up a mill. They ask us, "What assurance have you in regard to this business?" We show them the figures; we show them we can make so many pounds of sugar; that we can raise so many tons to the acre, and by the use of this money we can put in this machinery, and at the present prices of sugar it is a good investment for their

capital. But when you go to them, as I did last year and year before last, when the question was being agitated in the Fiftieth Congress, they said, "What assurance have you of a continuance of this bounty?" I could not tell them. They said, "Then, we can not invest."

Mr. BAYNE. The Republican Senate now has a majority of ten; with two from Montana, they will have a majority of twelve. It will take ten or twelve years to displace that Republican majority. Suppose under the auspices of the Republican majority of the House and Senate a bounty be given on sugar. Of course, for four, five, six, or seven years that bounty would encourage the production until it would reach an enormous amount, which would be paid to the producers of sugar. Therefore a vast consumption of sugar would follow. Suppose that right hand in hand with this the price of sugar to the consumer of the country would be very much less, selling, we will assume now, at 6 cents a pound and brought down by that operation to 3 or 4 cents a pound. Do you suppose that anybody that has any sense in this country would look upon that result otherwise than as advantageous to the country?

Mr. PETERS. I know this, however, that when you go to capitalists they say they can not rely upon it. That is an answer to all the theoretical propositions you can advance. They will not listen. They simply say, we will not invest this money.

Mr. BAYNE. I am simply stating to you about the bounty.

Mr. PETERS. These capitalists will not furnish this money if there is a bounty.

Mr. GEAR. You said if the bounty amounted to 25,000,000—we will suppose that—in ten years it will be 250,000,000. In ten years under the present system, according to your own figures, the duty on imported sugar consumed in this country would be \$640,000,000.

Mr. PETERS. You can make the same argument of protection on every other thing in the United States. You must either abandon the protection of every other industry in the United States, or stand by the principle of protection for all industries.

Mr. GEAR. I do not see it in that light.

Mr. PETERS. I do, and the people of my district do, who are strongly Republican, and it is a district that gave me a plurality of 16,000. Among the farmers of that district there is a feeling of unrest, a feeling of something wrong, a feeling that they are not properly protected, that their interests are not looked after. Unless there is some legislation coming from this Congress which shows them their interests are looked after, there is no telling what the result will be. In Kansas we have 82,000 Republican majority. This is not a feeling confined to Kansas. It prevails in Texas and Missouri and all agricultural States. And so I am here pleading for these farmers. They are raising corn and selling it for 10 cents a bushel. There have been over 90,000,000 bushels of corn raised in my district and it is selling for 10, 12, 15 cents, and some portion of it has been used for fuel. You can not go to a farmer and argue that there is not something wrong when this is the case, and he says, "if I can get \$2 a ton for cane, I can raise on my farm, and if Congress under Republican auspices causes the destruction of that industry," you can not go to them and talk and argue that that is the result of statesmanship. They say, "we do not care; we know there is something wrong and we are going to have a change."

Mr. GEAR. What does 1,200,000 pounds of sugar cost?

Mr. PETERS. I can not tell you. My own judgment is from my own observation and experience in the matter, that we can make sugar under ordinary circumstances at a cost of from 4 to 6 cents.

Mr. GEAR. Does the State of Kansas pay a bounty?

Mr. PETERS. Yes, of 2 cents.

Mr. GEAR. Have you heard the farmers complain of that?

Mr. PETERS. Yes, sir; the fact that the State of Kansas pays a bounty is no argument that the Government should pay it. Kansas could not adopt a protective tariff and it was the only thing to do. The only way we could encourage the sugar industry was by paying a bounty, and I have heard the cry among the farmers saying, this is too much money to be paid out for this industry by the State; it should be protected by the United States; why is the State paying this out?

Mr. GEAR. In other words, the State paid the bounty instead of the Government?

Mr. PETERS. The Government should help the farmers by protection, the same as all other industries.

Mr. BAYNE. Has the bounty paid in your State resulted in bringing about the present development?

Mr. PETERS. I do not believe the payment of the bounty had much to do with the development, for this reason: There were six mills built in my district this year. They were not stimulated to do this by the bounty paid upon sugar. It was some stimulant, because a man who went into it knew the law could not be repealed until a certain time, because the legislature does not meet until a certain time.

Mr. GEAR. Has there been any effort to repeal it?

Mr. PETERS. The legislature has never met but once. When it met, the production

of Kansas did not amount to very much. There was only a production of about 300,000 pounds, and the aggregate bounty was not formidable.

Mr. LA FOLLETTE. Have you always favored the State bounty?

Mr. PETERS. Yes, sir; I favored it because it was the only thing we could do. It was the only encouragement we could give. My people are for protection, and they want this protection to extend to their own homes as well as the homes of the steel manufacturer or any other manufacturer. They are willing to live and let live, but they do not want to be discriminated against.

Mr. BRECKINRIDGE. What are your principal products?

Mr. PETERS. Corn, wheat, rye, oats, sugar, salt, and silk cocoons.

Mr. BRECKINRIDGE. Pork and beef?

Mr. PETERS. Oh, yes. I suppose we have three million hogs, and perhaps five million head of cattle in my district.

Mr. BRECKINRIDGE. If you have wheat and pork and beef and corn, what per cent. do they constitute of what your farmers sell; that is a pretty large total which they sell?

Mr. PETERS. Yes; it will amount to a large sum. We have a large production of salt in my district, also.

Mr. BRECKINRIDGE. Salt, however, is not an industry of comprehensive employment. It is only worked in given localities.

Mr. PETERS. There is one section in my district where there are fifteen salt plants, and I think the annual product of salt is 2,000,000 bushels.

Mr. BRECKINRIDGE. I referred to the farmers.

Mr. PETERS. The farmers only receive an indirect benefit. Wherever a salt plant is erected the benefit the farmer gets is from the employment of labor and the enhanced value of farm land.

Mr. BRECKINRIDGE. You receive a protection, I believe, in your country?

Mr. PETERS. We have 10 cents a bushel on corn.

Mr. BRECKINRIDGE. Is it possible to protect corn?

Mr. PETERS. It is possible to protect it. We should increase the tariff upon wheat and corn.

Mr. BRECKINRIDGE. What good would it do?

Mr. PETERS. It would give to our farmers better prices than they now get. Our men have to compete with India wheat.

Mr. BRECKINRIDGE. How would you get the benefit of protection when there is an overproduction?

Mr. PETERS. We only consume 90 per cent. in the United States of our farm products; the rest of the 10 per cent. goes abroad. It is not the competition, but the cost of transportation and the existence of grain-gambling hells, if I may be allowed that expression.

Mr. BRECKINRIDGE. Is it not a fact, under the conditions of trade such as have existed since you have known anything about this, that wheat and corn and beef and pork are not capable of being protected in this country?

Mr. PETERS. I concede that at present they are not protected, but there are two ways by which they can be protected. One would be by a general system of protection increasing the number of laborers or employes in the mines and manufactories of the country, so that farmers may have more consumers in this country.

Mr. BRECKINRIDGE. Are we not suffering from an overproduction of the mines and manufactories?

Mr. PETERS. I am simply speaking of it in a general way. There are a great many articles manufactured at a large rate of profit, and the farmer who raises the produce feels that. I speak of the general feature of protection. I think the system of protection can be so arranged that we may consume our own produce, or, in other words, to market them ourselves.

Mr. BRECKINRIDGE. Is this consuming class capable of further enlargement as compared with the producing class?

Mr. PETERS. We are enlarging it in my district. This question of sugar is enlarging it. You take a plant that makes 500,000 pounds of sugar and it gives employment to sixty-five or a hundred men. These men are taken from the farms and become the consumers of the farmer's produce.

Mr. BRECKINRIDGE. You are speaking of the development in one industry, but as a general proposition, looking at our national manufactories and mining establishments that to-day are suffering from overproduction and underconsumption of their productions.

Mr. PETERS. I think so, but I do not wish to discuss that matter.

The CHAIRMAN. Do not you think you and Mr. Breckinridge can have that out on the floor?

Mr. PETERS. All I want is to get on with this sugar business.

Mr. BRECKINRIDGE. I am looking after the interests of your people out there, to get information about Kansas.

Mr. BAYNE. What is the bounty paid by Kansas?

Mr. PETERS. Two cents a pound on all that polarizes above 92. In my district at one mill the proprietor planted 4.4 acres of beets. He raised 60 tons of beets and from these 60 tons of beets, by using the same machinery he made sugar of sorghum, he made 10,000 pounds of sugar that polarized 99 per cent. and over, a fine class of sugar. The great trouble with the sorghum-sugar industry of Kansas is that the sugar season is not long enough now. It takes \$75,000 to \$80,000 to erect a plant that will consume 200 tons of cane a day, and that is a very expensive plant to be only used forty or fifty days during the season. This beet-culture comes in immediately after the cane, because in cane, as soon as a freeze comes it inverts the saccharine matter so that it can not be used for making sugar, but the sugar season, so far as the beet is concerned, can be extended perhaps two months, which will give us an ample sugar season, by the use of nearly the same machinery. This is a small experiment in a small way, but it has demonstrated that the beet can be grown and that it is a very fine quality, so far as the saccharine matter is concerned, as we can make 160 pounds from 1 ton of beets.

Mr. BRECKINRIDGE. How many tons of beets are there to an acre?

Mr. PETERS. We raise about 15 tons to the acre. Not only can that be done there, but it can be done all through that country. Now, I said we have seven mills, and I want to explain that, because you may think the production of sugar is very small to each mill, but the fact was four mills were not completed in time to do anything in the making of sugar this year. This entire product of sugar from the State of Kansas was made from four mills—one at Fort Scott, one at Medicine Lodge, one at Conway Springs, and one at Attica. One of the best mills in the State burned down a short time before the sugar season began. That would have undoubtedly produced 700,000 or 800,000 pounds more, which would have increased very materially the sugar product of Kansas. So this product of 1,400,000 pounds of sugar has been made from four mills. That does not count anything for the sirup. There are from 10 to 14 gallons of sirup per ton. This is a very small item, but of course it goes in to swell the general production.

Mr. BRECKINRIDGE. Do they pay 40 or 50 cents a gallon?

Mr. PETERS. No, sir; the best we can do is about 14 cents a gallon for sirup.

Mr. PAYNE. Was any cane lost?

Mr. PETERS. Yes, sir.

Mr. PAYNE. How many acres?

Mr. PETERS. About 2,000 acres. This is a new business for us, and I know the Louisiana men will laugh at me when I say that for one week during the sugar season our mills could not run. Why? Because we had such bad roads and so much rain that we could not get cane to the mill. That of course could be obviated by experience. We will make provision so that if an occasion of that kind ever occurs again we shall be provided with plenty of material near the mill. I call attention to the fact that we have made a success of this and our farmers are interested in it. Any farmer with a team of horses can plant and grow from 40 to 60 acres of cane, and all he needs is a little assistance in harvesting.

Mr. LA FOLLETTE. What time of year does this cane mature?

Mr. PETERS. We are aiming to get a quality of cane which will mature as early as the 1st of August, but we have not succeeded in getting it yet.

Mr. LA FOLLETTE. What time does it mature now?

Mr. PETERS. The earliest sorghum matures about the 26th of August.

Mr. LA FOLLETTE. How long does the sugar season last?

Mr. PETERS. Until a freeze comes; that of course we can not tell, but we can safely count to the 15th of November.

Mr. LA FOLLETTE. Have you time enough to really make the cane sugar business in your latitude certainly profitable?

Mr. PETERS. Yes, sir; I think we have demonstrated that. With seventy days alone we can make the business profitable.

Mr. McMILLIN. The season is not thoroughly reliable?

Mr. PETERS. This year we had a long enough season.

Mr. GEAR. Is not the 15th of September the time your cane matures best?

Mr. PETERS. We have two varieties of cane, the amber and orange, and it has been demonstrated that a cross of these two canes produced the best sugar. I think the highest analysis was 20 per cent. We can take the amber, which is the earliest cane to ripen, and by cultivation and care in the cultivation it can be ripened as early as the 10th of August.

Mr. LA FOLLETTE. You spoke of a frost?

Mr. PETERS. No, not a frost but a freeze, which breaks the cells in the cane.

Mr. FLOWER. The sorghum is raised on land that will not mature any corn, near the hundredth parallel, and you can raise it where you can not raise corn?

Mr. PETERS. Of course; this whole section I speak of is right in the corn produc-

ing section, but you can go 100 miles west where the nights are too cold to raise corn, and can raise cane.

Mr. LA FOLLETTE. You say it matures as early as the middle of August, and that this work must be done before a freeze. So that if it matures later than that you would not have time to make cane sugar business a really profitable business?

Mr. PETERS. I say it would curtail the production of a mill. When you start a ponderous amount of machinery and stop it, it is a loss. When the mill is started and the cane ripens right along there is no trouble. For instance, at one of the mills they demonstrated they could make, when running twenty-four hours, over and above expenses about \$300. Whenever the mill stops they lose that \$300. And whenever they lose that there is also a loss to the farmer.

Mr. BRECKINRIDGE. Will you state what you pay your agricultural labor?

Mr. PETERS. About \$1.25 to \$1.50 a day.

Mr. BRECKINRIDGE. For working in the fields?

Mr. PETERS. Yes, sir; \$1.25 to \$1.50. There is some labor by the month.

Mr. BRECKINRIDGE. I mean where they are regularly employed?

Mr. PETERS. Most of the labor employed in these mills is—

Mr. BRECKINRIDGE. I am talking about the farm now, the farm laborers.

Mr. PETERS. There is very little farm labor employed that way, but they get about \$25 a month.

Mr. BRECKINRIDGE. Is that with board?

Mr. PETERS. Yes, sir.

Mr. BRECKINRIDGE. Does he receive a house for his family?

Mr. PETERS. No, sir.

Mr. BRECKINRIDGE. Then he has his own house?

Mr. PETERS. His board includes board and lodging for himself alone. When a farmer hires a man for \$25 a month, the man comes and stays at his house.

Mr. BRECKINRIDGE. This simply is not wage and it includes board for a single man?

Mr. PETERS. Yes, sir.

Mr. BRECKINRIDGE. But if a man has a family, does he have a house for his family or does he provide it himself?

Mr. PETERS. I do not know how it is with a man who has a family, working by the month; in my district most of that class of labor is by the day.

There have been six establishments put up this last year in my district, and I think if there is no unfavorable legislation we will do well in this industry.

STATEMENT OF HENRY T. OXNARD, OF NEBRASKA.

Mr. HENRY T. OXNARD, of Nebraska, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, before I begin my remarks I will state that I am representing an industry which is a new one. It is the beet-sugar industry. I got a telegram from Mr. Spreckels, informing me he could not be present to-day and stating that Mr. Burr, of Alvarado, Cal., who is on his way to Europe to double his plant, would like to be heard some time in the future. If you want to interrupt me at any time please do so.

I come before you to-day in behalf of the beet-sugar industry and ask that the protection that has been granted for the past twenty years or more to the sugar industries of the United States be continued some years longer and thereby allow a new industry of great promise to demonstrate its ability to supply in a few years the home market with all its sugar at a cheaper price than it has ever before enjoyed, and at the same time state the fact that this is the only course for the Government to take if it wishes to supply its inhabitants permanently with sugar at the lowest possible price. For it is an undeniable truth that the only way to decrease the cost of an article is to increase the production of that article beyond the actual consumption, and by this method, practically applied in the beet-sugar producing countries of Europe, we are to-day enjoying sugar at a very much lower cost than would ever have been possible had not those countries, by a high protective tariff, fostered and developed an industry which produces to-day more sugar than all the rest of the world, and this broad and far-seeing policy, in ten years, if applied to this country with same energy as in those countries, will still further reduce the cost of this article, not only to ourselves but to the people of the entire globe.

Any deviation at this time from that policy by our Government will not only have a contrary effect to the one desired, namely, cheaper sugar, but may permanently destroy in the United States an industry which is to-day the source of great—I may say the greatest—national wealth to Germany, France, and Austria, and which is the great commercial, agricultural, and manufacturing industry of the continent of Europe to-day, and all this has been accomplished within the last fifty years by a

protective tariff, which is continued to this day in every country in the world which can produce a pound of sugar. To-day France has a protection on sugar of 5 cents a pound; Germany, $3\frac{1}{2}$ cents, and Austria, a little over 4 cents, while we have only a protection of 2 cents. But, gentlemen, we will not have to wait fifty years for we can take advantage at once of that which the science of Europe has discovered and developed in the art of sugar producing and sugar refining, agriculturally and manufacturingly speaking, during the last fifty years. In 1829 the sugar-beet only contained 5 per cent. of sugar to the weight of the beet, and by careful selection of the best types they have raised that standard to an average of 9 per cent. in 1879, whilst in 1889 the average of over 14 per cent. has been obtained. Now, every per cent. means an increase of 20 pounds of sugar to the ton, and about 300 pounds to the acre, so that the refiner with the same cost of labor, with the same fuel, the same plant, and the same capital invested, obtains 100 pounds more sugar than he did ten years ago. The natural result of this is to decrease the cost of sugar to the producer and eventually to the consumer, and by this same process of selection and breeding, if I may so use the term here, in the next fifteen years the average will be 20 per cent. of sugar to the weight of the beet.

I have polarized beets in Nebraska which contained 22 per cent. of sugar, and by selecting those beets and breeding from them in the course of a few years we will be able to obtain a crop with a general average up to that standard. And for this very reason the sugar-beet is destined to outstrip all other sugar-producing plants. Now in this country five States which can to-day be called sugar producing, namely, Louisiana, Texas, California, Kansas, and Nebraska, have an area of 619,000 square miles—more than that of France, Germany, and Austria together. And I may add, in all truth, that nearly every one of our Northern States is just as well adapted to the growth of the sugar-beet. My experiments have taught me that the seeds imported from Europe and planted here in our rich soil give better results than in Europe. And to bear this out I can give no better example than to inform you that Mr. Spreckels had an average of 17 per cent. the past year, whereas in Europe the beets contained only a little over 14 per cent. In Nebraska three hundred and eighty-five analyses of different beets gave me an average of 16.1 per cent. These are facts, and show that the soil and climate in this country are better adapted to the growth and development of sugar-beets than that of Europe. The Alvarado factory in California during September and October, when I was there and verified the report, showed over 18 per cent. of sugar. For many reasons I prefer our Northwestern States, but if nothing detrimental in legislation occurs I feel confident that in 1900 we shall see beet-sugar factories started and working successfully in every one of our Northern States east of the Rocky Mountains and right up to the Atlantic Ocean. Near Oswego, N. Y., with scarcely any knowledge on the subject, beets have been grown and analyzed by the Department in Washington containing over 14 per cent. of sugar, which is the highest standard of Europe to-day.

I do not mean to say that every soil is adapted to the growth of the sugar-beet, but I firmly believe that enough soil exists well adapted to grow sugar-beets in quantities and quality sufficient to supply the home market of that particular State with refined sugar. But the supply of the home market is not the only advantage to be gained; I refer to the effect of the beet crop on the soil. Properly carried on, the cultivation of the sugar-beet is greatly beneficial to all other agriculture. The deep and careful cultivation which the beet requires greatly improves the land, the soil becoming thereby deepened and the disintegration and solution of the mineral constituents greatly accelerated. The tap root of the beet descends to a great depth, loosening the soil which most other plants fail to reach. The nourishment thus obtained passes partly into the leaves and is left with them on the ground at the time of the harvest, and to-day in Europe, where the farmers do not make a direct profit, they are willing, and even anxious, to plant beets, as they find their next crop grown on the same soil is increased 33 per cent. The pulp after the sugar is removed makes an excellent food for fattening cattle, and can be sold to the farmers for little or nothing. It is not the price of sugar, or even the clothes he wears, that makes the farmer so poor in Nebraska, but it is the fact that he is only getting \$7.50 for the total gross receipts of his acre of corn; and there is no remedy for this unless something like the beet crop is introduced, which will yield him a gross receipt of from \$40 to \$60 per acre and a net profit of more than twice as much as his present gross receipts from corn, and he knows beforehand when he sows his seed in the spring exactly how much he will receive for his crop at harvest—unlike corn, wheat, oats, and other staples, which are subject to the fluctuations of speculation.

MR. GEAR. You assume the farmer sells all his corn in Nebraska?

MR. OXNARD. No, sir.

MR. GEAR. I presumed by conclusion that a good farmer did not sell corn in Nebraska. Do you not think if he feeds it to his hogs it pays better?

MR. OXNARD. He can feed this pulp to the cattle, which will be better, because he can buy lean cattle and fatten them up. And this applies to all the farmers of the

West. I do not believe President Harrison in his last message to Congress had a better example in view when he said, speaking of the tariff, "The inequalities of the law should be adjusted, but the protective principle should be maintained and fairly applied to the products of our farms as well as our shops." And, gentlemen, sugar raising is farming on a high scale. Right here I wish to call attention to a popular error. People often speak of raw sugar as being raw material, but no one can deny that raw sugar is a manufactured article which comes directly into competition with all sugar factories which produce sugar from the original plant. Why should we not retain the profit to be derived from that source in our own country and at the same time develop an industry which benefits our farmers and is the only sound basis on which we can ever build our hopes for cheap sugar. Europe in 1829 only produced 2,695 tons of sugar, while in 1889 the production will exceed 3,000,000 tons; and this result, as I have said before, has only been accomplished by a high protective tariff.

It is useless to attempt to build up this industry in the United States without a protective tariff and one in which people can feel a stability; for capital will not embark in this enterprise with a sword of Damocles hanging over the industry; and I feel sure that no bounty can be substituted for protection if the United States wishes to see this industry thrive, and become not only the largest sugar consuming but also the largest sugar producing country in the world. In 1887 we produced from the sugar beet 200 tons of sugar. In 1888 about 1,800 tons. In 1889 about 3,000 tons. In 1890 12,000 tons will be produced, an increase in 1890 over 1887 of about 5,000 per cent. and if any one doubts that this is the beginning of a new era in the sugar production of the United States he has only to go to California, Kansas, or Nebraska and he will see that the people of those States are in earnest and the whole West is to-day ready to develop this industry. We have the climate, the soil, and skill, and as soon as we have the assurance that Congress will permanently support this industry capital will be ready to invest. Previous to 1887 some attempts were made but on such a small scale and under such poor management that they could hardly be called attempts and were really doomed to failure before they began. The first factory able to work under economic conditions ever built in the United States was erected in California last year at Watsonville. There are at present two beet sugar factories in the United States.

First. The Alameda Beet Sugar Company, situated at Alvarado, Cal., with a capacity of working 150 tons a day, which will be increased to 250 tons next year.

Second. The Western Beet Sugar Company, situated at Watsonville, Cal., with a capacity of 300 tons. Another factory with a similar capacity will be put up by the same company next year, if tariff legislation does not prevent; situation not yet decided.

Third. The Oxnard Beet Sugar Company at Grand Island, Nebr., with a capacity of 350 tons, now building, will be ready to start September 1, 1890.

Each one of these factories cost about \$500,000 to build and run, using 50 tons of coal per day and employing about two hundred men; turns out about 30 tons of sugar. And in 1900 we shall need about seven hundred factories of this size to supply our home market, at an investment of about \$350,000,000 to build. This would stimulate within the next ten years all our industries, such as iron, coal, etc., employ many laborers, give all the machine shops in the country more work than they can do, employ 140,000 men in the factories and about 2,000,000 in the fields. Each factory would distribute about \$200,000 around each community where it was located and add to the general welfare of the surrounding country, build up the new country and greatly increase the traffic of the railroads, thereby decreasing the cost of same to the inhabitants, and in all, keep in the country annually upwards of \$100,000,000 spent in buying sugar abroad, and probably, yes, almost certainly, reduce the price of sugar to the people of the United States about \$50,000,000 per annum. And, gentlemen, the permanent foundation of this great industry, its retard, or destruction rests in a great measure with you.

Having spoken of the advantages of the beet-sugar industry from a commercial and manufacturing stand-point, I have hardly touched upon the most important benefit derived from this crop in Europe. I have reference to the agricultural advantages. The advantages derived from the improvement to the soil was recognized as far back as 1835 in Europe. The beet as a biennial plant enters readily into rotation with annual plants and particularly with those considered as exhausting. It prepares the soil, in a manner at present unknown in this country, for the next crop, owing to the physical cultivation given on this crop by deep plowing and frequent cultivations which it can readily absorb owing to the price which the farmer receives for his crop per acre, which is on the average from \$50 upwards. In fact, in Europe, wherever the beet is grown, the selling value of the land has increased in a most noticeable way, the wages of workmen have followed the same ascending progression, and the general welfare has improved in a wonderful manner. By the aid of this industry cattle raising is encouraged and made profitable to the farmer, rotations are favored, the mass of manures increased in countries where this kind

of industry has been established; and the culture of other plants has been superseded by the beet to the great benefit of the community where it was introduced. Again, in localities in Europe where it thrives there has been a very marked increase in the average weight of beef cattle amounting to from 30 to 50 per cent., and this increase is directly attributable to the extensive use of beet-root pulp for food.

In this industry nothing should be lost to the farm, as the marketable constituent of the crop, namely, the sugar, takes nothing from the soil in its formation. All its constituents are derived from other sources, chiefly atmospheric, for it has been thoroughly demonstrated that sugar is primarily elaborated in the leaves under the influence of light. The sugar in the beet is formed by the absorption from the atmosphere of its chemical constituents, by means of its foliage, and this organic compound, namely, sugar ($C_{12}H_{22}O_{11}$), being eliminated from the beet allows everything else to be returned to the soil, by far the largest portion of which is returned immediately at the time of harvest by cutting off the top with the leaves of the beet and leaving them in the field. The largest portion of the salts detrimental to the formation of sugar and necessary to the fertilization of the soil is found in the tops and leaves. The balance is returned later after going through the process of refining.

Thus we see that the beet in itself is a sugar-factory drawing its raw material from the air and by the aid of the sun's rays through its foliage combines the elements obtained into the chemical compound known as sugar. After yielding its sugar to the art of the manufacturer all the chemical constituents drawn from the soil can be returned, so that it can be justly said that of all crops this particular one is the least exhaustive to the soil, and in countries where this industry flourishes such a thing as fallow is unknown. Owing to the value of the crop the farmer can afford to spend, and does spend, from all statistics obtained, about \$25 per acre in labor on the soil and in the harvesting of this crop, thereby greatly improving the physical condition of the soil and reaping the benefit of this labor in an increased yield of the next crop, whether it be wheat, oats, corn, or barley, etc. The introduction of this crop will increase the prosperity of our farmers directly and indirectly to an extent at present unforeseen and certainly unthought of by our farming populations. The importance of sugar production in the United States from the beet would seem to make it worthy of extended encouragement from the National Government, and in so doing build up a new industry which benefits at the same time the commercial, manufacturing, and agricultural interests of its inhabitants.

Germany exacts a tax of 20 cents on every 100 pounds of raw beets as they enter the factory. This tax is paid by the manufacturer. Germany says to the manufacturer that she will remit as a drawback 20 cents for every 10 pounds of sugar which he produces and exports; but as a matter of fact the manufacturer extracts to-day in Germany not 10 pounds but 12 pounds from 100 pounds of raw beets, and receives from the Government a drawback of 4 cents on the extra 2 pounds for which he has never paid a tax to the Government, and this is undoubtedly an equivalent of a bounty of 2 cents a pound given by the Government to the manufacturer exporting that sugar; and this bounty paid sugar would, if the protective tariff was removed, come into competition with our beet-sugar industry in its infancy and at a time when it most needs the aid of the Government in developing itself.

MR. GEAR. You are a sugar-refiner, or rather your house is, if I recollect?

MR. OXNARD. Yes, sir; my father was in the sugar-refining business in Brooklyn.

MR. GEAR. Do you think there is a pretty large difference between the refined and raw sugars in the schedule of rates? It is \$2.75, and so on.

MR. OXNARD. I do not know, sir, there is.

MR. GEAR. What do you think would be a fair discriminating duty on raw sugars and the refined?

MR. OXNARD. I should think the present duty would be a fair one.

MR. GEAR. Do you not think it is too much?

MR. OXNARD. No, sir.

MR. GEAR. Why is it the refiners, when there is such a difference between them, sell at $1\frac{1}{2}$ and $1\frac{1}{2}$ above present prices of raw sugar?

MR. OXNARD. I do not know; I am not in the refining; I am in the beet-sugar business.

MR. GEAR. But you have been a refiner?

MR. OXNARD. Not recently. Some years ago.

MR. GEAR. The rates are the same. Was not that the case, then, that the refined sugars were 1 cent and $1\frac{1}{2}$ cents below the discriminating duty? That is to say, they had \$2.75.

MR. OXNARD. That I could not tell you, as I did not pay any attention to that part of the business.

MR. BRECKINRIDGE. What is the price of corn in Nebraska?

MR. OXNARD. Fifteen cents a bushel.

MR. BRECKINRIDGE. Wheat?

Mr. OXNARD. I could not tell you, but I know corn is the staple crop. Everybody raises corn, and they raise very little wheat.

Mr. BRECKINRIDGE. How much corn do they produce to the acre?

Mr. OXNARD. About 40 or 50 bushels, and it sells all the way from 12 and 15 cents.

Mr. LA FOLLETTE. How long have you been in the beet-sugar business?

Mr. OXNARD. In the first place I made a study in the sugar refinery at Brooklyn. We imported beet-sugar from Europe. Then I have been two years abroad studying and trying to find out what developments may be made in that industry, what it costs over there, and what we ought to produce sugar here for, and I have come to the conclusion that they produce that sugar over there at about $3\frac{1}{2}$ cents, and there is no reason why in time we could not do the same if we develop that industry. But as a matter of fact it is a new industry, and is one difficult at the start from an agricultural stand-point. The farmers have to be educated and taught how to cultivate beets, and it takes several years. I think the price it cost Mr. Spreekels last year was 5 cents, and this year he will reduce it to $4\frac{1}{2}$ cents. There is no doubt that if we protect this industry it will give us cheaper sugar than we can possibly get any other way.

Mr. BRECKINRIDGE. Is this making of sugar from beets susceptible of having great centers like cane?

Mr. OXNARD. No, sir; it dwells with agriculture. You have got to get first the product from the soil and produce your refined sugar right in the factory. That is what I propose to do. I propose to turn out about 200 barrels a day of refined sugar.

Mr. GEAR. You can do both, and make them cheap?

Mr. OXNARD. Yes, sir; it can be done, and I am going to start as a refiner of the product right from the field.

Mr. BRECKINRIDGE. You think this industry must be distributed and not concentrated?

Mr. OXNARD. You do not want more than one factory for more than one town to produce what they need there.

Mr. BRECKINRIDGE. Will you explain to the committee briefly why in this business it would not be possible to have, say, one factory in a State, or one in a city that would do all the beet refining.

Mr. OXNARD. You can keep increasing the capacity of the factory, if you get beets carried cheap enough to the same.

Mr. BRECKINRIDGE. Is it practical to concentrate this in centers like tropical cane?

Mr. OXNARD. No, sir; I should think there should be a dozen or twenty factories in each State, distributed all over the States.

Mr. BRECKINRIDGE. The beet is an article, as I understand you to say, that has to be provided near the factory.

Mr. OXNARD. Yes, sir; the beets are grown in the neighborhood, hauled to the factory, the sugar extracted by the diffusion process, and the pulp is sold back to the farmer for, say, 25 cents per ton. Now, in this way the farmer gets as much food for his cattle per acre as if he had raised corn on that acre, and this after selling his crop to the sugar manufacturer at a good profit.

Mr. BRECKINRIDGE. Are there not beet factories in Europe that make what you call raw sugar and then ship that to what is known as refineries?

Mr. OXNARD. A vast majority does that. Now this would be an immense benefit to the farmers of the United States.

Mr. GEAR. Say you take the products of 3,000 acres?

Mr. OXNARD. Yes, sir.

Mr. GEAR. You would have to haul that 2 or 3 miles.

Mr. OXNARD. I have a contract with the Union Pacific Railroad, who want to encourage that industry and has given terms and a ten year contract—a thing which they have never done before for anybody.

Mr. GEAR. How much is this?

Mr. OXNARD. It is for 45 miles.

Mr. GEAR. What is the rate?

Mr. OXNARD. Within 1 and 25 miles, 30 cents a ton.

Mr. GEAR. The farmers load and you unload?

Mr. OXNARD. Yes, sir; I expect to get about half the crop by the cars and the other half hauled by the farmers.

Mr. GEAR. What is the rate for 45 miles?

Mr. OXNARD. Fifty cents; between 25 miles and 45 miles 50 cents a ton.

Mr. McMILLIN. As a practical sugar producer what is your opinion of the effect of a bounty in lieu of a tariff?

Mr. OXNARD. I can only say this: That in Europe where this industry in fifty years has been so wonderfully developed, the way this industry has been developed there has been by a high protective tariff and bounty besides.

Mr. McMILLIN. Do you think it would be destructive to the industry here?

Mr. OXNARD. I think it would kill it.

Mr. FLOWER. Have you any statistics by which you could give us the amount of sugar made from the beet, sorghum, and from this cane?

Mr. OXNARD. The beet outstrips every known sugar plant in the world for the reason it is susceptible of producing so much sugar.

Mr. GEAR. How many tons of beet do you average to the acre?

Mr. OXNARD. I should say about 15 tons.

Mr. GEAR. What does the bushel weigh?

Mr. OXNARD. About the same as potatoes, 60 or 65 pounds to the bushel.

STATEMENT OF PROF. HARVEY W. WILEY.

Prof. HARVEY W. WILEY, of the Agricultural Department, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I was requested to appear before your honorable body to-day. I do not know what I represent here; whether it is the sugar-cane, sorghum, or the sugar-beet industry, or all of them together. I have been engaged for some years in the investigation of our indigenous sugar industry, and it has been one of the hopes of the Agricultural Department to see the United States produce its own sugar. While it is true the progress of this production has been slow, yet it has been positive, and we are just now reaching a point where the greatest difficulties which are in the way seem about to be removed, and have reached a point where we may expect a rapid growth. In this industry it is very much like a plant at the commencement of its life. In the beginning of its struggle for existence, it seems, from our observation of it, that it never could reach any magnitude. After a while, when the roots have penetrated the soil and all its preparations are made for growth, it shoots up in a growth that is almost magical. So with the sugar industry of the country. If it can be fostered a while longer its growth will be marvelous.

In looking at this industry from a general point of view I may say this country is divided for sugar-making, like Cæsar's Gaul, into three parts. On our southern borders we have a belt of land and climate suitable for the production of sugar from the sugar-cane. In the intermediate belt we have a soil and climate in which it seems possible, with proper direction and scientific treatment, to produce sorghum sugar. On the northern borders and the high plateaus of the middle belt we have a region suitable for the production of the sugar-beet. You listened to the address of Dr. Stubbs, which I am sorry I did not hear, in which the scientific possibilities and requirements of cane sugar were very well presented to your view. You also listened to the remarks of Judge Peters, who laid before you the agricultural and manufacturing possibilities of sorghum. Mr. Oxnard has done the same in regard to beet sugar, and there seems to be little left for me; but I would like to call your attention to some agricultural problems which we are now discussing, and I will confine myself to two sources of sugar which have been mentioned, viz, the sorghum and the sugar-cane.

Mr. Oxnard has shown the possibility of the development of the sugar-beet. I believe we can show in a few years the same possibility with sorghum. We have in the Agricultural Department been carrying on experiments for two or three years in a certain line of investigation, namely the process of improving sorghum by seed selection. We have carried it on precisely in the same way that it is carried on with the sugar beet. We are saving the seeds from the analyzed stalks. As you know, the sugar beet is a biennial plant. It produces the beet in one year, the seed in the next. Sorghum is an annual plant and produces both cane and seed the same season. We have now in the Department of Agriculture seven thousand seed heads which we have selected the past year by a direct analysis of the plant. We have saved only those showing a high content of sugar. We have rejected many others showing a low content of sugar. Now we find certain interesting features developed in this seed. We find that the production of abundant seed and the production of sugar are not co-ordinate. Therefore, if you select the seed from the largest and finest head, you make a mistake, because the production of sugar is one function and the production of seed is another, and while it is true both of these are produced in the same physiological process, they have distinct functions in the plant. Therefore, we select seeds by careful examination and by scientific analysis. We have now practiced this method for two seasons and with most encouraging results.

We find to be true what is true of raising other plants by selection, that is, the possibility of developing any given feature of any given plant or animal by proper selection and scientific observation, and that method must be adopted to get the highest practical results. Here are cases where science and practice touch each other, and the value of purely scientific work makes itself apparent. We found there was a tendency, not an absolute certainty, of the seed of a given stalk to produce canes resembling the parent form. It is so with other plants. The great difficulty in the

production of sugar from the sorghum plant (and that difficulty has been mentioned), as it has been heretofore produced in the United States, is the poor sugar-producing qualities of the plant. It does not contain a large amount of available sugar.

I find the sorghum plant does not come up in production of sugar as high as the sugar beet or the cane, for the sugar it contains is mixed with other substances which prevent its crystallization, and which, when crystallized, prevent its being easily purified and refined. This, in fact, has been the greatest difficulty which heretofore existed in regard to the production of sorghum sugar. But now I can state that on account of selecting these seeds and developing the plant canes have been developed in which this difficulty has been diminished. There is no doubt about the fact that these difficulties can be largely removed. We are gaining every year in the percentage of sugar. It is like learning a game of skill. A young man or boy when he begins to practice a game of skill makes rapid progress to a certain point; when he reaches that point he makes further progress with a great deal of difficulty. It is the same with the sugar-beet; its progress was at first rapid, and now it is slowly progressing. So it is with the sorghum; it will at first develop rapidly until it reaches a certain degree of perfection, afterwards more and more slowly.

Mr. BAYNE. Which is the more promising, the beet or the sorghum?

Mr. WILEY. The beet has much more development. It is now simply a question of growing the beet. With the sorghum industry the task is more difficult; we have to study the agricultural, the physiological, and the chemical problems.

Mr. MCKENNA. Then all that prevents the beet-sugar industry of this country from development to the extent of supplying the country with sugar is for the farmers to grow the beets and the capitalists to erect the factories?

Mr. WILEY. That is all.

Mr. McMILLIN. It is beyond the domain of experiment?

Mr. WILEY. Yes, sir.

Mr. GEAR. You have heard it stated the cause of the failure was that there was some chemical agent which the beet received from the soil which made it refractory?

Mr. WILEY. In regard to making the sugar? No, sir; not at all.

Mr. GEAR. Then it is practically settled.

Mr. WILEY. Of course we have scientific methods of securing sugar from the beet. There is this about the beet; it produces practically only one kind of sugar, and that is what we call pure crystallizable sugar, while sorghum produces several kinds, only one of which is crystallizable. The sugar from the beet is 99 per cent. crystallizable, while sorghum sugar is only 60 or 70 per cent. sucrose; so our object is to eliminate the uncrystallizable sugar through a process of selection, which we can do in the course of time. The problem is a more difficult one in regard to the sorghum than in regard to the sugar-cane and the beet, and therefore I think the sorghum industry needs more fostering care than the beet or cane.

Mr. FLOWER. Will you allow me to ask you a question there? How far South will beets grow? I do not believe there is any trouble in the North. I see, a man who lives 1,250 miles northwest of Winnipeg raised better beets than any place south of it.

Mr. WILEY. Beets do better the farther north you take them, provided you have a season long enough for proper maturity and harvesting. There must be a season for cultivating and harvesting.

Mr. LA FOLLETTE. What about the soil?

Mr. WILEY. Any good soil will produce beets. Any sandy loam which will allow the roots of the beet to penetrate to a great depth is a preferable soil. It is not the class of soil so much as the climate. The sugar-beet is a northern production. It grows well on the Pacific coast as far south as Los Angeles, because they have really no hot weather along that coast. The mean summer temperature of Los Angeles is scarcely 70 degrees. Some years ago I drew lines across the map of the country showing where I thought the northern limit of the sorghum industry to be and the southern limit of the beet industry, and I took the mean temperature of 70 degrees Fahrenheit as shown by ten years' observation of the United States Signal Office for tracing this limiting isotherm. I still hold to that. When you go north of that, sorghum is not a safe sugar crop. Judge Peters spoke of the sugar-beet in Kansas. I do not believe myself in the possibility of an indigenous beet-sugar industry in that country where the sorghum grows so well. This year they had a peculiar summer, and they did produce beets. They produced beets that had an average 10 per cent. of sugar, while beets grown in Germany had nearly 14 per cent. of sugar.

Mr. LA FOLLETTE. What is the limit in regard to the time of harvesting and working up the beet?

Mr. WILEY. The only limit to harvesting is time to get the crop into the silos. A freeze injures the beets. The silos will protect the beets from the frost.

Mr. LA FOLLETTE. How soon must the work be done when they are put in the silo?

Mr. WILEY. In a cold climate they work them up to the spring. It does not make any difference how long beets are kept, just so they are cold enough not to sprout

and not too cold to freeze. The colder it is, not to freeze, the better it is for the siloed beets. The manufacture of beet sugar can be continued through the winter up to the 1st of March or April.

Mr. MCKENNA. Has your attention ever been called to the making of alcohol used in the arts? You can make good alcohol from the beets.

Mr. WILEY. Yes, sir. You can make it from the refuse beet molasses, but more abundantly from sorghum molasses, because there is a much larger quantity. There is where Kansas has been in its own light, if I may say it, when it refuses permission to make alcohol from the refuse of the sorghum factory. At the present time it would appear to be more profitable to ferment sorghum molasses than to do anything else with it. There is no demand for it for table use. It can be used for cattle feed, but it does not appear with much profit.

Mr. BRECKINRIDGE. What per cent. of sugar in sorghum is crystallizable?

Mr. WILEY. About 60 or 70 per cent.

Mr. BRECKINRIDGE. For what is the rest of sorghum sugar suited?

Mr. WILEY. It may be used for molasses, cattle-food, or for making alcohol.

Mr. BRECKINRIDGE. Does it make suitable molasses?

Mr. WILEY. It is not the best in the world, but it is wholesome and nutritious.

Mr. BRECKINRIDGE. Does it make good alcohol?

Mr. WILEY. It makes excellent alcohol, and large quantities of it. It is quite ready for fermentation.

I would like to state that the Department is pursuing an investigation the present year in the line of the sorghum and sugar-beet culture, and we have collected samples of the sugar-beet from several States. The results are most favorable. We have results from northern Indiana, where the sugar-beet produces 25 tons per acre and contained 13 per cent. of sugar. I have fifteen or twenty different analyses, showing the beet as high as 16 per cent., from Michigan. From Nebraska it has shown remarkable results. The mean of many analyses shows 2 per cent. higher content of sugar than the average from Germany. It was certainly a remarkable production.

Mr. GEAR. You state it has been your mission to secure an indigenous product of sugar throughout the United States. Do you consider you have done it with the beet?

Mr. WILEY. I consider the results most favorable.

Mr. GEAR. What do you call indigenous?

Mr. WILEY. I mean the sugar industry at home.

Mr. GEAR. Do you think you have found it in the beet?

Mr. WILEY. I think I have found it in all three of these, the sugar-cane, the sorghum, and the beet. America can make sugar from three sources.

Mr. GEAR. Which would be the most profitable?

Mr. WILEY. That is a question to which I have not given much attention.

Mr. GEAR. That is a question in your line of business.

Mr. WILEY. My profession is not working out problems in regard to price, but in regard to the scientific questions which arise. It seems to me if I were a capitalist I would rather invest in the beet from a scientific standpoint. The average per cent., of sugar in the cane of Louisiana is probably about 13 at the present time. As far as the content of sugar is concerned the sugar-beet is ahead of it probably 14 per cent., while sorghum is scarcely 11 per cent.

The CHAIRMAN. How long since the Government took any steps in this direction?

Mr. WILEY. I have been engaged for seven years in this business, but experiments were first commenced about twelve years ago. I have given four or five months every year to the study of it.

I will say a word in regard to the bounty or bonus upon European sugar. Now, it is commonly reported that the countries of Europe pay a bounty for the production of beet sugar. Instead of paying a bounty they are continually taxing every ton of beets grown in those countries, so that the actual cost to the manufacturer of sugar beets is about \$3 a ton. Every ton of beets which enters the factory in Germany, France, or Austria costs about \$8, including the tax.

The CHAIRMAN. The cost is enhanced about \$8.

Mr. WILEY. Four dollars paid for the beets and \$4 tax. Then the Government gives what it calls a rebate on exportation. This is placed in such a way as to encourage the production of sugar, and it shows what wise legislation and science can do to aid agriculture.

Mr. GEAR. How is it adjusted?

Mr. WILEY. The rebate tax is paid in this way: The law assumes that the beet will make a certain per cent. of sugar. If they get 2 per cent. more of sugar the exporter gets the whole tax on rebate on its estimated per cent., and at the same rate for the 2 per cent. excess. Well, the Government gives a rebate tax on the sugar from the beet to exporters, which rebate is placed on the supposed production. In Germany, say, it is supposed that they will make that production 10 per cent. on the average.

When this rebate is given it is given at that rate. So on the basis of production of 200 pounds per ton, the German producers of beet sugar who make 240 pounds of sugar per ton really get a bounty on the 40 extra pounds.

Mr. BAYNE. How much would it cost?

Mr. WILEY. I do not know.

The CHAIRMAN. There is no bounty paid on the domestic sugar not exported?

Mr. WILEY. No, sir.

The CHAIRMAN. It is only for exports?

Mr. WILEY. There is no country except Kansas and one or two other States that gives a direct bounty.

Mr. McMILLIN. The result of the system in Germany was to give Germany a chance to sell cheaper to other parts of the world than to the home consumer.

Mr. WILEY. That would seem to be one of the results, but the heavy duty laid on imported sugar has enabled the industry to grow in Germany until now the annual production of sugar is over one million tons.

Mr. FLOWER. Anywhere in the State of New York we can raise these sugar beets.

Mr. WILEY. Not anywhere; but I should say near your lakes you could.

Mr. FLOWER. That is where I came from.

Mr. WILEY. Then you are the man I want to talk to.

Mr. FLOWER. You can raise it there.

Mr. WILEY. You can raise 20 tons to the acre on an average.

Mr. FLOWER. What is that worth?

Mr. WILEY. To the farmer, \$80.

Mr. FLOWER. And it does not cost much more than potatoes?

Mr. WILEY. Yes, sir. It requires very high farming to cultivate these beets. Wherever you introduce sugar-culture there you introduce an element of education in agriculture the value of which is hardly to be estimated. It takes the best, the most scientific agriculture to grow sugar.

Mr. FLOWER. What does a factory cost?

Mr. WILEY. It costs more to build one for beet sugar than for cane or sorghum sugar. It costs more because the manufacture of beet sugar is a more scientific and highly developed process. A good beet sugar factory capable of using 250 tons of beets a day would cost \$200,000.

Mr. LA FOLLETTE. What amount of cultivation to raise an acre of beets would be required as compared with tobacco?

Mr. WILEY. It would be very much the same. The tobacco farmers must understand exactly how to raise this tobacco or they will have a failure in the crop. I think the beet culture is even a higher form of agriculture than the cultivation of the tobacco plant.

Mr. GEAR. Would it not be of great advantage in the sugar-beet industry in the West to have these factories dotted here and there, one to one township and another to another township, so as to give the producers of beets a market?

Mr. WILEY. Most undoubtedly.

REDUCTION IN DUTY.

VIEWS OF CURTICE BROTHERS COMPANY.

ROCHESTER, N. Y., *February 1, 1890.*

SIR: Permit me to address you upon what may possibly be a new line of argument, showing why a very material reduction of the tariff on sugar should be made, or an entire removal of it. This argument is not only in the interest of the consumer, but in the interest of the very large fruit-producing districts, as well as those engaged in the preserving and canning of fruits.

You are doubtless aware that there are millions of pounds of preserved fruits and fruit jams imported yearly from England and Germany for consumption in this, the most prolific fruit-growing country in the world; and yet the English and German fruit preservers have to pay a price for the raw fruit that would be amply remunerative to our fruit-growers here, for the same varieties, but on account of the very low cost of sugar to them they are able to ship their goods here at a cost much below that which they can be offered at by American preservers, with the cost of sugar to them; this, notwithstanding the imported article, is scheduled to pay a duty of 20 to 35 per cent.

No other country can produce either the quality or the quantity of fruits that can be produced in the United States, and with the great variety of soil and favorable climatic influences in the different parts of this country, we are able to produce a greater variety than in any other country, and at as little cost.

With the present low prices of nearly all farm products, no greater boon could be given the farmer, especially those where fruits can be grown successfully, than to furnish him a reliable market for the fruits that he can produce; besides it would lessen the overproduction of ordinary farm products, to the benefit of those in localities where fruits can not be grown, and where they need to depend upon growing only the different grains, vegetables, etc.

With sugar at the same cost to the American preserver as to the English, we could not only supply this country with all the preserved fruits needed, but could export directly into England and Germany these goods in very large quantities; besides we would be able to successfully compete for the trade of all other foreign countries for these articles, which trade is of very large proportions. It seems to us a pity that for the one obstacle of high cost of sugar our American fruit-growers should not be allowed to furnish the fruits for all these different markets.

American fruit canners, on account of the superior quality of our fruits, are able to export largely to Great Britain our heavily siruped fresh fruits in tin cans, but with being able to reduce the cost 5 or 10 per cent., a very much larger business could be done, as our fruits are acceptable to the best communities wherever they are introduced, with a rapidly growing demand for them, which demand could be largely and quickly increased if they could be offered as above noted at a slight reduction below present prices; and the only thing that stands in the way of this necessary reduction is the cost of sugar. This pertains to only the higher grades of canned fruits in which large quantities of sugar are used in the manufacture of sirups for them.

Right here, too, is a strong argument why we should have no increased tariff on tin-plates, but rather free tin-plates. Our company here at Rochester consume the products of upwards of one thousand acres each year, of such items as tomatoes, corn, and peas, and by producing only high grade in these articles canned, we are building up a trade in many different foreign markets, which markets the fruit and vegetable packers of this country should control, and would in a very short time, if we were able to meet a competitive lower price with other countries that enjoy free tin plate and free sugar, and so utilize a large amount of territory in the production of these articles for their use.

Then it strikes us that another argument in favor of a radical change of the tariff on sugar is from the fact that as now scheduled there is little or no sugar imported into this country that is of a quality suitable for consumption without going through the hands of the refiner, and therefore all the sugar consumed in this country needs to pay a profit to the refiner. Not only this, but with the limited number of refineries now in operation they have been able for the last year and a half to name their prices without fear of competition, which, with the present thoroughly organized associations of the wholesale grocers throughout the country, they too are able to fix their prices without competition, and in turn the retail grocers have their associations in nearly every city and town for the purpose of fixing their prices, which prices the consumer needs to pay. And when we learn that by these associations the wholesale grocers of the State of New York have realized \$2,000,000 more during the last year for their handlings of sugar than they would have done without their association, and with the belief that the retailers have realized another \$2,000,000 for their handlings of the same goods for the year, we find that the consumers of sugar of the State of New York have parted with \$4,000,000 for this article within the past year in excess of what they would have done had not these associations been formed—this, to say nothing of the extraordinary profits made by the refiners; all of which conditions could not exist were sugars admitted free of duty, for the reason that if a larger percentage of the sugars imported were of a quality to go to the consumer without passing through the refineries it would naturally stimulate very many more importers of sugar, who each in turn would be seeking a market for his goods, which of itself would destroy the combination of the channel through which sugars are now having to pass, and yet the dealers, both wholesale and retail, make their margin of profit same as heretofore, and so give the consumer the privilege of using raw sugars (such of them as are suitable for domestic use in their raw state), and consequently at a much lower cost to them for this indispensable article to every household than now.

From the foregoing it will be seen that with the annual revenue of \$60,000,000 from the present Government tariff on sugar (being \$1 per capita for our entire population), and with the same excessive profit to the wholesalers and retailers in all the other States as is obtained in this as previously shown, which you will see figures 50 cents more per capita in this State, being \$4,000,000 for its estimated 8,000,000 of population, this item would cost the consumers of the United States \$90,000,000 more than if we had free sugar with its accompanying necessary methods of handling it.

While it is claimed that the tax can be more evenly levied upon the entire community by a tariff being laid upon the article of sugar than any other article paying duty, yet is it not equally true that by lessening the price of this article a more general benefaction can be distributed over this country than in any other way? A

benefaction that reaches the laboring and poorer classes with whom it is an article of every day use for their subsistence.

We note down these ideas hurriedly as they have occurred to us, which we trust have somewhat of merit in them, and that they may receive due consideration at your hands.

We have already written to a number of fruit growers and fruit preservers throughout the country, and from the response received from some of them it is evident that they are in full accord with our views as above expressed upon this same subject.

Please do not interpret the contents of this letter as from "free traders" or any other than life-long Republicans and such as believe in protection of American industries, but not a protection of a few to the detriment of the many, but a protection that will do the greatest good to the greatest number.

Very truly, yours,

CURTICE BROTHERS CO.,
S. G. CURTICE, *President*.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

PROTEST FROM GOVERNOR THAYER.

STATE OF NEBRASKA,
EXECUTIVE DEPARTMENT,
Lincoln, January 31, 1890.

MY DEAR SIR: Permit me to express myself briefly to you and the members of your committee, and very strongly too, against any reduction of the present tariff on sugar. Nebraska is purely an agricultural State; our people are now establishing beet-sugar industries, and they want every encouragement which the Government can give them. They are investing largely of their means in beet-sugar plants; therefore, in their behalf, I enter a respectful protest against a modification of the tariff on this article.

Our farmers are a long distance from market, and it takes about one-half of what they raise to send the balance to market. By the manufacture of beet sugar a home market is created for them. They will be enabled to sell their beets almost at their own doors.

Very respectfully and truly yours,

JOHN M. THAYER,
Governor of Nebraska.

Hon. WM. MCKINLEY, Jr.,
*Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.*

REFINED SUGAR.

STATEMENT OF R. E. C. KNIGHT.

Mr. E. C. KNIGHT, of Philadelphia, sugar refiner, said:

Mr. Chairman and gentlemen, I came here in the capacity of a listener, not to say anything myself; but as I see nobody else prepared to speak in the interest of sugar refiners I will say a few words to the committee.

I have had no conversation with other sugar refiners, and am expressing entirely my own ideas, from my own knowledge of the business, having been at it a good many years.

I am going to assume as a basis that our house manufactures 5 per cent. of all the refined sugar made in this country. I do not think that we come quite up to that, but I will take that as a basis. On that basis, if we melt 500,000 pounds a day, costing 5 cents a pound, the raw sugar costs us \$25,000 a day, and on that 500,000 pounds we pay 2 cents a pound duty to the Government. In refining that raw sugar there is 4 per cent. of impurity—a sample of which I have here. [Exhibiting it to the committee]. This 4 per cent. of impurities costs us \$1,000 a day, and, assuming that we work three hundred days in the year, it costs us \$300,000 a year. Now, if we have but one-twentieth of the entire refining business of the country the total loss to refiners from this source is \$6,000,000 a year.

Mr. GEAR. You say that the loss from impurities is 4 per cent.?

Mr. KNIGHT. Yes; 4 per cent. That would be on a grade of good 90-degree sugar. If we were to manufacture the centrifugal sugars, polarizing 96 degrees, the loss would not be so great. The business of the United States is about 1,500,000 tons a year now.

In 1881 it was a little less than 1,000,000 tons; but it has increased in proportion to the increase of population.

Mr. GEAR. What is the consumption per capita in this country?

Mr. KNIGHT. We use in this country 52 pounds per capita.

Mr. GEAR. Is that larger than the English consumption?

Mr. KNIGHT. No; England consumes more than we do. The consumption in England is 60 odd pounds per capita and ours is 52 pounds.

Mr. GEAR. We are the next largest consumers after England?

Mr. KNIGHT. Yes, the next largest. I have a sample here also [exhibiting it] of pure refined granulated sugar that will polarize 99.8. As I said before, the consumption of sugar in this country for the last two years has been about 200,000,000 tons. It varies a little with the prices of sugar. The growing crop is very large. The product of the beet sugar in Europe is very large, and that of the West India Islands is probably 100,000 tons more than the average. Therefore we are most likely to have cheap sugar. We are to-day selling granulated sugar like the sample I have shown the committee at 6½ cents a pound, and on that we are paying a duty of 2.40 to the Government; that is, the public is paying it through us. Therefore we are selling it at net, 4.1 cents per pound, and are selling it at a loss. I would give anybody \$1,000 a day to pay my losses in sugar, so that there is not much glory in the business at this time.

Mr. FLOWER. Do you sell any sugar abroad?

Mr. KNIGHT. No; we can get no drawback now. Two years ago we got a drawback of 2.80 on refined sugar exported. Then the drawback was put down to 2.40, so as we pay a duty of 2.40 on it we can not afford to send it abroad. I do not know that I have a great deal more to say, except that the present plan of ascertaining the quality of the raw material is, in my judgment, very perfect. In the first place the seller has a chemist, the buyer has a chemist, the Government has a chemist, and every refiner has a chemist. So that when the polarization comes before the four parties, if there be any great variation, it is likely to be corrected. The only difficulty is, that the Government does not give us exactly fair play. I will tell you how: If a cargo of sugar polarizes 88.1 the Government charges it as 89. We buy it perhaps at 89, if it be muscovado sugar, or at 96, if it be centrifugal. If it be less we are still charged with it at 89, and 96. The Government takes advantage of all the differences. I have in my pocket now a statement where a New York house sold us a cargo of sugar where, according to the Government test of polarization, the mercantile value should have been \$21,870, but that was \$557 more than the actual commercial appraisement of the cargo. (The statement is appended.)

Mr. GEAR. How does the granulated sugar compare with the Dutch standard sugar above No. 20?

Mr. KNIGHT. I suppose that this sample of granulated sugar is over 20 degrees. It is the very highest grade that can be made. There is no sugar made that can be better than that. It is made from cane; and we all know that beet sugar is not up to the standard.

Mr. FLOWER. About what rate of duty per pound would you want on the refined sugar over the raw sugar?

Mr. KNIGHT. I am speaking entirely for myself and do not know the views of other refiners.

Mr. GEAR. What is the average cost of the raw sugar that you use?

Mr. KNIGHT. About 5 cents a pound for sugar testing 83.

Mr. GEAR. I find by the book of statistics that the average cost of sugar at the port of debarkation 2.77 for the sugar, 2 cents for the duty, and the remainder for commissions, etc.

Mr. KNIGHT. The duty on sugar testing at 96. (which is about the average melting) is 2.24 cents per pound.

Mr. GEAR. The average cost of sugar is 2.77 cents and the average duty of 2 cents would make the average cost 4.77 cents per pound.

Mr. KNIGHT. I think that is very near it. Sugars are better now than they were.

Mr. GEAR. If the cost is 4.77 cents per pound at the port of debarkation, the difference between that and 5 cents per pound would go to the cost of port charges, commissions, etc.

Mr. KNIGHT. Yes, sir.

Mr. GEAR. Then you are getting for refined sugar the difference between 5 cents (the price of raw sugar) and 7 cents (the price for refined sugar)?

Mr. KNIGHT. Yes; but we are selling our refined sugar at 100 test, and we are getting the raw sugar at 89.

Mr. GEAR. Do you make all of your product into refined sugar?

Mr. KNIGHT. No; we get a certain amount of sirup out of it.

Mr. GEAR. What do you think ought to be the specific duty on the raw sugar you turn out?

Mr. KNIGHT. The labor is much higher here than in Europe, and we use in our

business a great many American materials—for instance, bone-black and cooperage. We have paid this past year nearly \$150,000 for packages, and nearly all our lumber comes from the West.

Mr. GEAR. Would you favor a specific rate on refined sugar, or would you prefer an *ad valorem* duty?

Mr. KNIGHT. I am not prepared to say. All that I want is to have a moderate protection on all sugar above No. 13, Dutch standard.

Mr. GEAR. The present tariff makes No. 13, Dutch standard, the line, the duty being 2 cents a pound on all sugar up to that. Now, you as a refiner want an additional protection over and above that in order to protect your labor.

Mr. KNIGHT. Yes.

Mr. GEAR. About what rate do you want?

Mr. KNIGHT. I will allow my friend, Mr. Frazier, to answer that question. But the skilled labor at refineries here it is very hard to get, and we have to pay very high for it.

Mr. GEAR. I suppose that the large bulk of your labor is unskilled.

Mr. KNIGHT. No. We pay our coopers \$3 a day. I have one man in my employment who got \$10.50 a week in Scotland as a boiler, and I pay him more than five times that rate.

Mr. GEAR. Still the large majority of the men who handle sugar would be classed as unskilled labor?

Mr. KNIGHT. No; we must have men in boiling who have a great deal of experience. The business has been very largely improved and increased.

Mr. FLOWER. Where are your works located?

Mr. KNIGHT. In Philadelphia, between South and Bainbridge streets. We use a thousand gallons of water a minute.

Mr. BAYNE. Suppose you got your raw material free of duty entirely, what rate of duty would you want on the refined product?

Mr. KNIGHT. Above No. 13, Dutch standard?

Mr. BAYNE. Yes, sir.

Mr. KNIGHT. I am not prepared to answer that question exactly. It costs us a great deal more to refine sugar here than it costs refiners in Europe.

Mr. BAYNE. Can you approximate the rate of duty you would require?

Mr. KNIGHT. I would say that we could get along with a duty of from half a cent to 1 cent a pound.

Mr. GEAR. You think that that rate would be ample?

Mr. KNIGHT. I think so. We do not expect to make money very fast or very largely. We consider ourselves to be public benefactors when we take raw sugars that cost us 5 cents per pound, containing 4 per cent. of impurities, and give to the public refined sugars at 7 cents a pound.

Mr. GEAR. Would it be any advantage to you to import No. 16 sugar of the same strength?

Mr. KNIGHT. No; we do not want anything above No. 13 Dutch standard and testing about 90. That is about the sugar we want.

Mr. GEAR. Would No. 16 of higher test be of any advantage to you?

Mr. KNIGHT. Not if we had to pay an additional price for it. It would if we got it at the same price.

Mr. GEAR. No. 16 sugar is refined a little, is it?

Mr. KNIGHT. It is washed a little.

Mr. McKENNA. You say that beet sugar is much inferior to the cane sugar?

Mr. KNIGHT. In my own opinion it is. In my house we have never used a pound of beet, or glucose, or chemical. This sugar [referring to the sample exhibited] is as pure as can be made. We have used this year over a hundred cargoes of sugar, and my friend, Mr. Frazier, over three hundred cargoes. The sugar refiners of the United States have used up this year, I suppose, two thousand cargoes of sugar. It is a very large business, indeed. The expense in my refinery is \$1 a minute, night and day.

Mr. GEAR. What is the amount of capital that is engaged in sugar refineries in this country?

Mr. KNIGHT. I suppose that the plant has cost between \$50,000,000 and \$75,000,000, but the capital to carry on the business is that much more.

Mr. FLOWER. How much of it is in the Trust?

Mr. KNIGHT. I should think about 70 per cent. The only houses outside of the trust are Nash, Spaulding & Co., of Boston; Harrison, Frazier & Co., of Philadelphia; our house; the houses of Spreckles, in California and Philadelphia; and a small house in Philadelphia.

Mr. FLOWER. How can you compete with Spreckels in Philadelphia, when he gets his raw sugar free?

Mr. KNIGHT. I am very glad you mentioned that. Spreckels gets 100,000 tons a year from the Sandwich Islands free of duty. There is no reason why we and the

other sugar refiners should not be put on the same footing or else have the duties on our raw sugars lowered.

Mr. GEAR. Was not the San Francisco house of Spreckels able to control the sugar market as far east as Omaha?

Mr. KNIGHT. Yes; and if reports are true, they were helped to it by some of the railroad companies.

The CHAIRMAN. You have the same right to buy sugar at the Sandwich Islands as Spreckels has?

Mr. KNIGHT. I suppose we have; but it would cost us a great deal more to take it to Philadelphia than it costs him to take it to San Francisco.

Mr. McKENNA. Does he try to undersell you?

Mr. KNIGHT. I do not know that he does.

Mr. McKENNA. If you can buy sugar at the Sandwich Islands as well as he can, how is it a detriment to you that he gets his sugar there?

Mr. KNIGHT. He went over there when the treaty was first made and bought a good deal of property in the islands, and he raises sugar there.

Mr. FLOWER. Does he not raise the major part of the sugar that is raised in the islands?

Mr. KNIGHT. He does, and takes it to San Francisco and pays no duty on it. Very little of it comes East, however; I think only three cargoes of it have come East.

Mr. McMILLIN. Is there any agreement on his part not to send it East?

Mr. KNIGHT. I do not know of any such agreement. What the refiners would like is that the Government, in ascertaining the quality of sugar, would put it on a mercantile basis; that is, if there is a cargo of sugar polarizing 88.1, or 88.2, or 88.3, that the duties shall be put at that rate, and not put at 89, as is now done, greatly against our interest.

Mr. BRECKINRIDGE. Does the Government do that now?

Mr. KNIGHT. Yes; it takes the benefit of the fraction. If the sugar polarizes 88.3 or 88.4, the duty is fixed as if the sugar polarized at 89.

Mr. McMILLIN. Where the fraction is even below one-half the Government charges for the full unit?

Mr. KNIGHT. Yes.

The CHAIRMAN. I do not know whether you understood Mr. Flower's question a while ago. He said that Mr. Spreckels raised the major part of the sugar raised on the Sandwich Islands. Is that quite true? I am informed that he raises only about 33½ per cent. of the annual product there.

Mr. KNIGHT. I think you are quite right in that respect.

Mr. FLOWER. I understood that to be the case when the treaty was formed. I do not know how it is now. Would it not cheapen the price of refined sugar to the consumer if we had free raw sugar, and would that not be a benefit to the manufacturer?

Mr. KNIGHT. I would be perfectly satisfied to have free raw sugar if you would give us a little duty on the high grades above No. 13 Dutch standard. If we were to go into competition with that sugar free of duty, I suppose half of the refineries of the United States would be broken up. If we had refined sugar down to 4 cents a pound, instead of 6 cents, or 6½ cents, the probability is that the consumption per capita in this country would go up to 60 pounds a year.

Mr. GEAR. If No. 16 sugar were admitted free, and if there was a combination among sugar refineries to increase the price to consumers, would not competition from other countries break up that combination?

Mr. KNIGHT. Not under the present tariff. None of the high grade sugars come in, and we can not send any out.

Mr. GEAR. But would they not come in and relieve the community, if a combination undertook to put up the prices?

Mr. KNIGHT. They might; but the people of the United States are so used to good sugar that they want first-class sugar delivered at the door in the original packages.

Mr. GEAR. You have been in the business for a good many years?

Mr. KNIGHT. For fifty years.

Mr. GEAR. Do you not know that the regular grocers' sugars have not been imported into the country for many years?

Mr. KNIGHT. Very little. They make very good sugars in Louisiana, on the plantations, and there are two houses running in New Orleans all the time, making these granulated sugars. I do not think that any of it has come North this year. I have not seen a hogshhead of New Orleans sugar this year. Ninety-nine per cent. of all the sugar consumed in the United States is refined sugar.

Mr. GEAR. Does not that come largely from the fact that under the tariff arrangements the people can not get the better grades of the raw sugar that they used to get?

Mr. KNIGHT. The sugars that come from Barbadoes are very good; but they are just a little below the No. 13 Dutch standard. The Porto Rico sugars are also very good.

Mr. GEAR. But they are mostly above No. 13 Dutch standard.

Mr. KNIGHT. No; they are mostly below it.

Mr. GEAR. It is the arrangement of the tariff, is it not, that has thrown all the sugar industry into the hands of the refiners?

Mr. KNIGHT. Yes.

Mr. GEAR. And you think that if you had raw sugars free, a specific rate of about three-fourths cents per pound for refined sugars would be a fair compensation to the refiners?

Mr. KNIGHT. I think so.

Mr. BRECKINRIDGE. You spoke of a duty of three-fourths of a cent per pound on refined sugar, which you think would be fair. Does it cost three-fourths of a cent a pound to convert raw sugar into refined sugar?

Mr. KNIGHT. It costs us more than that if you take the waste into account.

Mr. BRECKINRIDGE. I am speaking not of the waste but of the cost of the labor.

Mr. KNIGHT. It does not cost us that much for the labor. When you speak of the labor I can give you an idea about it. A few years ago, before we were fairly established our wages for the year amounted to \$170,000, packages to \$80,000, fuel \$70,000, bone black \$12,000, insurance \$6,000, gas \$4,000, cooper's shop \$15,000, all running up then to nearly \$400,000.

The CHAIRMAN. How much sugar do you refine in your establishment?

Mr. KNIGHT. About 350,000 pounds a day.

Mr. BRECKINRIDGE. Do you run steadily throughout the year?

Mr. KNIGHT. We have to stop ten or twelve days in the year. We calculate about three hundred days to the year. We could refine now about 500,000 pounds a day, but the market is so dull that we do not refine more than 400,000 pounds a day.

The CHAIRMAN. The expense list that you gave does not include interest on the capital, does it?

Mr. KNIGHT. No, sir.

Mr. BRECKINRIDGE. Your proposition to the committee is to lay a tax on the consumers of the country that will compensate you for the difference of cost between the refining of sugar in this country and the refining abroad. Is it not fair, when you ask us to tax the consumers for your benefit, that we should know exactly what that difference in cost amounts to?

Mr. KNIGHT. I think you may put it down at 1 cent a pound.

Mr. BRECKINRIDGE. We should have proofs, not assumptions.

Mr. KNIGHT. I have not made the calculation.

Mr. BRECKINRIDGE. You can tell the committee what your wage-roll is, and what you output is.

Mr. KNIGHT. Our output is 500,000 pounds a day, if we could work fully. Our expenses are not less than \$500,000 a year without any allowance for interest on the capital.

Mr. BRECKINRIDGE. Are you prepared to tell us what your wage-roll is?

Mr. KNIGHT. Our wage-roll for 1889 is not yet made up, but I suppose it will amount to \$150,000.

Mr. BRECKINRIDGE. And this output that you have given us is good for this year, is it?

Mr. KNIGHT. Yes; I can give you an idea of our expenses. Our package charges were \$80,000 in 1887.

Mr. BRECKINRIDGE. Come to the year 1889.

Mr. KNIGHT. Our package charges were \$125,000 for 1888, and for 1889 about \$145,000, as against \$80,000 in 1887.

Mr. BRECKINRIDGE. Can you give the exact figures?

Mr. KNIGHT. No; I can not.

Mr. BRECKINRIDGE. You were operating, I believe, in 1889, on quite different conditions from 1887. You spoke about not being well prepared during the first period, therefore, it is important that we should have data down to date. I would be glad if you would furnish the committee with an accurate statement of your output for 1889, and of your wage-roll for 1889.

Mr. KNIGHT. It will be a week or ten days before I can do that.

Mr. BRECKINRIDGE. That will be time enough; and you may insert any other items you wish; but be sure to insert these two, the wage-roll and the output of sugar, and you can insert such allowances as you please for casualties and interruptions.

Mr. KNIGHT. What I would like very much would be that you would change the mode of ascertaining the value of sugar so that we would only pay for what we actually get. Next to that I would like you to charge the same duty on sugar coming from the Sandwich Islands as on sugar coming from other countries.

Mr. BRECKINRIDGE. I agree with you in that.

Mr. GEAR. Does not the planter in the Sandwich Islands get the same price for his sugar as the planter elsewhere?

Mr. KNIGHT. I can not answer as to that. I think there have been but three

cargoes of Sandwich Island sugar sent East—one to Philadelphia, the other two to New York.

Mr. GEAR. And those sugars were sold on their merits like Cuban sugars?

Mr. KNIGHT. Yes, sir.

The following are the papers referred to by Mr. Knight in regard to the commercial and custom-house tests of sugar:

Outturn of tests of cargo of sugar ex. Albert Schultz, imported at port of Philadelphia, December 18, 1889.

Marks.	Commercial tests.			Custom-house test.
	Grand.	Wallace.	Average.	
A. 290 hogsheads	87.7	87.8	87.75	88.7
289 hogsheads	87.7	87.8	87.75	88.6
			87.75	88.65

Duty to be paid under 88.65° would be taken at 89°; 1,115,847 pounds at 1.96, would be.... \$21,870.60
 Duty on actual commercial test, 87.75, at 1.91..... 21,512.68

Overcharge, at 5 cents per 100 pounds.....• 557.73

PHILADELPHIA, December 26, 1889.

DEAR SIR: We have seen the appraiser in regard to resampling the *Schultz'* cargo, and his reply is that under Treasury regulations, a large part of the sugar having been used, he can not order a resampling.

He agrees to retest the original sample, and if that shows a lower test he will communicate with the Treasury Department, asking permission to substitute the lower test. The time for appeal from the appraiser's test is twenty-four hours, as shown by the printed forms.

Yours, truly,

E. C. KNIGHT & Co.

MESSRS. L. W. & P. ARMSTRONG,
New York.

NEW YORK, December 27, 1889.

DEAR SIR: We thank you for the information that the sugars on *Schultz'* would be retested by the custom house, and we feel certain that unless they have dried out much the officers will find they were wrong in the original test.

We trust that under your good auspices such will turn out to be the case, and that you may be able to obtain us a corresponding rebate.

We wait your further reports on the matter, and remain,

Yours, very truly,

L. W. & P. ARMSTRONG.

MESSRS. E. C. KNIGHT & Co.,
Philadelphia.

PORT OF PHILADELPHIA, PA.,
Appraiser's Office, December 27, 1889.

GENTLEMEN: Referring to our interview yesterday relative to the tests made on 579 hogsheads, A mark, from the cargo of the *Albert Schultz* from Barbadoes, wherein you stated that the Government's polariscopic tests were a full degree higher than the private chemist's tests, permit me to state that I had a test made of the sample of this sugar this morning, and the chemist's return of polarization was 88.6, 88.7.

This would seem to corroborate our original tests.

Very respectfully, yours,

I. GRANVILLE LEACH,
Appraiser.

MESSRS. SAMUEL AND FRANK FIELD,
Philadelphia.

The following letter was subsequently received from Mr. Knight :

PHILADELPHIA, *January 6, 1890.*

DEAR SIR : What we desire is that the importers and sugar refiners should not pay on a higher test than that fairly determined upon by the Government, the seller, and the purchaser.

Sugars above 13 Dutch standard, for the benefit of planters, refiners, and the country at large, should be properly protected. The Senate bill, reducing the rate of duty on 90° test sugars from 2 cents to 1 cent, accomplishes this.

The sample of granulated sugar left with your committee on the 4th instant is worth to-day 6½ cents per pound, and is made principally from centrifugal sugar, testing 90°, and worth 5.9 cents per pound, the cost of manufacture representing more than the difference.

Yours, very truly,

E. C. KNIGHT & Co.

HON. WILLIAM MCKINLEY,
Chairman of Committee on Ways and Means.

STATEMENT OF MR. HENRY R. REED.

MR. HENRY R. REED, of the sugar refining house of Nash, Spaulding & Co., of Boston, Mass., next addressed the committee. He said :

Mr. Chairman and gentlemen, I appear here as a representative of the owners of the Revere Sugar Refinery of Boston, a private institution and not a corporation. I come as an act of courtesy in reply to your invitation to refiners to appear here ; and I also come without any argument and without any figures of any kind to submit ; and for this reason, that I am entirely ignorant as to the basis of duties on raw sugar on which you invite us to submit our desires and needs for your consideration. I can only say this much, that all that we want is a relative duty on refined sugar (whether you leave the duty on raw sugar as it is now, or whether you reduce it one-half, or whether you make raw sugar free), which will be just sufficient to give us a reasonable return for doing the business—such a return as you, gentlemen, or any fair-minded men would say is a reasonable return for doing the work.

So far as I am concerned, I want to say that we expect and desire that you make the duty on refined sugar small enough, so that the consumer will have reasonable protection (on the other side) against any exorbitant demands that we might be tempted to make. That much we expect. We do not want any undue profit in this business. We believe that it is a legitimate business to be pursued in this country. We do not believe that you or anybody else want to transfer this industry to any other country where there are bounty-fed refineries, or where labor and other considerations are less than here. But if you ask me to sit down and give you exact figures it is impossible for me to do it. If you should care (either officially or otherwise) to indicate any schedule of duties on which you would ask us to submit our views, we would be very glad to do it, to take them and figure them out to the best of our ability, and to figure out that which we think absolutely necessary in order to give us a reasonable return.

MR. FLOWER. What percentage do you think of all the refined sugar produced in this country is produced by the refineries that are in the trust ?

MR. REED. I do not know about that. My impression is that, as it now stands, 70 per cent., as stated by Mr. Knight, was a high figure, I doubt very much if the association of refiners, known as the Sugar Refiners' Company, is refining 70 per cent. of the sugar consumed in this country.

MR. FLOWER. Do you think that the high price of sugar which prevailed during 1889 was chargeable directly to the trust ?

MR. REED. Hardly. These are the facts : during some of the summer months when the price of sugar to the consumer was the highest of any period during the year, the margin to the refiner was the smallest of any time in the year, except during the last few weeks. For example, in July, or thereabouts, the price of refined granulated sugar was about 9½ cents to the consumer, and as a matter of fact the refiner, going into the open market, and buying his raw sugar and refining it and selling his products at the market price of that day on the same day, made less profit then than he did at any other time of the year.

In other words, I hold that the refiners of this country were in no sense responsible for that high price, but that it was entirely due to a combination of individuals or companies on the other side, banded together to attempt to control the raw sugar of the world—to corner it, if you please. They advanced the price in a very unusual manner, so unusual that those of us who have been refining sugar have been working

against a steadily declining market since that time. That combination (as usually happens when a set of men get together to corner a great staple) found its fingers so severely pinched that it will probably not try it again. At all events it will not have the capital to do it with.

Mr. FLOWER. What do you mean by a combination on the other side?

Mr. REED. I mean that it was a combination of individuals or companies located principally in Germany and England.

Mr. FLOWER. Can this trust permanently raise the price of sugar to the consumer in this country?

Mr. REED. No. Nobody can continue the business of refining sugar for any great length of time and get any great profit out of the consumer, unless he can absolutely control the world's supply of raw sugar. The world's supply is open to anybody who sees fit to embark in the refinery business to-day. There is no monopoly that I know of in the sugar refinery business.

Mr. MCKENNA. Would that be the only remedy against the trust? That remedy would take time.

Mr. REED. That remedy has been always found adequate in any business where the profit is sufficient to tempt it.

Mr. FLOWER. If the trust can put up the price of sugar (as it is generally supposed they did last summer), what would be the course of a corporation like yours when the trust fleeced the people to a point where it was making a great deal of money? Suppose it was making double the profit you were making, what would be your course?

Mr. REED. I do not understand the question.

Mr. FLOWER. Suppose you had sold your refinery to the trust and had taken certificates, what would be your course when you found that the trust was fleecing the people and making double the profit you had made. Would your course be to start another refinery?

Mr. REED. If I had sold the property, and there was no understanding, either express or implied, that I should not go into business again, I think I would.

Mr. BRECKINRIDGE. You would sell your certificates and build a new refinery?

Mr. REED. Yes, if I had not promised not to do so. In other words, the door is open.

Mr. BRECKINRIDGE. For what purpose was the trust organized?

Mr. REED. I suppose the members of it organized in the first place because the business was a pretty poor one. For some time there had been no reasonable return for doing the business; and for that condition of things the Government of the United States was largely responsible. It was responsible in this way, it had been paying, in effect, a bounty to the refiners of the country upon all refined sugars exported beyond our borders. In other words, the Government had allowed a drawback in which there was a certain amount of premium, a certain percentage of profit, and that percentage of profit tempted many of the refineries to increase their productive power. They enlarged their plants just because that profit was in the business—that sort of a hot-house stimulant.

That left the country with more producing power than the actual conditions required, so soon as this bounty was removed (as it was by reducing the drawback); so that the Government is responsible in a certain sense for the conditions that made that association desirable.

Mr. BRECKINRIDGE. The Government had been too indulgent?

Mr. REED. Just that; and we suffered by reason of it. The refiners found themselves with not a reasonable return for their capital, working a large part of the time at a loss, and making what little money they did make in the summer when the demand for refined sugar comes nearer to the producing power. They simply got themselves together, as I understand (not being in it myself), for the purpose of controlling the production, keeping it down to a proper point in the months when the demand is less, and also for the purpose of reducing the cost of doing the work. Under the working of this association all the talent that was in any of the refineries is utilized. If any one house had any better method of doing the work than the others had it was adopted by the association. The house that was the best equipped and had the best talent had been in the past closed to the other houses; whereas now all this talent is at the disposal of all the people in the association.

Mr. MCKENNA. Then it has produced no injury and has only prevented losses to the refiners?

Mr. REED. I do not know of any injury that it has produced. I can not conceive of any injury that it has come out of it.

Mr. FLOWER. Do they manufacture now cheaper than they did?

Mr. REED. Undoubtedly; beyond all question. In the city of Boston there were four or five houses, each one maintaining an expensive office, all of which entailed a large expense; and that expense had to be all covered before they got to the point of getting a reasonable return. The association has taken these houses and yoked them

together. For instance, there are two houses in Boston situated not very far apart, one with its works down near the water and one a little farther inland. By means of a pipe under the street these two houses are brought together, so that all the sugars are melted right at the water's side and pumped to the two houses. Their product has been increased and the work is being done materially cheaper.

The CHAIRMAN. They have got rid of one organization.

Mr. REED. They have got rid of one organization; and the same thing has been done in several instances.

Mr. McKENNA. If this association has any power of abusing its position, do you think that the factories that have not gone into it have prevented the abuse?

Mr. REED. Undoubtedly.

Mr. McKENNA. If you were all in it it would be a monopoly, and would have the power to control the market?

Mr. REED. The remedy is in your hands, absolutely; that is, by putting just so much duty and no more on refined sugar as that, if we undertake to get more profit than we ought to, England and Germany and France can send in their refined sugars. The remedy is entirely with you, and we expect you to apply it.

Mr. FLOWER. That is, if we should put raw sugar on the free list, and put 1 cent per pound duty on refined sugar there could not be any trouble from the trust?

Mr. REED. I do not think there could be. I do not know exactly what the duty on refined sugar should be. It might be a specific duty, but perhaps it might be better graduated by an ad valorem rate.

Mr. GEAR. Do you think that the duty on refined sugar should be uniform; for instance, should the duty be as high on highly refined sugar as on white extra C or A, or ordinary yellow C?

Mr. REED. I suppose it should be higher. The whiter the sugar is the more expensive it is to make.

Mr. GEAR. Take a white extra C sugar; the expenses of making that are not so great as the expenses of making granulated sugar?

Mr. REED. I suppose there is a difference, but I do not know. We make almost entirely hard sugar.

Mr. FLOWER. If this trust manufactures sugar cheaper than the corporations that are not in it, will not the result be eventually to displace those corporations?

Mr. REED. I have no doubt that in time that will be the result. I believe that the association of refiners can refine sugar cheaper than any individual houses in the country with the exception, perhaps, of my friend Mr. Frazier's house. I am perfectly satisfied he can do it cheaper than we can. Our house is a very small house, making but about 300,000 pounds a day.

Mr. FLOWER. Still you think the duty could be fixed so that there would be no danger from the trust?

Mr. REED. I have no question but that it can be fixed so that the consumers shall not be abused, and so that the manufacturers shall not be abused.

Mr. BAYNE. Why do except Mr. Frazier's house?

Mr. REED. It is a larger house than any other that I know of outside of the trust, and perhaps can do that sort of work cheaper than small houses.

Mr. BAYNE. Spreckel's establishment is a large one and may be able to do the work cheaper.

Mr. REED. Perhaps it can do the work cheaper than any of us.

Mr. BRECKINRIDGE. Was not the world's supply of raw sugar in the year when this foreign combination that you speak of took place a somewhat reduced one?

Mr. REED. Yes, it was somewhat reduced; and that, of course, was the temptation to embark in the enterprise.

Mr. BRECKINRIDGE. It seemed to them a good opportunity?

Mr. REED. Yes.

Mr. BRECKINRIDGE. How short was the sugar crop that year?

Mr. REED. I can not tell you that; it was considerably less on the other side—very much less than we have this year, for example.

Mr. BRECKINRIDGE. And a great deal less than in former years?

Mr. REED. Less than in some former years; not so much less either. It may have been equal to that of preceding years; but it was less, relatively, on account of increased consumption. But this year we are confronted with an immense sugar crop, while the increase in beet sugar alone is more than the entire crop of Cuba.

Mr. BRECKINRIDGE. Where is that increase of beet sugar, principally?

Mr. REED. In Germany, France, and Austria.

STATEMENT OF WILLIAM W. FRAZIER.

WILLIAM W. FRAZIER, sugar refiner, of Philadelphia, next addressed the committee. He said:

I felt it important, Mr. Chairman and gentlemen, to call your attention to some inequalities in the present tariff and also in the tariff proposed by the Senate Finance Committee. I indorse all that Mr. Reed has said in regard to the question of duties on sugars above No. 13 Dutch standard. Sugars above No. 13 Dutch standard are understood to be refined, more or less, and can go directly to the consumer. On such sugars the refiners only ask for such protection as will enable them to make a moderate profit. I am not prepared to say what that duty should be; but we can give the figures later on.

The CHAIRMAN. The committee will be very glad to have them.

Mr. FRAZIER. But in reference to sugars below No. 13 Dutch standard (which are the raw materials of refiners) the present tariff is so arranged (as is also the tariff proposed by the Senate Finance Committee) as to bear a relation to the commercial value of each grade of sugar. That is, it was intended to do so; but it does not do so adequately. I have brought samples [exhibiting them] of the various grades used in refining. A house working as ours does requires to have all grades of sugar. The average quality of sugar imported (and which is taken as a basis of duty by the Finance Committee) is a 90 test sugar. It pays now a duty of 2 cents a pound, and under the Finance Committee's bill would pay a duty of 1 cent a pound. Sugar testing by the polariscope 75 per cent. now pays a duty of 1.40 per pound; under the Finance Committee's bill it would pay a duty of .70. The next grade of sugar, testing 89 (a fair refining sugar), now pays a duty of 1.96 per pound. The Barbadoes sugar pays 2 cents a pound; and the centrifugal sugar, testing 96, pays 2.24 cents per pound.

Mr. GEAR. That is because they are refined?

Mr. FRAZIER. No, sir; they are below No. 13 Dutch standard in color, but they test high. We use largely low grade sugars. Here [exhibiting] is a sample of sugar from the East Indies, testing 83, and here [exhibiting] is a sugar from Brazil, testing 83. Under the present tariff they would pay a duty of 1.72 cents per pound; under the Senate bill a duty of .86. I have calculated here the ad valorem percentage which these several duties would amount to. The percentage of centrifugal sugars under the present tariff is $71\frac{2}{3}\%$; of Barbadoes sugars, $71\frac{1}{3}\%$; of Cuba sugars, $71\frac{1}{2}\%$, and on these low grade sugars the ad valorem percentage is $71\frac{1}{2}\%$. It is to that inequality that I want to call your attention—that the coarser sugar pays the higher rate of duty. We do not want as refiners the higher grades of raw sugars, because we are able to refine them higher; and the lower the grades we use the more American labor we put upon them. If the lower grades are brought into this country and encouraged to come in the more American labor is used to refine them. Instead of being advanced in the place of production they are refined here. There will not be as much labor spent in refining this sugar [indicating a sample] as in refining this sugar [indicating another sample].

Mr. GEAR. What would be the difference?

Mr. FRAZIER. I came here unprepared, and I can not give the figures. The lowest sugar on which most would be spent here pays 78 per cent. of its value in duty, whereas this higher grade sugar [indicating sample] pays only 71 per cent. of its value in duty. I am speaking now of what it pays under the existing law. The Senate bill reduces the rates one-half, but retains the same inequalities. We simply want to make this suggestion, that instead of starting with 75 degrees at 70 cents (or one-half the present duty) and only making two one-hundredths as the increment for every additional degree of polarization, you start at fifty-five one-hundredths of a cent with 75 degrees and make the increment three one-hundredths for each additional degree of polarization. You would thus arrive at 1 cent a pound duty on sugar testing 90, only you must let in these low grade sugars at about the same proportion. That is, if No. 75 sugar should start at fifty-five one-hundredths of a cent, instead of at seventy one-hundredths as proposed, then these low grades would pay 36 per cent. of their cost value instead of $39\frac{1}{2}\%$ per cent. as proposed in the Senate bill.

There are certain grades of sugar that are lower in quality. For instance, this sugar [indicating sample] commonly called jaffrey, made in India, is a very crude sugar and will not test as high as 75. The test will run from 68 to 72. That sugar is sometimes deterred from coming here because it is a very cheap sugar and can not afford to pay as much duty as is charged upon it. Therefore I would further suggest that instead of starting as 75 at the lowest rate, you start at 70 in order to bring in some cruder sugars.

Mr. GEAR. Your idea is to bring in the lowest grades of sugar?

Mr. FRAZIER. Precisely.

Mr. GEAR. And to put more labor upon them?

Mr. FRAZIER. Yes.

Mr. BRECKINRIDGE. Why would you advance at the rate of three one-hundredths instead of two one-hundredths?

Mr. FRAZIER. Because two one-hundredths is too small a difference by the degree. It is not as much as is given commercially.

Mr. GEAR. The effect of that would be to widen your purchasing countries?

Mr. FRAZIER. Yes.

Mr. GEAR. What would you think a fair difference in duty between raw sugar and white sugar?

Mr. FRAZIER. I really can not answer that question off hand. The present duty on raw sugar above No. 13 Dutch standard is $2\frac{3}{4}$ cents a pound, and above No. 20 Dutch standard $3\frac{1}{2}$ cents a pound. The Mills bill (and the Senate bill, if I recollect rightly), while reducing the rates, preserves nearly the same percentages on grades above 20 as on grades below 20, and consequently that protective feature of the tariff is lost sight of. I am not prepared to say what the specific duty should be. If the present tariff is rightly arranged, then we maintain that if you are going to reduce the duty on raw sugars below No. 13 Dutch standard to an average of 1 cent a pound (that is, if you are going to take a cent a pound duty off our raw material), you should take a cent a pound off the sugar above No. 13 Dutch standard. Whether that protection is too much, or how much it is too much, I have not the figures to state.

The CHAIRMAN. Will you take time to make up a little statement about what you think would be a just and equitable rate of duty?

Mr. FRAZIER. On sugar above No. 13?

The CHAIRMAN. Yes.

Mr. FRAZIER. I shall be glad to do it.

Mr. GEAR. What is the capacity of your works?

Mr. FRAZIER. About 1,000 tons a day.

Mr. GEAR. Do you know anything about the trust limiting production in order to control prices?

Mr. FRAZIER. That is the only way in which it could control prices.

Mr. Frazier handed in the following table of calculations in illustration of one portion of his statement:

	Value, cost, and freight.	1.40 cents for 75°+ .04 per degree.		.70 cent for 75°+.02 per degree.		55 cents for 75°+ .03 per degree.	
		Rates.	Ad valo- rem equiv- alent.	Rates.	Ad valo- rem equiv- alent.	Rates.	Ad valo- rem equiv- alent.
			<i>Per cent.</i>		<i>Per cent.</i>		<i>Per cent.</i>
96° centrifugals	3.12 $\frac{1}{2}$	2.24	.71 $\frac{3}{4}$	1.12	.36	1.18	.37 $\frac{1}{2}$
90° Barbadoes	2.81 $\frac{1}{2}$	2.00	.71 $\frac{1}{2}$	1.00	.35 $\frac{1}{2}$	1.00	.35 $\frac{1}{2}$
89° Cuba muscavado	2.75	1.96	.71 $\frac{1}{2}$	.98	.35 $\frac{1}{2}$	.97	.35 $\frac{1}{2}$
83° Ilvilos	2.18 $\frac{1}{2}$	1.72	.78 $\frac{1}{2}$	.86	.39 $\frac{1}{2}$	.79	.36
83° Bahias	2.18 $\frac{1}{2}$	1.72	.78 $\frac{1}{2}$	.86	.39 $\frac{1}{2}$	.79	.36

NOTE.—The above calculations are made on the "cost and freight" prices. The freight is not an element for the assessment of duties, and as the lower test sugars come from the most distant points, if the calculations had been made upon the "free on board" prices the result would have been to increase the ad valorem equivalents of the lower grade sugars, thus emphasizing the statements which I have made.

LEATHER AND MANUFACTURES.

STATEMENT OF HENRY VAN GELDER.

Mr. HENRY VAN GELDER, of New York, addressed the committee. He said:

Mr. Chairman and gentlemen, in presenting ourselves before you to-day to speak on the leather matter we represent as many different industries as a college does professorships. The leather business is a vaster industry than would be supposed, from the fact that there are many different departments of leather, each one apparently foreign to the other. I myself am a fancy leather man, and my conferee here is a morocco man. There are men here from Wilmington, Del., representing shoe morocco work, and other gentlemen from Boston representing Indian tanned goat. We propose to divide our work to-day into two parts: one is to ask relief in the amount of protection that we have on our products, and the other is to call attention to the gravity of the utter failure of the present law by reason of gross under-valuations in our city of New York—so gross that they bid fair, if continued, to exterminate the whole industry in this country. The particular line of business which I represent is sheep-skin. Sheep-skin all comes from England. We produce nothing of the kind here. It comes from England free, in salt. We put the finish on it in the way of tanning, curing, and dressing, and we produce the finished article out of it.

The amount of duty levied on these goods is entirely inadequate to be a protection to us, especially considering the price of labor on the other side, and also considering one other element, to which most of you are strangers, but which is, I fear, dangerous to us: that is, the magnificent discipline in foreign factories. A man in Europe in his twelve hours' labor produces a result entirely superior to what a man can do here, and at a cost oftentimes of not more than one-half of what we pay. The result would be, as we are oftentimes told, that we can not compete with these men, and that if we reduce the wages of our workmen until we can compete with the prices abroad, the foreigners would take our market, because they would make twice as good an article for the same price as we can. Another thing is this fable that a man can live cheaper in Europe at less wages than he can here. Now I beg to tell you that a man can live as cheap here as in Europe, if he will live on the same stuff. The laboring man in England lives on his beans, his oatmeal, his brown bread, and his mug of ale. He will live on a shilling a day, and he will take a shilling a day and make it go as far as a dollar a day here. He has to give twelve honest square hours of labor, skillful and well put in, for an amount of pay which our men would not think of taking. Then, again, they have an experience in all their manufactures in England of from six hundred to seven hundred years. A tanner in England is the son of a tanner, is the grandson of a tanner, is the great grand-son of a tanner, until these men in their different vocations become experts. We pick up a man anywhere in the street and have to pay him in the neighborhood of from \$12 to \$15 per week. He lives something like a man. He brings up his son and daughter on a carpeted floor. He dresses himself before a looking-glass and becomes a decent citizen. The same men in Europe will use a dirt floor. They are not the best citizens in the world, or we would not have so many of them here.

We are here to offer you a classification and to ask for adequate protection. We are here to show you (if you can spare us the time) what it costs to produce these articles in this country, and to show the dreadful condition of affairs in our city under the system of under-valuations. The tariff laws are so illy constructed and so weak and feeble that they are susceptible of five hundred different constructions, and almost adjust themselves to every want, as it is said the Bible does. Men get in their goods and give them false names, and we have no protection against that. Importers are banded together to undervalue goods, and they have a law which allows them to have a merchant appraiser of their own calling. So we Americans go before an appraiser to-day with our hands tied, because the importers have a man engaged to sit as a merchant appraiser upon their goods. Mr. Rose and myself had the honor to appear before the Finance Committee of the Senate last session, and that committee accepted some of our constructions in regard to leather and incorporated them in the Senate bill that was passed last session.

I am aware of the necessity for terseness. I do not think I am master of words, and I am afraid it would take more of your time than you would allow me to go into the details of cost in this production; but I am instructed to ask you for a rating of 50

per cent. on manufactures of leather, that is, for book-bindings, hat leathers, pocket-book cases, and anything that is susceptible of being put immediately into work. The work of making that a manufacture of leather is equal in volume to the original labor of producing it from the skin, so that virtually there should be two rates of duty on leather. Then we are charged to ask you to give us 35 per cent. on skivers, or that surface of the sheepskin which is the green side of it. The Senate last session conceded us 5 per cent., but that is entirely inadequate even if we had an honest enforcement of the tariff law. Mr. Rose is here to speak on book binding and shoe calf. There is a difference between the calf-skins adapted to the two classes of work. Calf skin for book covers would weigh from 5 to 7 pounds per dozen. The same class of skins adapted to shoe work would weigh from 50 to 100 pounds per dozen. During the consideration of the last Senate bill Senators Allison and Aldrich and others entertained the idea of putting a duty per pound upon these goods with a view of stopping under-valuation; but we showed them that the duty per pound, while it would increase the duty upon 100 pound or 150 pound skins, would virtually decrease the protection on the 5-pound skins. I have a letter here, written by one of the largest manufacturers in New York, relating to this calf matter, which I will read—a letter by R. Neumann & Co., the largest manufacturer of calf-skin in New York.

The letter is as follows:

JANUARY 7, 1890.

Calf-skins in the hair, adapted for our purposes, *i. e.*, for book-binding, pocket-books, card-cases, boxes, all kinds of fancy leather goods, are worth at present from \$8 to \$10 a dozen in this country, as well as in Europe; but it costs here about \$8 a dozen to finish the goods, while they can be finished for about 16 marks, or one-half the above amount, in Germany, as we know by experience, having, in former times, such work done in Germany. The difference is principally the result of cheap labor in the small German towns where such goods are made and where men earn from 20 to 40 marks, *i. e.*, \$5 to \$10 a week, while our hands are earning from \$12 to \$25 for doing substantially the same work. Besides that, all the tanning and dyeing material we are using in this country costs from 25 to 50 per cent. more than in Europe. Now, it will be seen that by giving us a protection averaging \$4 to the dozen we have a scanty protection, as the following figures will show:

	Marks,
Average price of a dozen skins in the hair in Germany, \$9, equal to	36.00
Wages.....	20.00
Total.....	56.00
Manufacturers' profit in such staples, say 10 per cent.....	6.00

Price of a dozen finished skins	62.00
25 per cent. thereon, as proposed in the Senate bill.....	15.50

Which equals \$3.75, which hardly covers the increased cost of manufacturing in this country, as shown above.

Our calf-skins, *i. e.*, the calf-skins used for the purposes stated at the head of this letter, are of a very light weight, weighing when finished from 3 to 7 pounds a dozen, and in wording the tariff very great care has to be taken that they can not be classified with the calf used for boots and shoes, weighing from 20 to 50 pounds a dozen, for which a duty of 25 cents a pound is proposed. The Senate saw the justice of this when it made the duty on book-binder's calf 25 cents ad valorem, but, although the calf skins used for pocket-books, card-cases, boxes, and fancy leather work—everything excepting boots and shoes—may be called book-binder's calf. It will be necessary to expressly enumerate all the various purposes such calf may be used for in order not to give the European manufacturers a loop-hole through which they might send their goods over at a duty of 25 cents a pound, or about 5 per cent. ad valorem on this particular class of goods. This would destroy an industry giving employment to many hundred hands and in which large capital is employed, completely. By spending large amounts of money in experimenting the manufacturers in this country have at last succeeded in producing goods which, in colors and finish, are equal if not superior to those produced in Europe, and besides the pecuniary loss, it would be a great mortification if we had to go back to importing the goods.

R. NEUMANN & CO.

Mr. VAN GELDER (continuing). I have also a letter which the auditor of the New York custom-house gave me, showing the importations of leather in New York for 1888 and 1889. The amount imported there will give the proof to my allegation that the duty is not sufficient to give us protection. If this importation could be shut off by adequate protection, every leather factory in the United States would have abundance of work during the business portion of the year. This letter shows the importation at the New York custom-house of the different kinds of leather.

The letter is as follows:

NEW YORK CUSTOM-HOUSE,
Collector's Office, January 7, 1890.

SIR: The imports of calf-skins, leather manufactures, etc., received into this port during the fiscal years of 1888 and 1889 are as follows:

Calf-skins, tanned or tanned and dressed, 1888, \$1,312,217; 1889, \$1,134,690. Skins for morocco, finished, 1888, \$853,357; 1889, \$880,650. Upper leather of all kinds, dressed, and skins dressed and finished, 1888, \$1,825,059; 1889, \$1,258,555. All leather, not especially enumerated or provided for, 1888, \$22,429; 1889, 24,036. Gloves, kid or leather, wholly or partially manufactured, 1888, \$1,312,217; 1889, \$1,134,690.

Respectfully, yours,

Mr. H. VAN GELDER,
163 Bleecker Street, New York.

J. S. KNAPP,
Auditor's Department.

Mr. VAN GELDER (continuing). We have here a number of requests from the New York United Leather Industries for a classification of leather in the bill about to be prepared by this committee. When we went before the Finance Committee of the Senate last year I went there, as we supposed, full of knowledge on the subject, but immediately after that hearing I, with Mr. Rose, entered into a long and terrific fight with undervaluers in the New York custom-house, and became conversant with the facts which make me now ask for modifications of what we then requested. Among other things I am instructed to ask you, gentlemen, and to urge, if possible, the re-enactment of the old confiscation clause. There is no man undervaluing goods coming to New York who is an honest man. They who are practicing undervaluation would doubtless raise a howl against the confiscation clause, but the old adage will apply to these men that "No rogue e'er felt the halter draw, with good opinion of the law." There isn't an honest man among those who undervalue goods. We have no remedy against them. They bring every facility they have got to bear to bring about false swearing and false entries, and we have no remedy. We are bound hand and foot and we see no remedy except the enactment of a law which would make the practice so unprofitable to them that they would not attempt it.

During the late war it was estimated by English merchants that if, among the blockade runners, one vessel in twelve got in safely the profit on that vessel would be sufficient compensation for the loss of all the rest. And so an importer says that if he can get some of his goods through without a penalty he will take the risk on the rest. The consequence is that there is scarcely an honest invoice presented to the New York custom-house; and if petitions be presented to this committee asking that the tariff be undisturbed, I ask you to read the names that will be pinned to them and I will rest the case there.

I hold in my hand the revision of the tariff on leather which we propose. It is as follows:

(1) Calf-skins, tanned or tanned and dressed, or upper leather, including patent, enameled or japanned leather, goat, morocco, imitations of morocco, not otherwise specified, 35 per cent.

(2) Sheep skivers or splits, roans and fleshers, tanned and finished, 35 per cent.

(3) Kangaroo leather, tanned, or tanned and finished, or imitations thereof, not otherwise specified, 35 per cent.

(4) Kid leather, or imitations thereof, for shoes, plain or glazed, 35 per cent.

(5) Sheep, lamb, goat, kid, or other skins tanned and finished into kid for glove manufacturing, not otherwise specified, 20 per cent.

(6) Seal-skins, tanned and finished, without hair or fur, 20 per cent.

(7) Chamois-skins, 10 per cent.

(8) Scrap leather, 35 per cent.

(9) Sheep-skins, fleshers, or shearlings, with wool, not exceeding $1\frac{1}{2}$ inches, or other skins not specified, tanned in crust, but not colored or finished, 10 per cent.

(10) All leather cut into shoe vamps, hat sweats, or other forms suitable for use or conversion into manufactured articles, shall be classed as manufactures of leather, and pay a duty of 50 per cent.

(11) Manufactures of leather, or of which leather is the component material of chief value, not otherwise specified, 50 per cent.

(12) Hides raw or cured, whether dry, salted, or pickled, but unmanufactured, except sheep-skins with dutiable wool on, free.

(13) Hide cuttings, raw or without hair, and all other glue stock, free.

(14) Sheep shearlings with wool, not exceeding $1\frac{1}{2}$ inches in length, not tanned or finished, free.

(15) Any imitation of leather, 50 per cent.

(16) All finished leather not otherwise provided for, 35 per cent.

Mr. VAN GELDER (continuing). I am requested to say that there is no protection short of 50 per cent. that will in any sense protect the manufacturer of leather in this country. I have figures with me, which I will not afflict you with (I do not pre-

sume that you could concede the time to me), to show that the cost of producing the article in Europe is just one-third of what it is here. Then comes the frightful advantage that I spoke to you of before, of their producing a more merchantable and better article than we can at the same price.

Mr. McKENNA. Put those figures in good form and shape and send them to the committee.

Mr. VAN GELDER. Yes; with pleasure. We have to get all our surface sheep-skins from England to tan and dress in fancy leather here. We can not produce any sheep-skin in this country fit for fancy leather work. The English are great mutton eaters and great sheep breeders. If you took two men, one who is cleanly in his habits and who bathes regularly, and the other who is not cleanly in his habits, and if you tanned their hides, the bathers skin would produce a silvery, soft, flexible, beautiful leather, and the other man's skin would produce a coarse, gray, filthy-looking leather unfit for ordinary work. Now, your farmer in the West or East, who lets his sheep run around wild, produces no such sheep-skin as the Englishman, who cleans and shears his sheep and takes pride in the breed. The consequence is that where a tanner requires a skin for fancy work he has to send to England for it.

There were imported from England during the year 1888 (raw in the salt) 850,000 dozen skins to be manufactured into fancy leather. These skins were taken to the American factories, tanned, dressed, colored, and made into handsome leather. In 1889 there were 607,000 dozen skins imported, being a deficit of about 250,000 dozen skins as compared with 1888. I suppose nobody will tell me that we consumed less skins in this country in 1889 than we did in 1888; and the whole secret of that deficit is undervaluation. You will find that there has been a vast increase in the importation of this very article; so that we are losing the market here by underproduction and by undervaluation. And (to reduce my statement to a few words) we ask the rate of duties that we have presented here, and beg that you will re-enact the old confiscation clause in the new tariff bill. Of course it will do no honest man harm.

Mr. GEAR. Do you give any effect whatever (in this matter of the deficiency of sales in the United States) to the fact that we do not produce as good an article as they produce in England?

Mr. VAN GELDER. No, sir. The foreign people produce a better job than we do, and there is always among the finer sorts of goods a certain number of imported goods used. The price paid for them (even though there may be a high rate of duty) does not deter the manufacture of the usual proportion of finer goods.

Mr. GEAR. Do you know whether there is any falling off, or any increase, in the importation of that kind of goods?

Mr. VAN GELDER. Yes, I know that a great inroad has been made in our trade on account of these goods.

Mr. GEAR. In such goods as we make as well as they?

Mr. VAN GELDER. Yes. I am a manufacturer myself and we are busy from January to June. We have six months busy time and six months idle time. While the nominal compensation of our men is ahead of that of any other workmen, still they are a good deal of time out of work; and all that is traceable to the fact that these goods come by the ship load into our ports. If these goods could be shut out our industry would be increased 100 per cent.

Mr. McMILLIN. What is the increased percentage of duty that you propose?

Mr. VAN GELDER. Up to within four years the duty on manufactures of leather was 30 per cent., but by a construction of the law, as weak as the Wanamaker decision, a great many goods have been put under a lower classification, and the consequence is that there has been a great increase of importation and a great decrease of manufacture. I was a committee appointed to wait on the Secretary of the Treasury to ask him to re-establish the old rate of 30 per cent., although we claim that 30 per cent. never was, and never can be, an adequate protection.

Mr. McMILLIN. You ask how much?

Mr. VAN GELDER. Fifty per cent.

Mr. McMILLIN. You say that the Wanamaker decision affects you?

Mr. VAN GELDER. In this way: For instance, hat leather is made entirely of leather, but if it is going into a hat the construction under the Wanamaker decision is that it would be a hat trimming and liable to the duty of hat trimmings. They are raising Cain about that decision now.

STATEMENT OF MR. G. L. ROSE.

Mr. G. L. ROSE, of New York, addressed the committee. He said:

Mr. Chairman and gentlemen, as Mr. VanGelder has stated, this business is divided up into several different branches. I am here on two committees, one from New York, representing the sheep-skin, skiver, and fancy calf-skins, and the manufacture of leather, chamois-skins, etc. I am also one of the committee of the Morocco Association, which represents the interests of Boston, New York, Philadelphia, and Wil-

mington, Del. I would say in relation to the first committee, the interest which Mr. VanGelder and I represent particularly, that we do not ask for an advance of duty on all our products. There are some of those goods imported and not manufactured in this country, such as chamois-skins, that now pay a duty of 20 per cent. That duty we wish reduced to 10 per cent.

Mr. GEAR. Why can they not be put on the free-list if we do not produce them here?

Mr. ROSE. For the simple reason that we are improving the manufacture of leather here all the time, and the time may come when we will want to try our hand at something that will take the place of chamois. That is a manufacture of oil leather. We manufacture oil leather here, but these skins come from England in the raw state free. They can not be made into chamois-skins, although they are the fleshy side of the sheep-skin, which is the same identically with the other, only that chamois-skin has to be split twice.

The English sheep and our sheep are of entirely different natures. The English sheep are the only sheep whose skins can be properly split and made into skiver. The skiver comes over here in the raw state free, and is manufactured here. I can recollect the time in my day when there were not as many skins manufactured here in a year as there are now in a month. These skivers (as I said) are brought here in the raw state and manufactured, and we are gradually improving. But we are not yet up to the English standard. They have cheap labor there, and, as Mr. VanGelder stated, they have system in their factories which dates away back, and they are therefore able to produce at present better goods than we can. Therefore we want all the protection. Not only is the labor of the English manufacturer cheaper, but he has free material. Everything used in the manufacture of leather is free. There is no tax. Here we pay a tax on the twenty different articles that we use in the manufacture. All that goes to enhance the cost of our goods. With these advantages combined the English are, at present, turning out these goods and they can bring them here and undersell us.

Mr. GEAR. Do they work their men twelve hours a day?

Mr. ROSE. Yes.

Mr. GEAR. How many hours a day do you work your men?

Mr. ROSE. In my factory ten hours a day.

Mr. McKENNA. Do the English get a larger product per man?

Mr. ROSE. Yes, the men over there have to work longer than our men do.

The CHAIRMAN. Have you stated what is paid for labor on the other side?

Mr. ROSE. No. I can not tell you what the exact figures are, but I know from general repute in the trade that their wages are a good deal lower than ours.

Mr. VAN GELDER, (to last witness). I came here armed with statistics on that very matter, and I can answer your question if Mr. Rose will yield now.

The CHAIRMAN. You may answer it.

Mr. VAN GELDER. They pay (in short) on the other side for their labor about one-third of what we pay.

The CHAIRMAN. Prepare the figures in detail.

Mr. ROSE. I know that the labor on the other side is a great deal less than on this side, and the difference is enough to cause us to request 35 per cent. duty on that class of goods. Mr. Van Gelder has not read all the items. There are some of these goods, the glove kid, for instance, which I would call your attention to. The glove kid is an article which I know considerably about, as I have imported these goods myself for a number of years until recently, until (as Mr. Van Gelder has said in regard to undervaluation) we were driven out of the business. We used to have an agent on the other side who did nothing but buy these goods. We found that the manufacturer over there would manufacture these goods and send them to an agent here, and they would be sold at a less price here than we could buy them for in cash on the other side. How they do that, I imagine, is in this way, they undervalue the goods. Nobody can buy them of the manufacturer. He sends them to his agent here, and invoices them as he sees fit, or according to instructions, so that the goods do not pay more than one-half or one-third of the duty that they ought to pay. That forced us to give up that business.

Mr. McKENNA. Do you know of your own knowledge that they can sell goods cheaper than you can buy them for with cash in your hand?

Mr. ROSE. Probably I overstated that a little. You can not, with the money in your hand, go over there and import these goods here to-day and get cost for them. When we stopped importing these goods we had \$20,000 or \$30,000 worth on hand and we did not get cost for one dozen of them, and some of them we sold at 25 per cent. less than cost.

Mr. GEAR. And that, you say, is the result of undervaluation?

Mr. ROSE. Yes, sir. All that we ask for this glove leather is that the present duty be retained, for the simple reason that these goods are made from skins different from our domestic skins, and we think that 20 per cent. (if we can have these fraudulent

entries done away with) will protect us. We do not want to be unreasonable in any of our demands.

I should like to say one word in reference to these books, and pocket-books, and case calf-skins used for the fancy leather business. Mr. Van Gelder has presented a letter from a representative of the largest house in that line in New York. He used to be an importer of these goods and has for a number of years been manufacturing them. They have been gradually improving on their manufacture. He states in his letter that labor on those goods on the other side is only one-half what it is here; and he gives the actual figures. Not only are we at that disadvantage on this side, but we have also to pay duty on all the materials that we use in the business, as high as 35 per cent. on some. All that adds to the cost. And that is why he claims 35 per cent. instead of 20.

As representing the committee of the Morocco Association I would say that last year the Finance Committee of the Senate allowed 25 per cent. duty. We contend that that is not enough on finished Morocco forshoes. We think that a duty of 35 per cent. is what we ought to have. The same question of difference in wages and the same question of duty on materials add to the cost of the production of these goods here to such an extent that, unless we have a duty of 35 per cent. on finished Morocco, they can send over their Morocco, manufactured, and undersell us very materially.

There is one other committee here from Boston representing the importers of East India tanned goat-skins. That committee is represented by Mr. Barrett. There has been some division of opinion on the subject of what we require. The Morocco Association contends for a higher duty than Mr. Barrett asks, but we have talked the matter over and have finally come to the conclusion that if we can have 35 per cent. on the finished article we will rest content with 10 per cent. on the India tans, although we think that we ought to have 15; still we will let the matter rest at 10 per cent.

These India-tanned skins are tanned in India, where labor is only from 7½ to 10 cents a day. Their material is very cheap; there is no tax on it, and the consequence is that they can manufacture these goods, tanned and unfinished, and bring them on here so that unless we are amply protected they can finish these goods and prevent us morocco manufacturers from doing a profitable business by underselling us on all the medium and low grades of goods, and that has a certain effect on our best qualities, so that with a less duty than 10 per cent. it would be impossible for us to manufacture our goods at all. The importation of raw goat-skins this last year was about 28,000,000 skins, equal to about 2,200,000 dozen; and the India-tanned skins were represented by 450,000 dozen, so that we require the amount of protection we ask for.

MR. VAN GELDER (the preceding witness). Mr. Chairman and gentlemen, I desire to say a few words before closing this discussion. We supposed in coming here that we would meet a very austere set of politicians, but instead of that we have found a very genial set of gentlemen. We thank you for your courtesy and congratulate you all on your ability to non-commit yourselves. I do not know whether we are going to get anything, but I assure you that if I go back to New York without being able to tell my associates there that they are going to be protected I will not be very favorably received. I would like to have the committee give us some gleam of hope.

THE CHAIRMAN. You must have some conversation with your Representative (Mr. Flower).

MR. FLOWER. My constituent is genial, accomplished, and courteous. He did all that he could to have me kept at home, and I wish sometimes that he had succeeded.

MR. VAN GELDER. I make my apology to Mr. Flower.

STATEMENT OF MR. CHARLES BAIRD.

MR. CHARLES BAIRD, of Wilmington, Del., said:

Mr. Chairman and gentlemen, I wish to add a word or two on a subject overlooked by the other gentlemen. I represent in part the morocco interest. What we are asking for is that we shall have protection, at least to the extent of the difference in labor. You will find by consulting the reports of the Bureau of Statistics and the reports from the consul at Calcutta and other sources of information that the wages paid in India per day are from 7½ to 10 cents, while we pay from \$1.50 to \$2. In Wilmington, where I reside, the average is \$1.50, and in New York, \$2. Of course that is a very great difference, and we compete successfully with that labor. We would like to be on an equality with the world and we would fight for our living. We do not ask for anything unreasonable. We merely ask that this duty on tanned goat and sheep skins shall remain as it is. We intended to have asked for 5 per cent. advance; but, on consultation, we do not want to be beggars, and we have agreed to ask you to fix the duty on finished stock from abroad at 35 per cent. and let the others, partially finished (what we call "in the crust"), remain as they are. This benefits not only the morocco men, but helps the sumac-grinders in Virginia. A

large amount of sumac is used in tanning, and, of course, if these skins come here tanned that interest suffers. We ask you, in the name of the trade, to concede us this request.

The CHAIRMAN. Your raw material is free?

Mr. BAIRD. Yes.

The CHAIRMAN. And you find, even with free raw material, that you have sharp competition from the other side?

Mr. BAIRD. Yes. I feel that if we can not make as good an article they will beat us, but if we can produce a good article in this country and meet the world on that thing, you ought to give us a chance in order to make up for the difference in labor.

Mr. FLOWER. Even Mr. Moore, whom some people call a free-trader, yields that point, and would give you a protection equal to the difference in labor.

Mr. BAIRD. I hope that we have made a lasting impression on the committee.

STATEMENT OF MR. EDWIN S. BARRETT.

Mr. EDWIN S. BARRETT, of Boston, said:

Mr. Chairman and gentlemen, I represent a committee of Boston importers, as well as of New York importers, of tanned and raw goat-skins; I also represent a section of morocco manufacturers. Goat-skins are, essentially, a raw product. They are imported into this country to the extent of from \$2,000,000 to \$30,000,000 a year in value. Raw goat-skins are free. The tanned goat-skins (tanned in India, France, and England) pay a duty of 10 per cent. ad valorem. Out of this \$25,000,000 or \$30,000,000 worth that come into the country about \$6,000,000 worth come in the tanned state. They are tanned abroad. They are tanned cheaply and poorly, and make very inferior leather compared to the skins that are tanned in this country by our own manufacturers. Consequently, making a poorer leather, they fill in a place which the better classes of leather do not occupy. For instance, they are used in ladies' shoes costing \$1 or \$1.50 a pair; whereas the native tanned goat-skins make a better leather and are used in ladies' shoes costing from \$2.50 to \$3 a pair. Therefore these foreign tanned goat-skins fill that part of a woman's low-grade shoe.

The Senate bill assessed tanned goat-skins 15 per cent., but on our three committees here to-day we have come to the conclusion that it is better to leave the existing duty of 10 per cent. on tanned skins. The Germans are the worst competitors that we have. They are manufacturers of morocco leather, as well as of almost everything else. They get their tanned skins from India. They finish them at half the cost of what we have to pay in this country. In other words, the German pays 3 marks a day for his labor and the American pays \$1.50 or \$1.75. There is another point that has been touched upon. The German manufacturers have their agents in New York. We can go to those agents and can buy morocco cheaper than we can import it ourselves by any possibility. What is the presumption? That these goods are undervalued: and there is no question but they are. In Vienna, last year, I was offered merchandise to be shipped to Boston, and I was told that they would make the valuation as I desired. I told them that I never did that kind of business. That is the great difficulty in the New York custom-house to-day. I instance New York because they are too virtuous in Boston to do anything of the kind. A change ought to be effected in the interest of the honest merchants of New York, who can not compete with the agencies of foreign houses. The agent has two sets of books; one for extra occasions and one for ordinary use. How are we going to meet it? You have got to employ very sharp men to trace out their acts, because they are so closely confined to their agents. Ask a German manufacturer in Europe where he will deliver the goods, and if he says "I will deliver them at New York at such a place, through my agent," the presumption is that the goods are undervalued. There is no doubt of it.

As to the duty on finished morocco, it must be remembered that the German gets all his raw material without duty—his dye-stuffs and everything that enters into the coloring and the manufacture; and then he pays his workmen 3 marks a day, while the American pays his workmen \$1.50 or \$1.75. Furthermore, the German manufacturer is willing to do business at a profit of 5 per cent. A German manufacturer told me that if their American business pays them 5 per cent. they are glad of it, and that it is all they expect.

Mr. BAIRD (the preceding witness). Mr. Chairman, in speaking of East India tanned skins, I want also to include French tanned skins, or goat-skins, to pay a duty of 10 per cent.

Mr. VAN GELDER. Mr. Chairman, before leaving New York we were informed that a document was being circulated for presentation before this committee by a body of importers; and I would say that that body of importers are engaged in undervaluation. All that I ask the committee to do in connection with that document is to read the names signed to it.

STATEMENT OF MR. LEONARD MYERS.

Mr. LEONARD MYERS, counselor at law, of Philadelphia, said:

Mr. Chairman and gentlemen, I represent the large body of morocco manufacturers. I represented them last year before the Senate committee and aided, as I believe, in having the 5 per cent. additional duty put upon finished and unfinished, as well as upon tanned and finished, goat and sheep skins. I merely wish to say that a committee from Philadelphia, and perhaps from Wilmington, had expected to be here to-day, and will be, I think, here to-morrow. If they agree to the proposition of these gentlemen as to asking no increased duty on the merely tanned skins, I shall be very happy, because they know their own business best. I should not like to attempt to put myself against my friend Baird, who has just spoken. I heard him make an after dinner speech once in Philadelphia, and he captured the assemblage there just as he (as an importer) has captured the morocco men here, who came to ask more protection on tanned skins.

Mr. VAN GELDER. They all agreed and voted with him.

Mr. MYERS. They had voted for the 5 per cent. increase. They came here and advocated it and have sent letters and circulars about it. But it may be that those gentlemen, who know their own business best, are right in saying that the 35 per cent. duty will protect them. Formerly we had 35 per cent. duty on finished skins. Then the tariff was altered and a duty of 25 per cent. was put upon both tanned and finished and untanned and unfinished—leaving no discrimination between the two (and I think there ought to be discrimination). Then came the act of 1872, in which my friend Mr. Baird, as an importer, induced Congress to lower the duty on finished skins to 20 per cent. and on unfinished skins to 10 per cent. I protested on the floor of Congress at that time on behalf of the morocco interests of my district. Mr. Randall also did so then, and has done so since. I protested that they were making a mistake, and that that rate of duty (20 per cent.) was too low, although at that time we had in addition the gold premium and also a 10 per cent. discriminating duty for goods coming from east of the Cape of Good Hope. But if the views of this committee agree with the views of those gentlemen, that will be an end of the matter. Acting on behalf of my clients, I felt it my duty to say this much.

Mr. Baird spoke of the low rates of wages in India, ranging only from 7½ to 10 cents a day, whereby they are able to have these goat and sheep skins tanned so cheaply so that they come into such sharp competition with us. That argument goes to show that the merely tanned skins ought to have an increased duty; and all these arguments in favor of the American laborer and of the American sumac grower and of the American tanner are just as strong to-day as they were then. But if the 35 per cent. duty on the finished article covers them, it is for these gentlemen themselves to say, and not for a mere advocate. In conclusion, let me refer to something which they may have forgotten in reference to these tanned goat and sheep skins. It is that they are nearly all sent to London and are there sold at auction. They sell them once in every six weeks. I have here the list of auction sales in London reported by Barrow & Bros. It is the list of public sales of East India tanned goat and sheep skins from April 8 to April 16, 1889. It shows that there were sold at auction within that time 1,118,240 goat-skins and 609,017 sheep-skins.

Mr. BARRETT. Mr. Myers is attorney for the local association in Philadelphia?

Mr. MYERS. I beg your pardon.

Mr. BARRETT. He does not represent the national association. We held a meeting yesterday and this committee comes right from the association. Therefore we represent the association. I have got nothing to say against what Mr. Meyers has said.

Mr. MYERS. I am glad to hear that.

Mr. BARRETT. We only wish to set ourselves right as to the power of the committee which appears here to-day to represent our interests.

The CHAIRMAN (to Mr. Barrett). I understand you to ask simply what the association has agreed that it wants?

Mr. BARRETT. Yes, sir.

Mr. MYERS. I am glad that my friend says that what I said was in the interest of the trade; but I did and do represent the national association, not, however, as to what it agreed to lately. There were thirty firms that made my employment very tangible to me.

Mr. FLOWER. Are you an attorney for them?

Mr. MYERS. Yes.

Mr. BARRETT. Although I have been an importer for twenty-five years, this is my first appearance before the Committee on Ways and Means, and I only come at the solicitation of a large body of manufacturers of New England and many of the importers. Mr. Myers has said that the bulk of these skins is sold in London, and that the American manufacturers supplied themselves in London. That is unmistakably

true. We have, however, imported direct from India last year ourselves. We buy more or less in London, but India is the cheapest market. We represent three committees here to-day—one in New York, the other representing the National Morocco Exchange, and myself representing the importers and a section of the manufacturers of Massachusetts and New England.

PHILADELPHIA, January 22, 1890.

DEAR SIR: The morocco trade of this city (one-third of that industry in the country) ask me to state to your committee that the very proper increase of duty proposed for "finished" morocco skins can not possibly protect those skins which are merely "tanned," and which should have, at least, the increase of 5 per cent. placed on them by the Senate bill.

I inclose a letter from their committee.

Yours, very respectfully,

LEONARD MYERS.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

PHILADELPHIA, January 21, 1890.

DEAR SIR: The committee of the Philadelphia morocco manufacturers met yesterday, and I was instructed to inform you that no amount of duty on the finished stock would compensate us for the tanned and unfinished. This latter article can be brought in here and finished in barns without either plant or capital, and is great detriment to legitimate manufactures, and Philadelphia trade, representing one-third the morocco interest of the country, want duty as much on the tanned as on the finished.

Yours, respectfully,

JOHN W. SELSER,
Secretary.

LEONARD MYERS, Esq.

STATEMENT OF A. P. KETCHUM.

Mr. A. P. KETCHUM, of No. 4 William street, New York City, attorney for importers and manufacturers, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee: I do not want to disturb you by what appears to be a collection of papers here. They only contain notes of the points I will be glad to bring to your attention, and which will help me to be brief. We are here as importers and manufacturers, both, of leather. We ask only that the present duties upon such goods be retained. As you will recollect, the duty exacted on dressed and finished leather is 20 per cent. and the duty exacted on unfinished leather is 10 per cent. and that the duty exacted on the manufactures of leather is 30 per cent. The interests here represented have to do with skins, which I will particularize for your information, and are what are known as chamois-skins. We are all familiar with that article; then leather for making shoes, then morocco, then what are called skivers, out of which cut leathers for hat sweats are made. The skivers are imported in the whole skins and the leathers are cut from the skivers.

The CHAIRMAN. What are skivers; what kind of skin?

Mr. KETCHUM. They are cut skins about that size perhaps [illustrating]. We are earnestly opposed to allowing so-called unfinished skins to be imported at a duty of 10 per cent. unless the finished goods retain the duty as it is now, at 20 per cent. The importance of this point is shown in connection with chamois-skins in a very marked degree. In the first place the chamois-skins are brought from the condition of the wool, made from the sheep-skins, into what is called the unfinished state. The chief expense incidental to bringing the chamois from the original condition into the finished condition attends the bringing of them from the original condition in the wool to what is called the unfinished condition, or perhaps the salted condition. The expense of bringing the chamois from the unfinished condition into the finished condition is scarcely more than from 2½ to 5 per cent. This is not always understood. It has been supposed that the expense was very much greater than that. Now, we have no objection to the unfinished chamois coming in at a duty of 10 per cent., as we understand it has been advocated by some gentlemen, whom we will take the liberty to describe by styling them our opponents.

Mr. LA FOLLETTE. What is the present duty of the unfinished chamois?

Mr. KETCHUM. It is 10 per cent. Now, all that it is necessary to do to bring the unfinished chamois into the condition of finished chamois is to pass it over a certain knife or roller—it is called a knife—at an expense, as I have stated, of only $2\frac{1}{2}$ to 5 per cent. The importers are able to stand the additional duty of 10 per cent. on the finished chamois, notwithstanding the slight percentage of expense it takes to bring the unfinished chamois into the finished condition. Now, there is a reason for that. The finished imported chamois has its uses, and there are some persons who prefer it to the chamois that is finished here. But to put the unfinished chamois at a duty of 35 per cent. and to make, therefore, the difference between the tax on the unfinished article and the finished article 25 per cent., when the expense of converting the article from the one condition into the other is only $2\frac{1}{2}$ to 5 per cent. I think seem to all of us as unreasonable.

Mr. BRECKINRIDGE. I think you perhaps inadvertently mentioned different rates there in the same connection. I understood you at first to say that certain parties were now asking for 10 per cent. on the unfinished chamois.

Mr. KETCHUM. Yes, sir.

Mr. BRECKINRIDGE. And then, in reply to a question, you stated the present rate was 10 per cent.?

Mr. KETCHUM. Yes, sir.

Mr. BRECKINRIDGE. Now, I understand you to say they are asking 35 per cent. on the unfinished chamois.

Mr. KETCHUM. That is on the finished chamois.

Mr. BRECKINRIDGE. Are they asking anything on the unfinished different from the present law?

Mr. KETCHUM. No, sir, they are not, for the reason that the unfinished chamois—

Mr. BRECKINRIDGE. I just wanted to know the fact. What they want is 35 per cent. on the finished chamois.

Mr. KETCHUM. Yes, sir.

Mr. BRECKINRIDGE. Now, I understood you to say that the present rate of 10 per cent. on the unfinished chamois is seven-fold greater than the entire cost of finishing it?

Mr. KETCHUM. Yes, sir.

Mr. BRECKINRIDGE. The present rate of 10 per cent. is the rate now on the unfinished chamois. What is the present rate on the finished chamois?

Mr. KETCHUM. Twenty per cent., which is an additional 10 per cent.

Mr. BRECKINRIDGE. The present margin of 10 per cent. between the tax on unfinished chamois and finished chamois is at present seven-fold greater than the entire cost of the finished?

Mr. KETCHUM. Yes, sir; two or three times as great as the relative cost.

The CHAIRMAN. Would you like a change in the existing law of 10 and 20 per cent?

Mr. KETCHUM. Yes, sir. We would like—

The CHAIRMAN. You are resisting the proposition to make the finished chamois 25 per cent.?

Mr. KETCHUM. Yes, sir.

Mr. BRECKINRIDGE. One point right there. You speak of chamois finished abroad differing at least, according to some people, in quality, etc., and uses, from that finished at home; that each has its sphere. I understand, then, that the added tax would not be for the purpose of making any additional expense in this country, but to compel people to use goods lacking an element of quality against their choice, the expense being already fully covered by the present tax?

Mr. KETCHUM. Yes, sir.

Mr. BRECKINRIDGE. That is as far as I wanted to go.

Mr. KETCHUM. Perhaps I ought to explain here that the gentlemen who have differed from us in our views are inconsiderable in number. I do not find that any of the large manufacturers of the country have taken the ground against us that has been taken by some, we understand, who have appeared before the committee.

Mr. BRECKINRIDGE. Is it not true that at some of your national reunions in past years it was concurred in without dissent that the trade was in a prosperous condition and that it was progressive; that it was more and more taking the place of imports upon the changes which have occurred in the art of manufacturing, and that nothing was needed but the present law?

Mr. KETCHUM. Yes, sir. I have extracts here of speeches delivered at the last two conventions in exactly that line.

Mr. BRECKINRIDGE. Those were from the president of the Leather Manufacturers' Association?

Mr. KETCHUM. Yes, sir.

Mr. BRECKINRIDGE. And there was no dissent from this in any of these gatherings?

Mr. KETCHUM. No, sir; and I have statistics to show that whereas in 1883, when the present tariff law was passed, the income from finished leathers was something

like \$8,000,000, and it has steadily dwindled down until now it is in the neighborhood of only \$2,000,000, and perhaps less. I have the exact figures. While the income from the finished article in 1883 was relatively small, that has increased, so that the revenue from the unfinished article has gone beyond that of the finished article. They have crossed each other on the way, and now the revenue on the unfinished leather is greater than that on the finished leather.

The CHAIRMAN. This import of the unfinished leather has increased.

Mr. KETCHUM. Yes, sir; it is demonstrated unquestionably that the domestic manufacturers have all the protection they need in the 20 per cent. on the finished article. Right here with me to-day is a very extensive domestic manufacturer of shoe leather. His manufacturing interest very far exceeds his importing interest; yet he is here in advocacy of the position which I have the pleasure to take.

The CHAIRMAN. How much work is done on the unfinished skins of chamois imported?

Mr. KETCHUM. Nothing at all except to pass them over what is called a knife, a machine which makes them soft and which gives them the soft finish that we are all familiar with. The chamois before it passes over that knife is in a sort of stiff and hard condition.

The CHAIRMAN. What is the percentage of labor on the unfinished as contrasted with the percentage of labor on the finished?

Mr. KETCHUM. You will see at once the percentage is only from $2\frac{1}{2}$ to 4 and 5 per cent. to bring the unfinished article into a finished condition. The great proportion of the labor consists in bringing the skins from the condition of the wool into the salted or tanned condition, this unfinished condition.

The CHAIRMAN. There is more labor in putting the skins into the unfinished condition than into the finished?

Mr. KETCHUM. Very much more; the labor beyond the unfinished condition is trifling. Yet, as I say, we do not object to the additional difference of 10 per cent., because the imported chamois has its line of trade in this country and some people prefer it. Now, the chamois is an article which is used by everybody, poor as well as rich, in the ordinary avocations of life, for cleaning and polishing, and so on and so forth. It is peculiar in this respect, but, as I say, the progress here in the United States in connection with the chamois, skin, as well as the other kind, has been very great under the tariff as it now stands.

The CHAIRMAN. Do we prepare the skins in the unfinished condition here?

Mr. KETCHUM. Yes, sir; I think that is done to some extent.

The CHAIRMAN. Do you know where?

Mr. KETCHUM. At Gloversville, N. Y. The system of preparation is somewhat different, I think.

A BYSTANDER. It is precisely the same.

Mr. KETCHUM. Only they are fitted finally as lamb-skin gloves. Now, there is another thing, Mr. Chairman and gentlemen of the committee, which is of very great importance in connection with the matter of undervaluation. There are degrees of value connected with the unfinished chamois skin which it next to impossible for any experts that the Government could secure to fix. There are degrees of progress in respect to the unfinished skin which it is hard to determine. Nobody does know actually the value of the unfinished chamois skins but the man who sold the skin and the man who paid for it; and there would, therefore, be great hazard in putting a high rate of duty on the unfinished skin, and inviting the fraud which we think would be practiced if the unfinished skin was still allowed to come in at 10 per cent. and the difference made was 15 to 25 per cent. between the finished and the unfinished article.

I will now refer to other points in connection with other lines of importation, and then I will be glad to answer any questions that may be put to me at any time.

Now in regard to the foreign calf-skins. Twenty-three years ago foreign calf-skins were mostly imported from France, and they were the standard, and, as I have taken the liberty of putting it here, they were a reproach to the American article of the same nature. There were in the city of New York fifteen firms exclusively engaged in importing such skins, while two brokers made a comfortable living by promoting sales from the one to the other. There were also in the city of Philadelphia four houses. Furthermore, consignments of foreign calf-skins were frequently made to commission houses, and by them through the brokers were sold either to the importers or to dealers in the largest cities of the East or West. At that time the duty upon the finished calf-skin was 35 per cent. Now, what has become of all this at the present time? There are at present in the city of New York but six houses engaged in the importation of foreign calf-skins, and there is only one amongst them which has not also identified itself with the production of American leather. The brokers have disappeared, and in Philadelphia there is just one firm left which now imports calf-skins. What has tended to bring about such a change? It is the progress of American manufacture, which was possible notwithstanding the reduction of 15 per

cent. in the duty; for we pay at present, and have paid since 1883, but 20 per cent. It is not to be denied that the Europeans have the advantage of cheaper labor. On the other hand, we have the advantage of cheaper bark and greater inventiveness in labor-saving machinery.

The American producers of calf-skins are utterly unaffected by foreign competition. Their skins are to-day the standard. They can go to Paris, as some of them have done, exhibit their productions, obtain a gold medal, and make sales to European shoe manufacturers, as they have done.

The CHAIRMAN. Would you need any duty at all as a matter of protection on calf-skins and what you are now describing? Why could it not go on the free list on your statement that you are not at any disadvantage from the foreign competition?

Mr. KETCHUM. I am speaking now in reference to the present rate of duty.

The CHAIRMAN. You have said that while they have the advantage of cheaper labor you have the advantage of bark and the advantage of machinery, and all the inventive genius on this side. Now, that being the case, why not put calf-skins on the free list?

Mr. KETCHUM. There is some difference.

The CHAIRMAN. What is the difference? Why do you need the 20 per cent.?

Mr. KETCHUM. I am not certain whether we do or not; but still I am advocating the retention of the present rate of duty. Lines of trade have been established and conditions of business are fixed in relation to this present duty.

Mr. BINGER. We are importers and producers of American-made finished calf-skin, and I would answer that question in this way: We would not be affected nor harmed, and neither would our competitors, some of whom are very much larger, if we were to put finished leather on the free list. The progress has been such in the last fifteen years that the American manufacturer has nothing to fear from Europe.

The CHAIRMAN. There are some importers of calf-skins.

Mr. BINGER. Yes, sir. I am one of them, and these importations are getting smaller and smaller; but there is a prejudice in favor of some European skins. Shoemakers that have known them, or people who wear high-priced shoes and pay \$6 to \$12 for a pair of shoes, are the people who ask for French calf-skins. In many instances it is German calf-skins and not the French calf-skins.

The CHAIRMAN. So it is your opinion you do not need a duty upon calf-skins, and that they could be put upon the free list?

Mr. BINGER. Yes, you can put it on the free list.

The CHAIRMAN. And it would not disturb the industry, nor affect the wages of labor?

Mr. BINGER. Not at all.

Mr. FLOWER. I understand you to say our calf-skins have nothing to fear from the French because they go to France.

Mr. KETCHUM. That is a fact, and I did not give my whole reason at all. Now, I happen to know those circumstances. A number of years ago there was a re-appraisement of imported calf-skins. I happen to know it because I was the general appraiser at the port of New York at that time, and a number of domestic manufacturers appeared before me and the merchant appraiser in connection with an importation. I had satisfied myself that the French had some secret in respect to the manufacture of such goods which the Americans did not have, and I frankly told my American friends so. I said that we could not produce such articles as this at all. I was perfectly innocent of any intention at that time to excite the inventive genius of anybody; but the result of that appraisement was that two or three domestic manufacturers went to France and made a study of that subject, and the result of it was that they came back here and produced an article equal to the French article, and they have produced such an article here ever since: and that is one of the reasons why the American production in this regard finds a market in France as well as a market in the United States.

Men's shoes are made of two parts, the vamp part and the top part. The vamp part is usually calf-skin. I say here that not 2½ per cent. of the better grades of shoes made in the United States are made out of foreign calf-skins, and more than 97½ per cent. are made out of American calf-skins. Then, as far as the top part is concerned, the part that contains the buttons and lacings and elastic, that is completely and altogether of American manufacture. I stated that not one in ten thousand is being imported where this imported leather is used for the top of shoes. If you wipe off the entire duty on that leather used for the top of shoes, we would not get 1 cent more or 1 cent less in consequence, and in fact our workmen would not be affected.

The CHAIRMAN. Would it affect the price to the consumer?

Mr. KETCHUM. Not at all. In fact it has become a very insignificant thing, and all we come here for is to say "leave the matter as it stands." American manufacturers do not need the protection. They do not come to you here in a body of representative men and say "we can not exist; we must have higher duties." They do not want it and they do not need it. I have here in my hand a speech made by Gen-

eral Parke Postles, president of the Morocco Manufacturers' Association, at the semi-annual meeting at the Hotel Brunswick, held January 18, 1889. I will only read you such sentences as I have selected, because I do not want to detain you. He speaks in reference to the American growth, and the decreased importation, and he says here:

"This certainly should be all the encouragement needed to stimulate us in going on improving our product until we have entirely conquered this market for American manufacturers."

That is in reference to light leathers for men's shoes, and the production of it.

"This we can only do with the excellence of our production, and not by attempting to build a wall by legislation to keep competing manufacturers out."

This shows that all we have to do is to improve their quality, and then we will conquer the American market for American manufactures.

Mr. BRECKINRIDGE. You are speaking particularly of moroccos in the speech you quote from.

Mr. KETCHUM. Yes, sir.

Mr. FLOWER. The only reason I asked the question in regard to calf-skin is that we have evidence here showing that the farmer is getting poorer and poorer every year in this country, and the land is going down in the State of New York and in Pennsylvania, and the only thing the farmers can clear is a four-rail fence when the sheriff is after them in the fall. They can not make anything on the calf-skins or on anything else.

Mr. KETCHUM. I have some other extracts from the same address. Another article is being used in the manufacture of men's fine shoes, upon which the present rate of duty is 20 per cent. That is patent calf-skins. They are made by a few large firms in Germany. The point is there is no domestic production in respect to that article and it would hardly come in as a competitor. The leather used for the tops of shoes and much of the leather spoken of here is leather for what is called vamps. The leather used for the tops of shoes is entirely of American manufacture, and if I were put upon my oath I would say from belief as well as knowledge that not one dozen of such leather is being imported against ten thousand dozen being made in the United States. One firm represented here to-day produces approximately a hundred dozen per day of such leather, and there are much larger concerns producing larger quantities. So utterly independent is the American producer of this leather of any foreign competition that if you take off the entire duty we would not make one dozen less, nor would we have to sell for one cent below our present prices.

Mr. BRECKINRIDGE. Is that the leather that goes over the toe end of the shoe?

Mr. KETCHUM. No, sir; it goes over the upper, where the laces and buttons go on.

Now, the matter of under-valuation. Mr. Chairman and gentlemen of the committee, I want to say for a large house here represented, which has imported vast quantities of leather, and which has been connected with the importation of leather for the last eighteen years, that never, during this long time, has a single invoice of that house been questioned by the custom-house. Now, in relation to under-valuation in regard to skivers. There are two ways of buying skivers. You may buy a separate article or you may buy them "in the run," as it is called.

Mr. BRECKINRIDGE. Explain just what skivers are.

Mr. KETCHUM. Skivers are made of cut skins, and it is the leather out of which hat sweats are made and cut leathers. We call them hat sweats. Dunlap and other manufacturers use them constantly. The skiver is the skin out of which that cut leather is made. This is the dressed or finished skin. Now, some gentlemen from New York appeared here and took the ground that it was irregular and fraudulent to import these skins in the run and pay only the average price. The average price is well fixed in Europe, and the statute of the United States was resorted to, which says, that where the average price is taken on an invoice the price must be put at the value of the article which pays the highest rate of duty; but that statute clearly refers to articles which are subject to different rates, according to the dividing line of value. Years ago, a Secretary of the Treasury—I think it was Mr. Sherman—decided that that provision related only to goods where there was a different rate of duty according to a dividing line of value. The Treasury, however, took a different ground from that formerly taken, and advanced all these skivers to the highest value of the best skiver in the lot. There was no question that the skivers were fully paid for on the average price, and, unless the Department has reversed the ruling again, the matter is adjusted. That is all the under-valuation we have heard of for a great many years, and that really was no under-valuation.

Now, as to the skivers. There has not been but \$20,000 paid into the Treasury of the United States per annum on account of importations of skivers. This is the finished skin which pays 20 per cent. duty. The cut leathers, as manufactures of leather, would pay 30 per cent. We have no controversy in respect to the rate of duty, although under the trimmings clause of the present tariff there is some doubt about it. These cut leathers paid only 20 per cent. as trimmings of hats.

Mr. BRECKINRIDGE. What per cent. are the imported skivers of the consumption of the country?

Mr. KETCHUM. It is very small indeed. There is one thing to be stated about the skiver which is very important, and that is that the American manufacturer has never yet discovered how to make a finished skiver that will be used by Dunlap or such men that will give satisfaction. If they bring the unfinished skin into this country and finish it, then they can produce skins that will be used for ordinary purposes, but no such leather as that will be used by men like Dunlap in first-class work. So the only importations of finished skivers are for the purpose of supplying that special demand of these first-class hat manufacturers. That importation does not interfere at all with the domestic manufacturers, and, as I say, it only produces \$20,000 per annum of duty.

I may say this, gentlemen, that the domestic manufacturers of hats are as deeply interested as we are in the retention of the duty of 20 per cent. on the finished skiver, rather than the advancing of that duty to any higher rate. I would state to the committee that we would be glad to put in concise form and in the shape of writing a printed statement of points that we have only been able to hint at here to-day. We will present that document very shortly, if it is agreeable to the committee to receive it.

I would like, just in conclusion, to show you, in a moment, a table of income from the finished goods and the unfinished goods, for it is an object lesson of very great value.

The CHAIRMAN. Is your statement reduced to writing.

Mr. KETCHUM. This is only a memorandum I have.

The CHAIRMAN. If you desire it, you can leave that table with the reporter, and it will be printed.

Mr. KETCHUM. Yes, sir; I will do that.

The following will show the decrease of the imports of shoe leather since the present reduced tariff of 20 per cent. is in existence. For the years ending June 30, these imports amounted to—

1883	\$8,235,053	1887	\$4,284,416
1884	5,192,089	1888	3,379,151
1885	5,064,584	1889	2,575,775
1886	5,244,870		

Showing a constant and steady decrease.

On the other hand, the importation of skins tanned, but not finished, paying 10 per cent. duty, has steadily increased, showing a growing home industry, as all these skins have to be dressed and finished in order to make them suitable for shoe and other purposes.

Of these skins the importation amounted in the year ending June 30, 1886, to \$1,952,416; 1887, to \$2,401,530; 1888, to \$3,450,571; 1889, to \$3,460,935. Summing up: A steady decrease in the importation of shoe leather and increase in the importation of undressed skins, going into the hands of our home manufacturers to be turned into leather, dressed and finished.

This shows you the domestic industry in this country has prospered under the rates of duty as they now exist, and we simply ask of this committee that you will have the kindness to leave the duty in its present condition. I state this in the interest of the domestic manufacturers just as much as in the interest of the importers, who bring in now simply those articles that are specially demanded here for special purposes.

The gentleman who are with me from New York may possibly make suggestions or recommendations, or answer any question you may wish to ask.

STATEMENT OF W. T. WAKEMAN.

Mr. W. T. WAKEMAN, of Kansas City, Mo., next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I appear here by request of the chairman of the Cattle Growers' Association of Texas. I trust my statement will be as brief as it is important. By the act of 1872 the tariff on hides, which was then 10 per cent. ad valorem, was abolished. The suggestion I desire to make has bearing section 2503 of the Senate bill, paragraph 577, which reads as follows:

"Hides raw or uncured, whether dried, salted or pickled, and skins of all kinds, raw or dried, salted or pickled, but unmanufactured, except sheep-skins with dutiable wool on."

That is included in the free list by the act which I referred to. At the time hides were placed upon the free list there was an average value of from 11½ to 12¼ cents, and the importations under that tariff were approximately \$10,000,000.

The CHAIRMAN. You say the tariff was taken off in 1872?

Mr. WAKEMAN. Yes, sir. The imports under the tariff in 1860 were \$10,600,000, while under the tariff in 1870 it had grown to about \$14,000,000. By the census of

1880, under the free clause, the importation increased to something over \$30,000,000, but at that time the value of hides had decreased not very largely from the original price, as we consumed more than we produced at that time. From 1881 to 1889 inclusive the importations have averaged \$25,000,000 to \$26,000,000—last year something over \$25,000,000. The prices of hides—the standard basis of value is the green salted hide. They have steadily and uniformly increased from 1872 until to-day. They have increased from $4\frac{1}{2}$ to 5 cents, as quoted by yesterday's papers in the market.

Mr. BURROWS. Four cents a pound?

Mr. WAKEMAN. Yes, sir.

Mr. GEAR. Was not the high price in 1872 somewhat incident on the premium of gold?

Mr. WAKEMAN. Yes, sir; somewhat, certainly. The point I make upon this is this: I have heard with great interest the hearings upon wool and the great clip of this country, which was assumed to be about 250,000,000 pounds last year. The first value, of that wool would be at a fair estimate \$50,000,000. Of course the wool tariff is not a revenue tariff but a protective tariff, but it is a great deal of importance to this question, for I wish to say that the consumption of raw hides of this country amounts to very nearly \$100,000,000 a year in value, and that at the present prices; and of that great amount we produced about 75 per cent.; all the balance came in from foreign countries. This is not a question that affects the ranchmen more importantly than it affects the farmers. For instance, yesterday I dropped down to the market to ascertain the facts right here. I found there dairy farmers, as around other centers around New York, sold all their pelts, except, perhaps the heifers, calves, and the average pelt has decreased from \$1.20 to 40 and 50 cents, the price of yesterday. Now it does seem proper, gentlemen, that this question, which affects every single farmer in the United States who has a cow, should have your earnest consideration. This is only one of the points I wish to simply suggest for your experts in this committee to consider, which embraces all the by-products of live stock. Now, to illustrate the importance of that, in New York City to-day there is something over 460,000 dried hides, nearly all imported, for which there is scarcely a bid. At the same time in Boston there are well on to 370,000 for which there is no bid.

Mr. GEAR. They are mostly hides that have been brought in dried?

Mr. WAKEMAN. Yes, sir. Up to this year on the Short Line of Oregon, and Union Pacific Railway and other great lines, it had been the habit of having the cattle killed for the hide only and shipped to the market, but prices have gone to such a low figure that they have ordered the discontinuance of the killing of cattle, and there are many sections throughout the West where the hides are actually burned for fuel, on account of the fact that there is no value in their shipment.

I think that covers the main points, unless questions may be asked me. I simply want to point out how it affects every farmer in the nation. Now, by the suggestion of the Cattle Growers' Association, I suggest this section be made to read as follows:

"Hides, raw or uncured, whether dry, salted, or pickled, and skins of all kinds, raw or dried, salted or pickled, but unmanufactured, shall pay a duty of $1\frac{1}{2}$ cents per pound."

Whether the committee shall take up the other by-products of live stock, such as hair, which is used very largely in many particulars (the blood and hair), I leave that to their own judgment.

Mr. BURROWS. Will that increase the price of the hide?

Mr. WAKEMAN. It might have a very small effect, but I doubt it. The point is simply to have reciprocity for our home product in our homes. I have a personal acquaintance with one of the largest hide-dealers in the country. He is not particularly in favor of this proposition. He told me that he had to buy what he considered to be under the foreign market in order to protect himself. He does a business of perhaps \$1,600,000 a year.

Mr. BURROWS. If it does not increase the price of the hide what advantage is that to the domestic producer?

Mr. WAKEMAN. The point is we have no sale for our hides now. The point is to give a stability to the market. It will unquestionably increase the price somewhat.

Mr. BURROWS. By increasing the price of hides, would not that increase the price of shoes?

Mr. WAKEMAN. I can only reply to that by saying that the price of leather has not increased to any extent with the tariff.

Mr. BAYNE. What is the weight of an average hide, beef-hide?

Mr. WAKEMAN. It would weigh from 40 to 65 pounds.

Mr. BAYNE. This duty of $1\frac{1}{2}$ cents a pound would be about 75 cents?

Mr. WAKEMAN. Yes, sir.

Mr. BAYNE. There is no duty on that now?

Mr. WAKEMAN. No, sir; it is absolutely free.

Mr. FLOWER. I think the evidence here is that we have to bring in hides to make sole-leather; that we do not have proper hides to make sole-leather?

Mr. WAKEMAN. That is, to a limited extent.

Mr. FLOWER. And that these hides imported did not come in competition with our hides. That was the evidence before this committee, I think?

Mr. WAKEMAN. We produce about three-fourths of the entire consumption.

Mr. BRECKINRIDGE. In regard to the weight of hides you spoke of, beef-hide, weighing 40 and 65 pounds, do you mean in the green state?

Mr. WAKEMAN. Yes, sir; that is the basis of all the values in our market.

Mr. GEAR. Is not that under weight?

Mr. WAKEMAN. Yes, sir; but I would rather be on the safe side of it.

Mr. BAYNE. What would a dry hide weigh?

Mr. WAKEMAN. The average of dry hide, I should say, lies between 40 and 50 pounds, but you know there is a very great variety.

Mr. BAYNE. I know there is a great variety, but what would the average be?

Mr. WAKEMAN. I should say from 40 to 50 pounds dried.

Mr. BAYNE. Then, of course, it would weigh for the wet hide more than 80 pounds? It is certainly far more than that.

Mr. WAKEMAN. I should think so, but I would prefer to be on the safe side.

SKIVERS AND CUT LEATHER.

To the Ways and Means Committee of the House of Representatives:

GENTLEMEN: The undersigned manufacturers in the United States of men's hats and caps have learned that an attempt is being made to secure an increase of tariff rates on what are known as imported "skivers" and "cut leathers," the former being the dressed or finished skins from which the latter are cut. We earnestly protest as home manufacturers of an article made in part, and in one of its most important parts, from the imported articles referred to, against any increase of the present rates alluded to, and in the interest of our manufactories and the large number of our employes dependent upon them most urgently petition that you will allow the present tariff rates on said articles to remain undisturbed.

January 10, 1890.

[Here follow numerous signatures.]

MOROCCO AND KID.

Argument in behalf of the morocco and kid manufacturing interests of America in relation to a revision of duties upon sheep and goat skins, including lamb and kid skins, dressed and finished, and also sheep and goat skins, including lamb and kid skins, tanned and unfinished.

It would appear that the committee presenting the case of the morocco and kid industry at the hearing before the Ways and Means Committee were controlled by the importers who bring in the East India "tanned but unfinished" sheep, goat, lamb, and kid skins, and which they claim as the raw material of their customers; and we are informed the threat was used that unless the morocco and kid manufacturers would either lower the duty upon these East India "tanned but unfinished" skins or allow it to remain at 10 per cent. they would use their influence to lower the duties upon the dressed and finished skins, and the result was a compromise by which the duty was proposed to be increased upon the dressed and finished (these importers having no interest whatever in the dressed and finished skins) and the duties upon "tanned but unfinished" skins, the product of the cheap East India labor, retained at 10 per cent.

Nothing menaces the morocco and kid industry of America so much as the introduction of these "tanned but unfinished" sheep, goat, lamb, and kid skins, as their introduction in this state enables those who merely finish these skins to produce morocco and kid at a price our manufacturers can not meet.

A "finisher" of these "tanned but unfinished" skins requires no skilled labor and but a small and inexpensive plant and with but little or no ground-room, to make an article of morocco or kid; and in three or four days after receipt he can produce a finished article from his so-called raw material, whereas our morocco manufacturers, in order to carry the process of manufacturing from our raw material (raw skins) to the "tanned but unfinished" state are compelled to maintain skilled labor and expensive establishments of well constructed buildings, covering a large area of ground-room for our necessary vats and tanning tubs, which can be placed only in or upon the ground. And furthermore, the time necessary to forward our raw material (raw skins) to the "tanned but unfinished" state is from eight to ten weeks.

Such position of affairs gives the "finisher" of these East India "tanned but unfinished" skins the power of turning his capital many times over during the same space of time that the morocco manufacturer can turn his capital but once; and while the morocco manufacturer must maintain expensive establishments, the "finisher" of these East India "tanned but unfinished" skins can utilize a small and inexpensive plant and by these means they are enabled to produce a finished article of morocco or kid at a less cost than the manufacturers of America can produce a finished article of morocco and kid from their raw skins.

We would state that with a duty of but 30 to 60 cents per dozen skins on these East India "tanned but unfinished" skins, and the "finisher's" charge (which is contracted for as low as 75 cents per dozen skins) to complete them into a finished article of morocco or kid, it allows the production of a finished article of morocco or kid out of these "tanned but unfinished" skins at a relative cost of about \$1.25 per dozen skins from the condition of raw skins.

10 per cent. duty on "tanned but unfinished" skins costing, duty unpaid, \$5 per dozen skins.....	\$0.50
Finisher's charge to make finished morocco or kid, per dozen.....	.75
Making cost per dozen from condition of raw skins.....	1.25

It would cost the American manufacturer, who produces his morocco and kid from the raw skins, double that sum.

We would respectfully protest against the principle of admitting an article in a partly finished state at any less rate of duty than on the article in a finished state; and we claim that the duty upon these "tanned but unfinished" sheep, goat, lamb, and kid skins should be charged the same rate of duty as is exacted upon the dressed and finished sheep, goat, lamb, and kid skins.

We would add that this principle is recognized in relation to calf-skins under the present law, and the duties upon "tanned" and tanned and dressed calf-skins are equal.

The morocco and kid industry under the present tariff is among the least protected of all the industries, as it has an average duty of but 15 per cent., and we would respectfully request that the duty be placed upon sheep, goat, lamb, and kid skins, "tanned but unfinished," or tanned, dressed, and finished, at — per cent. ad valorem. Also, all manufactures and articles of leather not enumerated, to be at — per cent. ad valorem (50 per cent. higher than is enumerated for the sheep and goat skins, lamb and kid skins, dressed and finished.) Calf-skins, also tanned or tanned and dressed, and dressed upper-leather of all kinds, and skins dressed and finished of all kinds, to be placed at the same rate of duty as is placed upon sheep and goat skins, lamb and kid skins, dressed and finished.

[Argument presented by Robert K. McNeely as the representative of the Association of Morocco Manufacturers of Philadelphia, and also the morocco and kid section of the Manufacturers' Club, of Philadelphia.]

VIEWES OF GEORGE L. ROSE.

NEW YORK, *January 15, 1890.*

DEAR SIR: In the presentation of our case before your honorable body we stated that a committee of importers, who claim to be manufacturers by having job-work done, would come before you to represent their case. I see by the papers what they have to say. Their interest is diametrically opposed to ours, and they would like absolute free trade, even though it ruined our entire industry. Our committee did not touch on waxed calf for shoe uppers, as it was not in our province, but we did represent all the fancy leather industries outside of that. Fancy colored calf for book-bindings, pocket-books, boxes, and all fancy work, skivers and sheep-skins, dressed and finished morocco and imitation morocco dressed and finished for all purposes, should pay a duty of 35 per cent. to enable us to compete with the leather from England, France, and Germany. The following reasons will bear us out: Our factories are obliged to be located in the large cities all over the country, there being several hundred firms, each of whom have to have a large and expensive plant, many of them covering acres of ground costing \$500,000 each, fully double what they would cost abroad, with a rate of interest to the business man of 6 per cent. or more, whereas in Europe they pay only 2 or 3 per cent. Although we have free skins, yet our materials used in manufacturing are much lower there, say on twenty-five or thirty different articles, but the greatest difference is in the cost of labor, which, with their acknowledged skill, handed down to them from past ages, is more than we can stand up against without ample protection.

The morocco interest is one of the largest in the country, but we find it impossible to compete with the morocco brought in by the importers, represented by Mr. Ketch-

am and Mr. Binger, from Germany. These skins are tanned in India by workmen at 7½ to 10 cents per day, compared with our workmen at from \$1.50 to \$4 per day; also with low cost for materials. From there they are shipped to Germany in the tanned state and refinished by labor not over one-third the cost of ours, also low cost of materials; besides all this, their raw skins cost them less. When ready they are shipped by the manufacturer to his agent here, undervalued to such an extent that they escape paying a large proportion of the duties. These factories are located in the small towns of Europe, and as their employes can not go from place to place, as in our country, they have cheap, steady help, which must necessarily be more skilled than here for the reason that our help is continually floating from one place to another, and in consequence is not reliable. Fancy colored calf leather is a light weight, being tanned in sumac, and only weigh, finished, from 3 to 7 pounds per dozen, whereas waxed calf of the same sized skin would weigh 30 to 75 pounds per dozen, and, as proposed by the Senate bill, to pay 25 cents per pound specific duty, therefore, one must not be confounded with the other; and again, all description of skins tanned and finished in alum, which is also a very light tannage, should pay 35 per cent duty.

Respectfully submitted.

GEORGE L. ROSE,
Of Committee on Fancy Leather and Morocco.

HON. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

METHODS IN ENGLISH FACTORIES.

NEW YORK, January 13, 1890.

I, Edward Settle, being the senior member of the firm of Settle Bros. & Co., manufacturers of hatters' leathers, make the following statement with regard to the workings and discipline maintained in the English leather factories:

I was born in Leeds, Yorkshire, England. From the age of nine years I have always been employed in a leather factory. A workman engaged in a leather factory in England is obliged to be at work at 6 o'clock in the morning. He works until 9 o'clock when he is allowed half an hour for breakfast. This breakfast consists of coffee and bread, the bread mostly without butter. He then works until midday, having one hour for dinner, then until 6 o'clock. This man is required to produce work perfect in every particular, an examiner always being on hand to detect any imperfection. Discovering such imperfection the work has to be done over again. This man gets for his work, about or less than one-half paid for the same work in this country, and then much better performed.

The discipline in an English factory requires that all work turned out by its employes be rigidly examined by experts, the result being that while their product costs less than half what it does here the result is a product worth double. Some years since I came to this country with my family, and after a time succeeded in starting in business for myself, the result being that under the protective laws of this country I have been enabled to establish a large leather business here. Within two years undervaluation at this port has attained such proportions as to threaten the destruction of all leather interests. During the past summer I passed four months in England, and went through all the leather factories of any consequence there, and I found the same conditions prevailing there now that are described above only that the discipline prevailing has become more rigid.

Last year Mr. J. J. Flitch, of Leeds, England, the proprietor of an exceedingly large leather factory there, in going through my factory and being informed by me that for certain work I paid \$12 per week, exclaimed, "Why what you are paying \$12 for I am paying 16 shillings," (which is \$4 of our money).

The above is not in my writing but is written at my dictation, and being thereafter read by me, I pronounce the whole to be literally true.

EDWARD SETTLE.

CHAMOIS SKINS.

PHILADELPHIA, January 20, 1890.

GENTLEMEN: We beg to enter protest against any reduction of the rate of duty on chamois skins and to contradict statement of Mr. Rose, of New York, to your committee that chamois skins are not manufactured in this country.

We have been manufacturing these goods successfully for more than two years, and it is our opinion that this industry could be speedily developed in this country if the duty thereon could be raised to, say, 25 per cent. ad valorem instead of 20 per cent., as at present.

It is our opinion that these goods have not been successfully manufactured here

heretofore on account of the high price for labor in this country. The labor on these goods represents fully 50 per cent. of their total value.

If the duty on these goods should be reduced to 10 per cent. ad valorem, we fear that this industry which is now fairly started would succumb, for the reason that the goods could not then be produced sufficiently cheap to compete with foreign goods where labor is about 40 per cent. cheaper than here.

Besides our firm there are several other firms that have lately embarked in this business. Mr. A. Kiefer and Henry Speiser, of this city, and F. W. Kraft, of Bronxville, N. Y., that we know of.

Trusting that you will give this matter your careful consideration, we are,

Yours, very truly,

DRUEDING BROS.

THE COMMITTEE ON WAYS AND MEANS.

LETTER FROM F. BLUMENTHAL & CO.

NEW YORK, *January 15, 1890.*

DEAR SIR: In addition to our previous statements why the duty on dressed goat and kid skins should not be raised, and in fact reduced, we beg to inclose a statement just issued by William Friel, the recognized statistician for goat and kid skins. You will see by this circular that not less than 25,000,000 goat skins in the raw state have been received within one year at New York, Boston, and Philadelphia. If you add also such other ports as Chicago, Wilmington, San Francisco, Baltimore, etc., this number will certainly be swelled to 30,000,000. The total quantity of finished goat and kid skins coming from Europe is certainly under 1,000,000 skins. As you will thus see, the proportion of imported dressed goat and kid skins to dressed goat and kid skins made in this country is not more than 2 or 3 per cent. It seems, therefore, preposterous that the domestic manufacturers should want any additional protection. They have now a market for 30,000,000, against less than 1,000,000 imported, while formerly immense quantities were imported from Europe. The small quantity of stock yet imported is used more out of old habit or a little different way of manufacture, but not on account of the Europeans being better situated than the American manufacturers. We really do think that even with a lower duty on finished leather the importations would not increase materially; in any event it seems certain that the domestic manufacturers do not need an increase. We can speak on this point with impartiality because we have a factory ourselves in Wilmington, Del., where we are turning out dressed goat and kid skins at a very much larger rate than we import. We are employing 400 to 500 workmen in Wilmington manufacturing dressed goat and kid skins to the value of about \$1,000,000 yearly.

We would not consider an increase in the rate of duty on the foreign article of any advantage to us in our domestic factories, nor would it enable us to pay higher wages to our workmen. There is, therefore, not for anybody the least advantage in disturbing the present duty, but if any change is made it should be made in the direction of a lower rate.

We would yet add that the cost of manufacturing dressed goat and kid skins in this country is not higher per dozen than in France or England; in fact, we are quite safe in saying that it costs less. While we pay better wages, this is offset by more intelligent work, better machinery and other conditions, so that the actual cost per dozen in this country, compared with the cost per dozen in Europe, is decidedly in favor of this country. Of late American dressed goat and kid skins begin to be exported to London and France, which is another proof of the article needing no further protection and a reduction being more in order so as to enable shoe manufacturers to produce cheaper boots and shoes.

Yours, truly,

F. BLUMENTHAL & CO.

Hon. ASHBEL P. FITCH,
Washington, D. C.

STATISTICS OF MOROCCO.

NEW YORK, *January 1, 1890.*

To the Morocco Manufacturers' National Association:

GENTLEMEN: Last year, General J. Parke Postles, responding to a toast at your annual meeting, made the statement that the morocco industry consumes 30,000,000 goat skins in a year. This, at the time, caused quite a discussion, many thinking this was in excess of the actual figures.

It has been my ambition since then to get, as near as possible, the actual receipts at the port of New York and elsewhere, in order to prove the truth of this statement. You will find herewith particulars showing the quantities received from different countries, making a total of 18,569,551 skins, at the port of New York; adding what arrived at Boston and Philadelphia, will bring the total receipts to at least 25,000,000 skins. Now, the stock is no greater than it was a year ago, consequently the consumption nearly equals the amount stated by your president.

Very truly, yours,

WM. FRIEL.

	Bales.	Skins.
Mexican	12, 136	1, 213, 542
Curaçoa	8, 038	803, 800
Brazil	8, 144	2, 443, 200
Buenos Ayres	1, 128	676, 800
Payta	2, 371	284, 520
Frontier	4, 701	470, 100
Oajaca	1, 206	130, 539
Bogota	470	72, 500
West Indies	1, 444	184, 750
Maracaibo, Rio Hacha, Puerto Cabello, and Laguayra	1, 549	154, 900
Angostura, etc.	670	20, 100
	41, 857	6, 454, 751
European, Asiatic, and African	36, 149	7, 229, 800
Calcutta	5, 766	2, 883, 000
Arabia	8, 008	2, 002, 000
Total	91, 760	18, 569, 551

Selection of Mexican goat skins, 1889, with a comparative statement for six years.

	Bales.	Skins.	Per cent.
First selection	4, 194	419, 362	.323
Fawns	2, 723	272, 232	.241
Blacks	1, 124	112, 415	.094
Culls	3, 901	390, 108	.325
Frontier	158	15, 815	.013
Angora	36	3, 610	.004
Total	12, 136	1, 213, 542	1.000

	Per cent.		Per cent.
1888, 12,114 bales, 1,211,304 goat-skins:		1886, etc.—Continued.	
First selection .....	.62	Culls .....	.27
Blacks .....	.09	Frontier .....	.02
1887, 7,890 bales, 788,984 goat-skins:		1885, 7,863 bales, 786,288 goat-skins:	
First selection .....	.44	First selection .....	.50
Blacks .....	.26	Blacks .....	.23
Culls .....	.28	Culls .....	.22
Frontier .....	.02	Frontier .....	.50
1886, 8,372 bales, 837,159 goat-skins:		1884, 5,014 bales, 501,353 goat-skins:	
First selection .....	.52	First selection .....	.56
Blacks .....	.22	Blacks .....	.15
Culls .....	.24	Culls .....	.26
Frontier .....	.02	Frontier .....	.03

Selection of Curaçoa goat-skins, 1889, with a comparative statement for past six years.

	Bales.	Skins.	Per cent.
First selection	966	96, 604	.192
Second selection	690	68, 968	.138
Culls	3, 158	315, 728	.631
Bulls	190	18, 965	.039
Total	5, 004	500, 265	1.000

	Per cent.		Per cent.
1888, 4,356 bales, 435,607 skins:		1886, etc.—Continued.	
First selection.....	.23	Bulls.....	.03
Second selection.....	.14	1885, 5,794 bales, 579,337 skins:	
Culls.....	.59	First selection.....	.35
Bulls.....	.04	Second selection.....	.21
1887, 3,194 bales, 319,310 skins:		Culls.....	.42
First selection.....	.23	Bulls.....	.02
Second selection.....	.16	1884, 4,354 bales, 435,309 skins:	
Culls.....	.57	First selection.....	.36
Bulls.....	.04	Second selection.....	.21
1886, 3,674 bales, 367,353 skins:		Culls.....	.41
First selection.....	.31	Bulls.....	.01
Second selection.....	.19	Kids.....	.01
Culls.....	.47		

Selection of Oajaca goat-skins, 1889.

	Bales.	Skins.	Per cent.
Good.....	959	95,882	.714
Seconds.....	321	32,043	.268
Kids.....	26	2,614	.018
Total.....	1,206	130,539	1.000

Selection of Bogota goat-skins, 1889.

	Bales.	Skins.	Per cent.
Good.....	233	23,277	.584
Seconds.....	93	9,296	.232
Bulls.....	31	3,029	.077
Kids.....	44	4,371	.107
Total.....	401	39,973	1.000

HIDES IN TEXAS.BELTON, TEX., *January 18, 1890.*

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Ways and Means Committee:

DEAR SIR: We beg to call the attention of your committee to the hide interest of the State of Texas, as well as the whole United States, and a respectable duty on the imported hides would increase the value of every cow in the United States \$3 per head; all classes and conditions would be equally benefited by such a duty. We are informed that foreign hides are shipped into the United States in such large quantities that nearly all the American tanneries are employed in the interest of same, to the exclusion of our hides. We also are informed that they land said hides here after the 1st day of January of each year and raise and ship them out before the last day of December of the same year, hence escape the payment of taxes to our Government. We are informed that these foreign shippers pay American tanneries more to handle their hides than the American tanneries can make by buying American hides on their own account.

Respectfully submitted, through our United States Senator, Hon. Richard Coke, and our Representative, Hon. R. Q. Mills.

[Here follow numerous signatures.]

IVORY AND MANUFACTURES.

STATEMENT OF OTTO GERDAU.

Mr. OTTO GERDAU, of New York, appeared before the committee, and said:

Mr. Chairman and gentlemen, I desire to call the attention of the committee to three different articles, the first being ivory for piano and organ keys. In 1872 I was sent by a Hamburg firm to New York with a stock of ivory. I found the market controlled by three Connecticut firms, in combination with an importer from New York, of the raw ivory. The piano-forte manufacturers were of course glad at my advent, which they regarded as a relief from severe oppression by this combination. The combination made a charge against me of undervaluation, and for a time threw me virtually out of the market, but after a while, when I proved that the allegations were untrue, their next movement was to have the duty on ivory increased so as to make the competition by importation impossible. There are only three manufacturers of ivory for piano and organ keys in this country; and if I, as the only importer, were driven out, the piano-forte and organ manufacturers would be again at the mercy of this combination. I have, however, held on to the trade in the hope that there would finally be a reduction in duty. At the present rate of 30 per cent., however, fair competition in the business is really impossible. I will mention as a proof that there is not another manufacturer in the world who exports a pound of this piano ivory to America. I ask, in order that the whole of the piano-forte and organ key trade be not put again at the mercy of a combination of three, and that there may be a fair competition, the reduction of duty to 10 per cent.

Another article on which I desire to speak is raw ivory, and I wish to draw the attention of the committee to a clause put in the last Senate bill by a friend of the combination.

Mr. FLOWER. Do you say that there is a combination in regard to these ivory keys?

Mr. GERDAU. Yes.

Mr. FLOWER. And this combination controls all the ivory key business in this country?

Mr. GERDAU. Yes. I am the only importer of them, but at the present rate of duty I am only able to import very little for such piano manufacturers as are willing to pay an extra price, because they always want to use the German ivory keys.

The CHAIRMAN. What is the present rate of duty on ivory keys?

Mr. GERDAU. Thirty per cent. There is very little work upon it. It is cut with a saw. The set costs \$8, and the entire labor upon it is only 50 cents. Here is a very sharp measure in the Senate bill in the matter of raw ivory. The tariff always has been "ivory, and vegetable ivory unmanufactured, free." But a friend of this combination got the phrase changed in the Senate bill free list so that it now reads, "ivory, not sawed, cut, or manufactured." This phrase looks very innocent, but if the committee will look into it it will be seen that under it all importation of ivory in blocks for piano and organ keys is impossible. For instance, I import only these small blocks of ivory [exhibiting them]. The solid parts are used for billiard balls. The small ivory turners are not able to use the entire tusk. Now, if the combination succeeds in having this clause go through, as it is in the Senate bill, a pound of ivory simply sawed across (an operation which does not take one second) will have to pay duty; and of course you know that all the small ivory turners would be forever subject to this combination, because it would be impossible to import ivory in this shape and to pay such a duty upon it.

Mr. FLOWER. Do we produce any ivory in this country?

Mr. GERDAU. No; it all comes from Asia and Africa.

Mr. FLOWER. And this combination will be able to keep the price of ivory up on account of the duty?

Mr. GERDAU. Yes.

Mr. FLOWER. Why is not this on the free list?

Mr. GERDAU. This unmanufactured ivory has been always on the free list, but, as I have just stated, the combination has got into the Senate bill the clause about ivory not sawed. Now, of course if a duty is to be put on this ivory sawed across (an operation which as I say does not take one second) this raw ivory can not be imported.

The CHAIRMAN. Where is this combination that you speak of?

Mr. GERDAU. In Connecticut.

The CHAIRMAN. Who are the parties to it?

Mr. GERDAU. Comstock, Cheney & Co., Pratt, Reed & Co., and George Ropes.

The CHAIRMAN. What is this combination for?

Mr. GERDAU. Of course it is to make money.

The CHAIRMAN. What do these firms do?

Mr. GERDAU. They cut piano keys. This combination in Connecticut is controlled by a New York importer of raw ivory who has shares in two of the concerns. If I am driven out, a combination of the three firms will surely be formed.

The CHAIRMAN. Do you mean to say that this raw material is consigned to an agent here?

Mr. GERDAU. No; it is imported by a New York importer.

The CHAIRMAN. And he will have to pay the same duty as you upon the ivory?

Mr. GERDAU. No; he will pay no duty upon it because he imports the whole tusk. These tusks are cut up into blocks of this kind [exhibiting] in England.

The CHAIRMAN. And you want to import them cut?

Mr. GERDAU. I always have done so. I do not know of any single instance where it was ever tried to get a duty on raw material simply because it was cut against the grain once. It has been always free, but under this phrase in the Senate bill, "ivory not sawn," it will be impossible to import this ivory for the small ivory turners. That tusk [indicating] I can import, but the moment it is cut by a saw it is dutiable at the rate of 30 per cent.

The CHAIRMAN. Can not anybody else go into the business the same as these Connecticut firms?

Mr. GERDAU. It takes a good deal of money to go into the business, and also many years' experience. In the Hamburg house which I represent, the business has gone on from father to son.

The CHAIRMAN. Still, anybody in this country can engage in the same business as these Connecticut gentlemen?

Mr. GERDAU. Yes; if they have money enough.

The CHAIRMAN. And the same rates of duty will be assessable upon them and the same raw material accessible to them?

Mr. GERDAU. Yes.

The CHAIRMAN. You are the only importer, I understand, of those small blocks of ivory?

Mr. GERDAU. Yes. That refers to ivory for piano keys.

Mr. McKENNA. Under the present law, what would be the tariff on ivory sawed up for piano keys?

Mr. GERDAU. If it was sawed up into sizes for keys, the duty would be 30 per cent. I advocate a reduction of the duty on piano keys to ten per cent., but I particularly advocate the rejection of this phrase in the senate bill "ivory not cut or sawed." It would put a duty of \$1.40 on a pound of ivory costing \$4.

The CHAIRMAN. The provision you complain of is in the Senate bill?

Mr. GERDAU. Yes.

The CHAIRMAN. And the language of it is "ivory and vegetable ivory not sawed, cut, or otherwise manufactured" (free).

Mr. GERDAU. Yes.

The CHAIRMAN. Now, if it is sawed, it is not on the free list?

Mr. GERDAU. No; not according to this clause.

The CHAIRMAN. What duty would it pay if sawed in those blocks?

Mr. GERDAU. Thirty per cent. It is free now, if unmanufactured, but if there be a cut in it across the grain, the duty will be 30 per cent.

Mr. FLOWER. What kind of provision do you want for this ivory cut and sawed?

Mr. GERDAU. It has been always held that ivory cut across the grain is still the raw material, but that when it is cut in slabs, it is manufactured ivory; and on that there is a duty of 30 per cent.

Mr. GEAR. What advantage is to you to import it cut in this style? Why not import it in tusks like this [indicating]?

Mr. GERDAU. That tusk which I have shown you is a very small one, but some tusks weigh as much as 150 pounds. The part of the ivory which you have in your hand is used by turners for billiard balls; they can not use the entire tusk. Each trade in the ivory turning business uses various parts of the tusk—one using the hollow part and one the solid part. Ivory sawed in this way has been always considered raw material, but if this innocent looking phrase goes into the tariff law it will be impossible for us to import this ivory any more as raw material. If we import it in the tusk like that [indicating] it is free, but if a saw be run across the tusk then the ivory will have to pay 30 per cent. duty.

Mr. GEAR. Why not have it cut here?

Mr. GERDAU. Because our factory happens to be on the other side.

The CHAIRMAN. Then it is really a question between the factories here and the factories there?

Mr. GERDAU. That is all.

The CHAIRMAN. I see in the Senate bill that sawed ivory is not spoken of at all as liable to duty.

Mr. GERDAU. The Senate bill says "ivory not sawed."

The CHAIRMAN. I see in the dutiable list that manufactures of ivory, vegetable ivory, mother-of-pearl, etc., not specially enumerated, are fixed at 30 per cent.

Mr. GERDAU. Yes; that clause makes no provision for raw ivory. The question is, what is raw ivory? Now, if that phrase in the free list were to prevail, I could not claim that this ivory is raw ivory, for it is certainly sawed once.

Mr. FLOWER. You want the privilege of bringing in half a tusk instead of a whole tusk?

Mr. GERDAU. Yes, sir.

Mr. FLOWER. But if a tusk is sawed right in two, it will have to pay duty as manufactured ivory?

Mr. GERDAU. Yes.

Mr. FLOWER. Have you stated what you wish in respect of raw ivory?

Mr. GERDAU. I desire that the phrase shall read as in the existing tariff bill, "ivory and vegetable ivory manufactured free."

Mr. FLOWER. You want the right to import it free in blocks of different sizes?

Mr. GERDAU. Yes, in blocks, but not free if it is cut lengthwise; only free when it is cut simply across the grain.

Mr. GEAR. So that you can sell it to the local trade here directly?

Mr. GERDAU. Yes. I sell some thirty thousand of these blocks a year to be turned into billiard balls. This piece of ivory [indicating] weighs about three-quarters of a pound, and the duty on it would be about 90 cents.

The CHAIRMAN. That has been sawed more than once.

Mr. GERDAU. Only on both ends.

Mr. McKENNA. You say you are an importer, and that there is another importer in this country who imports ivory as you do. Now, why is not the proposed clause as fair to you as to him?

Mr. GERDAU. Because that importer imports the elephants' tusks to his own factory—to this combination in Connecticut. I import ivory only for the small trade.

Mr. McKENNA. Does he not sell to the small trade?

Mr. GERDAU. No; he cuts up the large tusks himself. He does not sell to the small trade. Now, if this measure were to prevail of course all the small ivory turners would have to go to him for their ivory.

Mr. McKENNA. He is not an importer in the sense that you are. He is a manufacturer of ivory.

Mr. GERDAU. No; he is an importer. My house is the only one that has ever tried since 1872 to import a pound of manufactured ivory into this country.

Mr. FLOWER. To whom do you sell?

Mr. GERDAU. To the piano-forte and organ manufacturers. We sell the ivory for their keys. That is, manufactured ivory, and we always have imported it as manufactured ivory, but this [indicating one of the ivory blocks] is not manufactured ivory, being simply cut across. The substance of what I have stated to the committee I have put in writing, and will leave with the stenographer.

Mr. Gerdaud handed to the stenographer the following paper:

In 1872 the very old-established Hamburg ivory firm, Heinr. Ad. Meyer sent your petitioner to America with a stock of piano and organ ivory. On my arrival I found the trade to be a strict monopoly of some Connecticut firms, controlled by one firm of raw ivory importers of New York. The piano and organ manufacturers of this country were very glad at my advent as a relief from a severe oppression, but the Connecticut manufacturers resented my intrusion by making false statements against me in the custom-house of undervaluation. The stoppage of my importations virtually threw me out of the market again for quite awhile, but when these allegations were proven false and my ivory was delivered me the combination, as the next move, reduced the prices fully thirty per cent., and kept them just low enough to make any competition of consequence by importation impossible.

The number of manufacturers of this kind of ivory in the whole of this country is three, and if they succeed in driving me out a combination will certainly be reformed, and the manufacturers of pianos and organs will have to pay again the former outrageous profits.

Ivory just now happens to be scarce, and, as a fitting time, recently one of the Connecticut manufacturers again tried to worry me through the custom-house, but, barring the usual delay in such cases, without success and as I fear no investigation concerning the proper valuation, I have held on ever since in the hope of a reduction of duty. However my sales remain very small, and at 30 per cent., as at present, a fair competition is impossible. As a proof of this I need but mention that, as far as I know, not one other piano and organ ivory manufacturer of the whole world exports 1 pound to America,

In order that all the American consumers are not again at the mercy of a combination of three and to allow a fair competition, I petition that the duty on ivory for piano and organ keys be reduced to 10 per cent.

I particularly wish to draw your attention to a rather sharp measure which a friend of the Connecticut combination succeeded to get embodied in the last Senate bill. In the existing tariff unmanufactured ivory is quoted:

"Ivory and vegetable ivory unmanufactured, free;" but owing to his efforts the wording for it in the Senate bill free-list is changed to "ivory and vegetable ivory, not sawed, cut, or otherwise manufactured."

That seems a very innocent phrase, but if you look at it closely you will perceive that under it any kind of ivory simply sawn in two could not be imported free, as has always been the case. For instance, I import and sell to the ivory-turners of America parts of tusks, such as either the hollow end, the solid end, or blocks for turning into billiard-balls, etc. This simple cut of the steam-saw can certainly not be dearer in America than in Europe; still, if such a phrase as "not sawed or cut" were to prevail, such raw ivory would even have to pay a duty, which—as a pound of ball ivory costs about \$4—would be at the rate of 30 per cent. (\$1.20), just for a saw cut, taking about a second of time, and of course under those conditions, even, all the small ivory-burners would be at the mercy of the one large importer of elephant tusks. I do not believe that it was ever before attempted to make a raw article dutiable simply because it was cut across the grain, and this example, I trust, will illustrate to you the total prohibitory tendency of the ivory combination. I therefore earnestly petition that the clause for unmanufactured ivory should read as heretofore: "ivory and vegetable ivory unmanufactured, free."

STATEMENT OF GEORGE L. CHENEY.

Mr. GEORGE L. CHENEY, of New York, said:

Mr. Chairman and gentlemen, I have been called here unexpectedly, on hearing that a representative of a Hamburg house was to appear before the committee, and I have not been able to make the preparation and to procure the statistics I should have desired.

In the first place, I deny most emphatically the statement that there is a combination between the American importer of ivory and the American manufacturers of ivory. On the contrary, there is the very stiffest competition between the manufacturers. The importing firm controls only one of the manufacturing firms, and does not sell to the concerns mentioned only, but sells to whoever will buy.

The CHAIRMAN. And there is competition among these firms?

Mr. CHENEY. There is a very stiff competition.

The CHAIRMAN. But Mr. Gerdau says there is a combination.

Mr. CHENEY. There is no combination, and I have come before you to correct the misstatements which this German manufacturer has made. The reason why Mr. Kaldenberg, a manufacturer of ivory, appeared before the Senate committee last year and made the argument which resulted in having the change made in the free-list clause, was that Mr. Gerdau was importing manufactured ivory as unmanufactured. He gradually increased the amount of sawing that was done; and he finally got a decision on the 22d of October, 1887, from the Treasury Department (decision 8492) which let in ivory knife handles free as unmanufactured. That was the reason why we wanted the clause in the free list so amended that there should be no manufactured ivory brought in. Under this gradual extension of the circle, it was difficult to know what was manufactured and what was unmanufactured ivory.

Mr. McKENNA. The ivory knife-handle appears to be a very extreme case.

Mr. CHENEY. They began in a small way with pearl knife-handles and then went on to ivory knife-handles. The reduction of the duty to 10 per cent asked for by this Hamburg manufacturer would shut up every one of our factories and drive Americans out of the business.

The CHAIRMAN. Do you mean to say that they got in knife-handles free under this clause?

Mr. CHENEY. Yes.

The CHAIRMAN. And it was for the purpose of preventing such things that the change was made in the free list of the Senate bill?

Mr. CHENEY. Exactly.

Mr. McKENNA. But you have gone too far in the other direction. Is it fair to have the same rate of duty on these ivory blocks as on manufactures of ivory?

Mr. CHENEY. We will submit very cheerfully to any change of duty that this committee will think right. The duty on ivory cut across might be fixed at 15 per cent. That was the suggestion made to the Senate committee. There is no particular objection to the admission free of ivory cut into these blocks, except that they send over

the poor part of the tusks and keep the good parts in England. We want to get the good parts of the ivory here.

The percentage of labor cost on a set of piano-forte and organ keys is very much larger than has been stated; and we find that at the present duty of 30 per cent. with the undervaluations which (as the committee has been informed) are so prevalent in the custom-houses—particularly in the case of German agents and German manufacturing concerns—we can just keep our heads above water, competition is so close. The present rate of duty, 30 per cent., is not enough (with the undervaluations) to compensate us for the difference in the cost of labor. We pay our men on the average \$2 per day, while in Hamburg, they do not get more than one-fourth of the wages. We ask leave to submit some statistics.

The CHAIRMAN. You may furnish them to the stenographer.

Mr. GERDAU. I believe that Mr. Cheney can not deny that when I came over here there was a strong combination existing among the ivory firms by which the piano and organ manufacturers had to pay them a profit of 50 per cent. I was the means of breaking that up. I brought a stock that was calculated to last for a year, and it was all bought up in six weeks.

Mr. CHENEY. Yes; I do deny that there ever was a combination. We were never able to get up any combination here.

Mr. GERDAU. This was seventeen years ago, and perhaps you were not in the ivory business at that time. Raw ivory has increased in price all the time; but to-day piano-forte and organ manufacturers are getting their keys cheaper.

The CHAIRMAN. There is no combination now?

Mr. GERDAU. There is no combination now, because I am an importer of these keys.

Mr. McKENNA. And there has not been a combination for seventeen years.

Mr. GERDAU. There was a combination when I came to this country. Then these three concerns in Connecticut kept the prices of piano-forte and organ keys just so that importation of them was unprofitable. This gentleman (Mr. Cheney) proposes that the duty on these blocks of ivory (sawed across the grain) shall be 15 per cent.; but I will make it apparent to you that a duty of 15 per cent. (or in fact, of 1 per cent.) would shut out these pieces of ivory.

The CHAIRMAN. Seventeen years ago this ivory was on the free list?

Mr. GERDAU. It always has been on the free list, and is now; but they are trying, by the phrase "not sawed," to shut it out as raw ivory. There is one other point to which I wish to call attention—as to knife-handles. I believe in protection, but not in total prohibition. I think that Mr. Kaldenberg made his move even before the Secretary of the Treasury decided as to the knife-handles.

Mr. CHENEY. No; Mr. Kaldenberg appeared before the Senate committee on the 19th of July, 1888, and the decision of the Treasury Department on your appeal of the 9th of November, 1886, was given on October 2, 1887.

Mr. GERDAU. These knife handles were imported in mother-of-pearl, free of duty, and I joined Mr. Kaldenberg in the endeavor to show to the Secretary of the Treasury that the decision was wrong. I joined him in making an importation of ivory knife-handles. The Secretary then decided that, as the mother-of-pearl knife-handles were admitted free of duty, these should also be admitted free of duty. And it was due to my endeavor that that decision was reconsidered, and that the Secretary of the Treasury decided that knife-handles were not free of duty. My object in the importation of knife-handles was to show that the Secretary of the Treasury had made a mistake. He decided that the mother-of-pearl knife-handles were on the free list, because mother-of-pearl came from shells, and it could not be got without cutting into the shells. But it is not necessary to cut into the shells. If the back of the shell is ground out you have the mother-of-pearl. I wrote to the Secretary of the Treasury long ago, and also within the last fortnight, that, in my opinion, there ought to be a duty on ivory knife-handles. I never claimed that they should be free of duty.

STATEMENTS OF IMPORTERS AND MANUFACTURERS.

The following statements were subsequently received and ordered to be printed in the record:

NEW YORK, *January 22, 1890.*

SIR: I beg to hand you herewith a statement on behalf of American importers of raw ivory, signed by Arnold, Cheney & Co., and Ropes, Emmerton & Co., and a statement on behalf of American manufacturers of ivory goods, signed by Comstock, Cheney & Co., and Pratt, Read & Co.

Both statements relate to the tariff, and should be printed in the report of the hearings before your committee at the same place with the report of the statements as to

ivory made by Mr. Otto Gerdau and myself before you on January 10, 1890. These are the written statements which I received at that time permission to submit, and are signed by the business houses for whom I then spoke.

Respectfully, yours,

GEO. L. CHENEY,
Counsellor at Law.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

VIEWS OF ARNOLD, CHENEY & CO.

The Committee on Ways and Means of the House of Representatives :

We, Arnold Cheney & Co., of New York City, and Ropes, Emmerton & Co., of Salem, Mass., both importers of ivory unmanufactured, respectfully ask this committee to amend the free-list provision of the present tariff act touching ivory by changing the description "ivory unmanufactured" to "ivory not sawed, cut, or otherwise manufactured," as proposed by the Senate tariff bill of the Fiftieth Congress.

We ask this because the German manufacturers, notably Hein. Ad. Myer, of Hamburg, through his agent in New York, Mr. Otto Gerdau, import under the present law ivory free which is partially manufactured, and are advancing the degree of manufacture in the ivory so imported. We refer especially to the Treasury decision of October 22, 1887 (Synopsis 8492), admitting free of duty, on the appeal of Otto Gerdau, ivory cut into pieces for making knife handles and directing a refund to him, and to the decision of October 10, 1888 (Synopsis 9053), showing the attempt of the same foreign manufacturer to extend the free list to piano keys; and we are informed that these attempts are still being made, and that the Government is threatened with a series of appeals and suits unless piano keys be admitted free. These extensions of the free list cripple the American manufacturers of ivory and seriously narrow the home market for the raw material.

We also ask that the duty levied upon all manufactures of ivory, including ivory cut for piano and organ keys, be raised to 40 per cent. ad valorem as proposed in the Senate tariff bill; or that the duty upon manufactures of ivory not otherwise specially enumerated be raised to 40 per cent. ad valorem and that a special and specific duty of \$2.50 a pound be fixed for all ivory in any way sawed, cut, or manufactured for piano or organ keys.

We ask for this increase of duty because the difference between the cost of manufacture in Germany and in this country is so great, the rate of wages alone being in the ivory factories of this country four times as high as in those of Germany, and the undervaluations and evasions of the German manufacturer are so constant, that the present rate of duty (30 per cent.) has proved practically too low to make the cost of putting the German product into our market equal to the cost of putting there the domestic product, and the American industry is being pressed down by German competition and put in danger of extinction. Your petitioners are importing for the American manufacturers about \$500,000 worth of ivory in the tusk each year, chiefly from Africa, and have invested in this importing business capital largely in excess of that amount. Others are engaged in the same business with large capital invested. As American merchants we appeal to this committee for such legislation as may prevent the absorption by Germany of such import trade, and the loss of the capital which your petitioners and other American merchants have invested in it.

We ask for the express naming of ivory cut or sawed for piano or organ keys in the tariff, because, under the present wording of the statute, the German manufacturer through his agent, Mr. Gerdau, who appeared before you, is claiming either that such ivory is free as unmanufactured, or else that it is subject to the lower rate fixed for musical instruments. (Treasury Decisions of 1-77, Synopsis 3064; of 1-84, Synopsis 6395; of 1-88, Synopsis 9053. See also Decisions of 1-87, Synopsis 8492, as to ivory cut into pieces for knife handles; of 1888, Synopsis 8797, as to billiard balls; and of 1-89, Synopsis 9235, as to ivory rulers. Also *Robertson v. Gerdau*, Supreme Court, December 13, 1889.) The Government should be relieved from these repeated attacks, and the American importers and manufacturers should be protected from the embarrassment and doubt which this uncertainty in the law occasions in their business.

It was stated to your committee by the gentleman from Hamburg, Mr. Otto Gerdau, that a combination existed between the Connecticut manufacturers, to which one of your petitioners was a party. The gentleman is in error. From our position in the trade we are able to say positively that there is no combination between the American manufacturers of ivory, in Connecticut or elsewhere, and no possibility of any. There is constantly a sharp and often bitter competition between these manufacturers. Your petitioners have a partial interest in one of these manufactures, but have no interest whatever in any of the others. There are other importers of ivory tusks,

from whom these manufacturers get their raw material besides your petitioners, and tusks are also sent here by Indian merchants at Zanzibar, in competition with your petitioners. Your petitioners are selling tusks to some of the Connecticut manufacturers, but not to all, and are also selling to manufacturers not in Connecticut. In a word, the domestic ivory market is in a state of free and active competition.

It will, therefore, be seen that Mr. Gerdau's statements to your committee were entirely unfounded.

In conclusion, therefore, your petitioners respectfully ask this committee, in behalf of the American importers of ivory in the tusk, for the changes in the tariff hereinbefore set forth.

ARNOLD, CHENEY & CO.
ROPES, EMMERTON & CO

VIEWS OF G. A. CHENEY AND OTHERS.

The Committee on Ways and Means of the United States House of Representatives :

The Comstock, Cheney & Co., and Pratt, Read & Co., corporations, organized under the laws of the State of Connecticut, and engaged in the manufacture of ivory goods, chiefly piano keys in that State, the former in the town of Essex and the latter in the town of Saybrook, respectfully petition this committee to fix the rate of duty to be levied upon imported manufactures of ivory, especially including ivory sawed for piano or organ keys at 40 per cent. ad valorem, and to place upon the free list only such ivory as has not been sawed, cut, or otherwise manufactured; in accordance with the provisions of the tariff act prepared by the United States Senate of the Fiftieth Congress. If this committee shall prefer to adopt specific duties, where possible, in order to lessen the evils of undervaluation, your petitioners ask that a specific duty of \$2.50 a pound be fixed for all ivory cut or sawed for piano or organ keys.

Among many other good and valid reasons for these requests, which will present themselves to the committee, these petitioners submit especially the following:

(1) Since the raw material, the tusks of the elephant can not be produced in this country, it should be admitted free, to encourage domestic manufacture for the home market.

(2) Since the manufactured article may be the subject of domestic industry, its production in this country should be further encouraged, by protection against foreign competition, in order to secure diversity of employment for our home labor and capital, utilization at home of the domestic resources of water-power, fuel, etc., and the increase of the home markets for the products of our farms.

Ivory, being strictly a luxury, is, if manufactured in any degree, a peculiarly fit subject for taxation on importation; and manufacturers of ivory have accordingly long been subject to a tariff duty. The rate was reduced by the act of 1883 from 45 per cent. to 30 per cent., and was left at 30 per cent. by the proposed "Mills bill."

(3) Since the supply of the raw material is absolutely and finally limited, the policy of the Government should rather tend to prolong the supply than to hasten its exhaustion by a temporary lowering of its price to the consumer. If the tariff were reduced, and the foreign manufacturers of ivory, with their cheaper product of pauper labor, were thus enabled to flood our market, the increased demand would inevitably, since the supply of raw material can only be diminished, raise the price soon to greater and greater heights; and the American consumer, after a short season of lower prices and a transfer of the manufacturing industry from the United States to Germany, would find himself paying more than ever for his ivory, and brought closer to the final end of his supply.

(4) The new market for American products in Germany which might be opened by a transfer of the ivory factories from this country to that would be offset by the loss of the present eastern market which that transfer would entail. For if our factories be closed, the importation of raw ivory is stopped. The goods which would then be sent to Germany for manufacture would have to fill a gap left by those which are now sent to Africa for tusks. There would be a shifting of American commerce, but not an addition; and there would be the loss incident to a change.

(5) A reduction in the present tariff rate on manufactured ivory would destroy the industry carried on by each of your petitioners and by other ivory manufacturers, because the difference in the rate of wages which the American workmen require and the rate of wages for which workmen are employed in Europe, and the difference in the other elements of cost of manufacture between this country and Europe are so great, that the amount of duty collected, even at the present rate, is scarcely sufficient to make the cost of manufactured ivory landed here from Germany with the duty paid equal to the cost of the same article produced by us.

The only ivory manufacturing establishment of much consequence in Europe is that of Hein. Ad. Meyer, at Hamburg, whose agent in this country, Mr. Otto Gerdau, has

been before your committee and asked that the duty on manufactured ivory be reduced to 10 per cent. This German manufacturer is importing and selling ivory piano-keys in active competition with your petitioners and other American manufacturers, and is in some cases selling the imported article at a price lower than the cost of production in this country. The 30 per cent. ad valorem duty adopted by the act of 1853 has proved in practice too low to favor the growth of the home industry, and should therefore be raised, or should be changed, on piano and organ keys, to a specific duty.

Your petitioners have \$750,000 invested in the manufacture of ivory goods, and buy over \$400,000 worth of raw ivory each year. Their factories support directly about two thousand people, and provide life and activity to two flourishing villages and the adjacent farms. To reduce the duty on manufactured ivory would destroy this capital, throw hundreds of men out of employment, and bring destitution upon these happy communities, not to mention the ruin it would bring upon others engaged in the same business.

(6) No demand for any reduction in the rate of duty upon manufactured ivory has been made by any consumer, or even by any American. A foreign agent of a foreign manufacture makes the sole application to your committee. You are asked not to promote the welfare of the American people, but to enable a factory in Germany to shut the doors of factories in Connecticut. This extraordinary proposition was somewhat cloaked under a false pretense that a combination of domestic manufacturers existed which oppressed the American piano and organ makers; but none of the "oppressed" have applied for the relief which the Hamburg manufacturer proposes, with your assistance and our destruction, to afford them.

Neither of your petitioners is in any combination with any manufacturer or dealer in ivory goods. They compete constantly, freely, and sharply with each other and with other manufacturers of and dealers in ivory piano-keys and other ivory goods. There is no combination between the domestic manufacturers and no prospect of any. The domestic competition has long been very sharp, and has resulted in a great reduction in the cost of manufacture and in the price charged to piano-makers. While the price of ivory in the tusk has about doubled in the last twenty-six years, the piano-makers are now buying their ivory keys lower than twenty-six years ago. Their whole keys, wood and ivory, they buy from us 50 per cent. lower than at that time. This remarkable reduction proves the vigilance of the domestic manufacturers in improving their methods of production, and demonstrates that the piano-maker may wisely be left to secure his supply of keys at home.

(7) The duty on manufactures of ivory under the existing law (30 per cent.) so nearly equalizes their cost here and in Germany that it constantly leads to undervaluations, which, though large enough to make the imported ivory cheaper than ours, are yet small enough to make detection very difficult. A duty of 40 per cent. would protect the home industry substantially and would make undervaluations so flagrant, in order to undersell this market, that they could be detected.

If this committee should deem a specific duty on ivory sawed for piano or organ keys preferable to an ad valorem duty, a specific duty of \$2.50 a pound on such ivory would be about equivalent to an ad valorem duty of 30 to 35 per cent. Ivory in the tusk costs from \$3.50 to \$4 a pound; and 2 pounds of tusk, costing from \$7 to \$8, will yield but 1 pound of piano or organ keys. Mr. Gerdau stated to your committee that a "set" of ivory keys—that is, enough for one piano, and weighing less than three-fourths of a pound—costs about \$8 when manufactured, and that the entire labor on it is only 50 cents.

In support of what is said above as to undervaluations, and in reply to Mr. Gerdau's statement to your committee that false charges have been made against him in the custom-house, this estimate of his as to the cost of a set of ivory piano-keys may be compared with the valuation at which he imported such keys; for example, by the steam-ship *Rhatia*, March 20, 1888. He tells you that the cost of ivory piano-keys is \$8 a set, of which 50 cents stands for labor. He imported them and paid duty on them, at a valuation of \$5.33 a pound, or \$3.78 a set, which would be, according to his statement before you, half the cost of the material. If that is not undervaluation, your petitioners misunderstand the term.

A reason for specially naming in a new act ivory sawed or cut for piano or organ keys lies in the fact that a claim is steadily pressed by the Hamburg manufacturer that such ivory is dutiable, if at all, at a lower rate than other manufactures of ivory, on the ground that it is a part of a musical instrument. This contention has already been the ground of at least three appeals to the Secretary of the Treasury (synopses 3064, 6395 and 9053), and one suit (*Robertson v. Gerdau*, Supreme Court, December 13, 1889); and we are informed that Mr. Gerdau will continue to raise the point. Both the Government and the American manufacturer should have relief from such a situation.

(8) The free-list description in the existing law of the ivory which shall be admitted free of duty—"ivory unmanufactured"—leads also to trouble. The German

manufacturer claims with varying success that ivory billiard-balls, knife-handles, rulers, piano-keys, etc., are each and all "unmanufactured," and therefore duty free; and the Government is subjected to suits by him on such claims. There have been two Treasury decisions as to ivory knife-handles which show the unsatisfactory condition of the law.

By the first (synopsis 8492, October 22, 1887), Mr. Gerdan succeeded in his claim that ivory cut into pieces for making knife-handles was entitled to free entry, and secured a refund of the 30 per cent. duty which had been exacted. By the second (synopsis 9713, November 18, 1889), this decision was modified (at whose request does not appear) so as to make partially finished knife-handles, "articles which have in fact undergone cutting, shaping, smoothing, polishing, etc., so as to become manufacturers of ivory," dutiable at 30 per cent. The first decision is thus left in force as to "ivory cut into pieces for making knife-handles," such as the samples in that instance, but modified as to knife-handles which have been advanced considerably further in manufacture, such as the samples in the latter instance. This well illustrates the elasticity and uncertainty of the description of goods as unmanufactured; and as the Supreme Court said in May, 1887, in deciding that shells which had been cleaned, ground, and etched, were free, as not manufactured, "if the case was one of doubt, the doubt would be resolved in favor of the importer, as duties are never imposed upon the citizen upon vague or doubtful interpretations." (Hartraufr. Wiegmann, 121 U. S. 609.) These uncertainties are an intolerable burden to the American manufacturer, and an embarrassment to the Government.

Your petitioners submit that these United States shall secure to themselves the benefit of manufacturing this luxury in all its stages, and shall raise a revenue from its importation in any stage of manufacture; and that, by adopting the free-list provision proposed by the Senate—"ivory not sawed, cut, or otherwise manufactured" the door be closed against the foreign attempts to enlarge the scope of the free list through a series of Treasury appeals and customs suits.

Your petitioners therefore have asked that the present tariff act be amended as follows:

(1) The duty on manufactures of ivory not specially enumerated or provided for shall be raised from 30 to 40 per cent.

(2) Ivory cut for piano or organ keys shall be specially and by name included in that provision, or else shall be specially enumerated and made subject to a specific duty of at least \$2.50 a pound.

(3) The description of ivory in the free list shall be changed from "ivory unmanufactured" to "ivory not sawed, cut, or otherwise manufactured."

The COMSTOCK, CHENEY & Co.,

GEO. A. CHENEY, *President.*

PRATT, READ & Co.,

By JOHN G. EDMONDS, *Treasurer.*

FUR HATS.

STATEMENT OF JAMES L. CARR.

Mr. JAMES L. CARR, of Orange, N. J., appeared before the committee and said:

Mr. Chairman and gentlemen, I am one of a committee appointed at a meeting at which were present, or were represented, the entire fur-hat manufacturing industry of the United States. I have with me Mr. Taylor of New York, and Mr. Holley of Connecticut, also a committee from the Journeymen Hat-Makers' Union, Mr. Foley and Mr. Phillips.

We would like to ask a change in the tariff on our goods. I would like to show you what these goods are. We make a soft fur hat like this [exhibiting specimen]; and I also desire to show the material out of which these goods are made. These [presenting specimens to the committee] are hatters' furs, prepared for hatter's use. This [indicating] is garenne, or French rabbit fur; and this [exhibiting another specimen] is the fur of a Scotch rabbit. The first treatment in order to get our fur is to take the hair from it. This [exhibiting specimen] is a sample of fur after the hair has been removed. The next process is to cut it into this shape [exhibiting specimen]. This is done largely by machinery. This would make a hat like this [exhibiting specimen]. The next process is to shrink it into an article like this [exhibiting]. The next condition is to get it colored and blocked, and then have it finished and trimmed.

We would respectfully ask from your committee that the tariff in relation to these goods be changed. Here [presenting specimen] are satin hat trimmings. There is a clause in the present tariff bill which allows hatters' materials to be imported at a duty of 20 per cent., but by a ruling of the Treasury Department that duty was increased to 50 per cent. The duty on sweat leathers was also increased. Goods coming into this country are made in Belgium and England. They range in price from \$9 to \$30 a dozen. The duty on the hat costing \$9 a dozen is about 64 per cent. ad valorem and the duty on hats costing \$30 a dozen about 47 per cent. ad valorem. There will always be more or less of these English goods imported, because we have a class of people in this country who seem to prefer the English hat to any other hat they can get.

The CHAIRMAN. Under this schedule the higher the grade of goods the lower the percentage of duty.

Mr. CARR. Yes; but as I say, few goods come in of the \$9 a dozen class; and on that class the duty would be about 64 per cent.

Mr. LA FOLLETTE. How much would that increase the cost of the cheaper class of goods to the consumer?

Mr. CARR. Not a cent. We know that they make hats in Belgium as cheap as from \$4 to \$5 a dozen; but those hats never have been brought here, at least we have never seen them, and we have investigated the matter pretty thoroughly. The importation of foreign made hats has increased very largely within a very few years. On looking over our importation statistics you will not find that there has been an increase of fur hats, because the classification is so arranged that it can not be discovered; but we, as hat manufacturers (as our journeymen can tell you), know that the importation of hats is increasing very largely. The foreign manufacturers are sending their salesmen here and are having their goods sold here.

Mr. BAYNE. How many men are employed in the hat industry in this country?

Mr. CARR. I should say 25,000. Outside of New York, New Jersey, and Connecticut there are few hats manufactured. The manufacture is largely confined to those States and largely to the cities of New York and Brooklyn.

Now, as to the rates of wages here and abroad, I would like to submit to the committee the pay-roll of a foreign factory—I do not mean the copy but the actual pay-roll. This is the pay-roll of a Belgian firm, the firm of Vimeret fils. It is a pay-roll which I received from their factory, not, of course, to be used for this purpose but for another matter. I would like to quote some of the figures in comparison with the prices we pay. The figures I will quote are for work on machines which are used very largely in this country, but have not been used in Belgium until within a few years past. Those machines are made to go at a certain rate of speed. They produce the best work at a slow rate, but if the speed is increased the work is not so good. Here [presenting a paper] is a pay-roll for every day of the week in this factory of Vimeret fils.

Mr. BAYNE. Give the number of hours.

Mr. CARR. The first man on the pay-roll, and who is, with one exception, the highest paid man on the roll, is credited for sixty and one-half hours for the week, at 45 centimes per hour. There are 100 centimes to a franc and 20 centimes would be equal to five of our cents, so that this man would receive 9 cents an hour. The next man on the list receive 40 centimes an hour, or 8 cents; the next 42½ centimes, or 8½ cents; the next 45 centimes, or 9 cents; the next 40 centimes, or 8 cents; the next 20 centimes (he is evidently a boy), or 4 cents. Now, for identically the same work on the same machines in our factory, we pay 20 and 25 cents an hour. The average in Belgium is 8 and 9 cents an hour.

Mr. BAYNE. That would be about 96 cents a day.

Mr. CARR. Yes. These men work sixty and one-half hours a week.

Mr. BAYNE. How many hours do your men work?

Mr. CARR. Ten hours a day in this branch of the business.

Mr. BAYNE. Then your men average about \$2.50 a day?

Mr. CARR. Yes; I am speaking simply of this department, the fur formers. We pay our men 20 cents an hour or from \$2 to \$2.50 a day. Now here is the pay-roll of the girls in this Belgian factory: 20 centimes, or 4 cents an hour; 17½ centimes or 3½ cents an hour. There are ten of them at 3½ cents an hour. Now, for identically the same work, we pay our girls 10 cents an hour. It is not a magnificent pay but the duties are simply machine feeding, and it does not require any skill at all. Then here is the pay-roll of the boys. They run 17½ centimes, 15 centimes, 12½ centimes and 20 centimes an hour or from 3½ to 4 cents. Our boys receive 10 cents an hour. We have some boys around the factories, small boys, simply running errands, whom we pay by the week, \$4.50 a week; so that the average of 10 cents an hour is a very fair average. I think from these figures that the statement which I have made that we pay two and a half times as much for our labor as the foreign manufacturer pays is shown to be correct.

I would like to show the committee what the result of the duty asked for would be, based upon a hat costing in this country \$15 a dozen. In other words, I will show what a hat that costs us \$15 can be produced for in Belgium or England.

Of course we have not figured anything for the cost of bringing the hat from the other side; but I can give you the figures of the gentlemen who import these goods. The percentage of cost is about 3 per cent., including consul fees, cases, boxing, etc.

I would like to say in regard to this industry that there are other industries depending upon it. Not only does the Senate bill give the fur manufacturers of hatters' fur a duty of 20 per cent., but the Mills bill also put it at 20 per cent. I would like to read to the committee a communication from a committee of fur-hat manufacturers and from a committee of the Hatters' Labor Union.

Mr. Carr read the following communication:

To the Ways and Means Committee of the House of Representatives:

The undersigned, representing the entire fur hat manufacturing industry of the United States, and being a committee appointed for the purpose of presenting the interests of that industry to your committee, would respectfully submit that they desire, in addition to the present ad valorem duty of 30 per cent., a specific duty, so that the clause will read as follows:

"Hats, for men's, women's, and children's wear, composed of the fur of the rabbit, beaver, or other animals, or of which such fur is the chief component of value, wholly or partially manufactured, valued at not exceeding \$5 per dozen, \$1.50 per dozen; valued at more than \$5, and not exceeding \$10 per dozen, \$3 per dozen; valued at more than \$10 per dozen, \$5 per dozen; and in addition thereto, upon all the above named articles, 30 per cent. ad valorem."

In support of the proposed duty we would urge:

First. That practically all of the material used in the manufacture of fur hats is subject to duty, furs prepared for hatters' use being subject to 20 per cent. ad valorem, and the duty on other materials ranging upwards to above 60 per cent. on satin trimmings, which is the highest. Since the preparation of the Senate tariff bill a ruling in the Treasury Department has increased the duty on all silk and satin trimmings from 20 to 50 per cent. under the present law. The duty on sweat leathers, which we have heretofore paid, has also been increased under the present law 10 per cent. by ruling of the Treasury Department.

Second. That the duty of 30 per cent. ad valorem on fur hats, etc., has never been in any sense protective, the business having been retained in this country because American manufacturers have set the styles, and because foreign manufacturers have not heretofore adopted the improved methods used in American manufactures. But recent developments show that the foreign manufacturers have adopted substantially all the improvements of American manufacturers, and, with the increased facilities of communication, fast steamers, low freight, and the aid of American jobbers, are putting hats upon the market of the same styles as American manufacturers, so that

the American fur-hat manufacturers must hereafter compete with the foreign manufacturers in England and Belgium upon even terms, so far as style and method of manufacture are concerned, and must have, therefore, a duty which shall equalize the difference in cost of production, or the industry must be destroyed.

Third. Careful investigation satisfies us that an ad valorem duty of 50 per cent., which was proposed in the Senate tariff bill, will not be sufficient to enable the American manufacturer to compete on equal terms with the foreign manufacturer. Even if no undervaluation were probable, it would be insufficient. So far as silk or satin trimmings enter into the value of the hat, it would be less than the duty on such trimmings. It is believed that the specific duty proposed, combined with the ad valorem duty, while it would on some grades of hats be high, would on the average afford just about a fair protection to the hat industry of the United States.

Fourth. We wish to impress on this committee, as earnestly as it is possible for us to do so, the fact that the time has come in the history of this business when it must have adequate protection or be destroyed.

By way of illustration, we submit for the consideration of the committee the following facts and figures. There is 50 per cent. duty on all the silk or satin linings, bands, and bindings we use in trimming hats, while the hats of foreign manufacture come in with the same trimmings on at 30 per cent. duty.

Forty-five and a half per cent. of the entire cost of fur hats made in an American factory represents the excess an American manufacturer is obliged to pay for labor, duties on material, etc., above the foreign manufacturer; therefore, in order to make the foreign-made fur hats cost as much as the American-made fur hats a duty of 83½ per cent. ad valorem would be required.

Labor in this country is 50 to 60 per cent. of the entire cost of a hat. Fur is about 20 per cent. of the entire cost; trimmings about 20 per cent. of the entire cost, and boxes and incidentals—largely labor—are about 5 per cent. of the entire cost, say—

	Per cent.
Labor	55
Fur	20
Trimmings	20
Boxes and incidentals	5

Total 100

We pay two and one-half times as much for our labor as the foreign manufacturer; so 60 per cent. on the cost of American labor represents the labor disadvantage of the American manufacturer. We pay 20 per cent. duty on fur, which represents 16½ per cent. disadvantage in the cost of that article; and we pay 50 per cent. duty on trimmings, which is equal to 33½ per cent. disadvantage on cost of trimmings. For example:

	Per cent.
60 per cent. on 55 per cent. labor equals (on the whole)	33
16½ per cent. on 20 per cent. fur equals (on the whole)	3½
33 per cent. on 20 per cent. trimmings equals (on the whole)	6½
50 per cent on 5 per cent. boxes, etc., equals (on the whole)	2½

Total 45½

The following is an illustration of what the result of the duty asked for would be, based on a hat costing in this country \$15 per dozen:

55 per cent. of \$15 equals \$8.25; 60 per cent. of \$8.24 equals \$4.95½, labor disadvantage. 20 per cent of \$15 equals \$3; 16½ per cent. of \$3 equals 50 cents, fur disadvantage. 20 per cent. of \$15 equals \$3; 33½ per cent. of \$3 equals \$1, trimming disadvantage. 5 per cent. of \$15 equals 75 cents; 50 per cent. of 75 cents equals 37½ cents, boxes, etc., disadvantage. Total, \$6.83, which is 45½ per cent. of \$15.

From \$15, which is the entire American cost per dozen, deduct \$6.83, the entire

American disadvantage, and we get, as the cost abroad per dozen	\$8.17
The specific duty which we suggest is	3.00
The ad valorem duty is equivalent to	2.45

Total cost of foreign hat entering here 13.62
which when deducted from \$15 leaves the American manufacturers at a disadvantage of \$1.36 per dozen hats, costing in this country \$15 per dozen.

JEROME TAYLOR,
JAMES L. CARR,
SAMUEL C. HOLLEY,
Committee of Fur Hat Manufacturers.
JOHN PHILLIPS,
W. H. FOLEY,
Committee of Hatters' Labor Union.

Mr. CARR (continuing). I also speak in the interest of the manufacturers of hatters' leathers. That industry is dependent upon us because, if the hat manufacturing industry is killed, the interest of the hatters' leather industry goes with it. This industry is not in a few large manufactories. A man can start into the manufacturing of hats and make a success of it with \$1,000 capital. Without exception, the men who are engaged in it to-day are men who were journeymen at the bench and who have worked their way up to become manufacturers. There are about two hundred manufactories in the country, employing an average of from one hundred to one hundred and fifty men.

STATEMENT OF WILLIAM FOLEY.

Mr. WILLIAM FOLEY, of Danbury, Conn., addressed the committee on the same subject. He said:

Mr. Chairman and gentlemen, I represent the Hat Makers' Association. That association has got control of the hat fur until the time it is sized. As Mr. Carr has endeavored to show you, the duty should be increased on hatters' fur, and I shall show you, in the interest of the Hat Makers' Association, why we ask you to increase the duty on manufactured hats. About four years ago the manufacturers and journeymen came to an understanding in regard to the settlement of difficulties and the making of prices, and to regulate the prices that should be paid in the hating industry. Their object in coming together was in order to avoid dissensions and strikes. That settlement has been a good thing both for the journeymen and the manufacturers. By this system the journeymen have got a good deal of information as to the inside workings of the hat industry which we would not have got had it not been for that system. We have found, in conference with manufacturers in the settling of our difficulties, that in the times when they had occasion to reduce our wages the cause was competition.

The argument presented by the manufacturers (and they would show evidence to prove it) when they did ask for a reduction in the price of labor, would be that the competition was of such a nature that they were forced to reduce wages in order to meet it. Now, we find a sharp competition among the manufacturers in our own country, and we feel to-day (holding the social position that we do) that we can not work for any less wages than we now receive. We see that for the last two or three years, especially for the last six months, foreign hats are being largely imported into the United States of the class which reaches the masses; that is, the cheap class of hats. At one time the principal importation of hats into this country consisted of the better class of hats. That we did not mind so much. But of late they have been introducing hats which reached the lower classes, and sell at an average of from \$12 to \$15 a dozen. So that we have got to meet a competition from abroad stronger than any we have got to meet at home. Mr. Carr has shown that the hat which costs \$15 a dozen in this country can be produced in England for \$8.37, and in Belgium for a still less price. By the use of improved machinery the foreign-hat manufacturers produce a hat equal to ours in style. We have got to meet that competition, and we know that we must necessarily come down in our wages. Now, you know that in a country like ours we want more wages than people who live in other countries, and that we can not come down to their level. The only remedy that we saw was through Congress. If the existing duty is not sufficient to protect our industry, we thought we would ask Congress to impose a higher duty, such a duty as would be a protection to us. We think that what we ask is in no way unreasonable, from the fact that the higher rate of duty only puts their goods on a level with the cost of ours, and we do not think that that is an unreasonable request.

Mr. GEAR. You are a laboring man?

Mr. FOLEY. Yes.

Mr. GEAR. You come here as a laboring man?

Mr. FOLEY. Yes.

Mr. GEAR. You come in the interest of your own wages?

Mr. FOLEY. Yes.

STATEMENT OF JOHN PHILLIPS, OF BROOKLYN.

Mr. JOHN PHILLIPS, of Brooklyn, addressed the committee in the same interest. He said:

Mr. Chairman and gentlemen, I wish to state that last evening at 8 o'clock I received a telegram requesting me to be here this morning at 10.30. Consequently, my crude and disjointed remarks must be excused. I have been brought up to hard work all my life and can not possibly be a good speaker. I came here (fortunately for my case and for you) without documents. I do not propose to bore you with documents. I wish to say a word or two on the subject of labor agitators. I am not

a labor agitator in the professional sense of the term. I am an officer of the Hat Finishers' National Association, having been its secretary for the last ten or twelve years. I have worked at this business since 1852, since I was fourteen or fifteen years old. I am at present about fifty-two years old. In a short time my interest in the trade will end, of course, in the natural course of events; but people are growing up around me, relatives of mine, who follow my trade; and, in their interest as well as the interest of my fellow journeymen, I speak.

In 1876 our trade was attacked by competition from convict labor. There were 700 or 800 convicts employed in the hating business in the State prisons of New York. We went to Albany and tried for five years to get relieved of that load. Four successive legislatures and governors refused to give us any relief; but in the fifth legislature we were successful, and at the end of five years we felt contented. We had spent a good deal of money in sending committees to Albany, and this money was contributed by journeymen out of their weekly wages. We thought then that we were relieved of all our loads and burdens; but now comes this competition in the hat business from abroad, and within the last two or three years we see our business gradually slipping away from us. I venture to state that in the city of Brooklyn, where I come from, the men engaged in my business do not have employment for more than half the year. They have about six months steady employment—about three months in the spring and three months in the fall. There are two seasons when we have plenty of work, but the rest of the time we are only partly employed and part of the time we are entirely unemployed, so that the money that is saved in the busy time is all spent in the idle time. In Connecticut and the rural districts, where house rents are not so heavy, hatters can save money. I have resided in Brooklyn since 1862, and in that time I could count on the fingers of one hand all the hatters of my acquaintance who own their homes or ever expect to. I am not an employer of labor, never employed any one, and I hope I never shall; but I appear here to ask you for relief from this terrible competition with the foreign hatters of Belgium and England.

The CHAIRMAN. Do you know the price of labor in your business in the competing countries?

Mr. PHILLIPS. Not personally. I went to the superintendent of one of the largest factories in the United States the other day—a factory in Brooklyn—and I received from him a series of figures without any preconceived action, and which figures Mr. Carr did not see until this morning; and these figures prove to be almost identical with those presented by Mr. Carr. They show every branch of the business. They take the hat body—the material of which it is composed—and they show the advantages which the English manufacturer has in every branch of the business over the American manufacturer. The English manufacturer has the advantage over the American manufacturer of 40 per cent. plus American machinery.

I have no objection to people wearing English hats; and I say that they always will wear English hats regardless of prices. The English hats have not got half the respectability or the tasteful appearance of the American hats; but people will wear them simply because they are English hats, and I am perfectly satisfied that they should have them; but I think they should be made to pay heavily for them. So long as they want to spend their money for them they should be allowed to do it; but we who have not seven months steady work in the year should not be embarrassed by the importation of these hats. The people in my branch of the business do not average \$12 a week the year round. The great curse of our trade is that it has a dull and a busy season.

In the busy season a man must work like a machine, and what little money he makes goes in the dull season for the support of his family. That is the way the majority of our people live, and we ask you to give us some relief, to put a stop to this wholesale importation of foreign hats. We can not export any hats on account of the high duty on raw materials. In my early days we used to send American hats by the hundred thousand to Mexico, Central America, and South America. Now we hardly send a hat there. Their hats all go to them from England because the English manufacturer has all his materials free and his labor cheap. Nobody will be injured by putting an ad valorem rate and a specific rate of duty on hats, nobody but the Anglo-maniac. No workman in this country would be injured. I do not stand here to advocate anything that would set down any workman any lower than he is to-day. I could not do it consistently, because I am a workman myself; nor would I put any man out of work, and that is why I would not advocate the importation of raw material free. I would not advocate the admission of hatter's fur free of duty, because that would put two or three hundred men out of work in a fur-hating factory near where I reside. No one can show me how an increase of duty can injure anybody but the people on the other side. Let them keep their cheap labor to themselves and let them keep their cheap hats to themselves.

Mr. FLOWER. Will they do that? Will not the cheap labor come over here?

Mr. PHILLIPS. We are willing to submit to that. We are willing to throw the doors

open to them. There is not a week in the year that hatters do not come to me from all parts of the world to enter our association—Hungarians and Bohemians and all sorts of people—some of the lowest and most disreputable working people. (I say it without any disrespect to them. It is the way that they were born and brought up.) They come here and work very cheap when they get an opportunity to work; they work for almost nothing; but we do not bar them out of our association. We take them in and it does not cost them a cent. They bring a document stating that they are hatters and we give them a certificate of association without charging them a cent. We are willing to take them all in and to make good men and good citizens out of them.

Now, I do not want to indulge in any politics in this business, but I wish to say to you that a good many of our people last fall complained to me about the pay envelop that they used to get with beautiful mottoes on it, asking them whether they were willing to work for the pauper wages of Europe, and so on. Some of them complained. The rank and file of the people do not give the matter sufficient study, and they do not see why it is that the importation of hats is increasing day by day. A gentleman met me yesterday, and we fell into conversation about the business, and he told me that a million of hats were ordered recently from a factory in Belgium where women do most of the work that is done by men in this country and for starvation wages—the lowest wages, I suppose, that is consistent with existence.

Mr. GEAR. Even lower than the convict wages in this country?

Mr. PHILLIPS. Yes, sir; we are relieved from convict labor. We generally fight for our bread and butter; we are not politicians. Although I was at Albany for three years myself trying to get relief, I may say that I do not know anything about the politics of the legislature or of the governor that gave us relief. Last year there was an effort made to put convicts at work again, but it was squelched by the authorities; but we are in danger every day of some other person starting in about this convict labor, and the trouble is that the contract is always made before we know it. There is no publicity given to it. The thing is done quietly, and we are in danger of it every day, and have to be on the alert, because we know not the day or the hour when somebody will start in the convict-labor business again, employing convicts for 30 or 40 cents a day in making hats. I was asked by a committee at Albany in what way convict labor injured us. Of course I am not a political economist, but I simply looked at the matter in this light: that if so many hundreds of dozens of hats are manufactured in Dannemora prison and Clinton prison, there will be just so many the less hats for us to make. So also with imported hats. It is a fact that the manufacture of fur hats can not be successfully carried on outside of a radius of a hundred miles from New York. We represent the fur-hat industry. There are others who represent the wool-hat industry, others the silk-hat industry, and others the straw-hat industry; but none of those hats are imported to any extent compared with the fur hat. These are coming in at an increased ratio, and we ask you for protection against the foreign importation. We want 30 per cent. ad valorem and a specific rate of duty according to the value of the hat. If you will give that to us you will injure nobody but the people on the other side and the Anglo-maniac; that is all.

RESOLUTION OF MANUFACTURERS OF HATTERS' FURS.

The following paper was received and ordered to be printed in the record:

At a meeting of the manufacturers of hatters' furs, held this day at the office of Messrs. Hitchcock, Dermody & Co., No. 109 Green street, New York, the following preamble and resolution were unanimously adopted:

Whereas the market of the American manufacturer of hatters' furs is entirely dependent upon the American hat manufacturers for the consumption of their product, and inasmuch as the importation of foreign-made hats not only interferes with the American hat manufacturer, but as well with our industry, and as the importation of English and Belgian made hats has rapidly increased during the past two years, and we believe it will increase much more rapidly in the future, which will not only result in the destruction of the trade of manufacturing hats in this country, but also in the destruction of our industry of manufacturing hatters' furs:

Resolved, That a committee of three from this trade be appointed by us to co-operate with the committee of hat manufacturers in their endeavor to obtain from the Congress of the United States an increase of the duty on fur hats.

In pursuance of above resolution the following committee were appointed:

Jesse A. Tilge, of Messrs. Henry Tilge & Co., J. A. Dermody, of Messrs. Hitchcock, Dermody & Co., and Joseph J. Asch.

A. B. DARBY,
Secretary.

VIEWS OF R. DUNLAP & CO.

NEW YORK, January 10, 1890.

The Ways and Means Committee of the House of Representatives :

The undersigned, representing the entire fur-hat manufacturing industry of the United States, and being a committee appointed for the purpose of presenting the interests of that industry to your committee, would respectfully submit that they desire, in addition to the present ad valorem duty of 30 per cent., a specific duty so that the clause will read as follows:

"Hats for men's, women's, and children's wear, composed of the fur of the rabbit, beaver, or other animals, or of which such fur is the chief component of value, wholly or partially manufactured, valued at not exceeding \$5 per dozen, \$1.50 per dozen; valued at more than \$5 and not exceeding \$10 per dozen, \$3 per dozen; valued at more than \$10 per dozen, \$5 per dozen; and, in addition thereto, upon all the above-named articles, 30 per cent. ad valorem."

In support of the proposed duty we would urge:

First. That practically all of the material used in the manufacture of fur hats is subject to duty, furs prepared for hatters' use being subject to 20 per cent. ad valorem, and the duty on other materials ranging upwards to above 60 per cent. on satin trimmings, which is the highest. Since the preparation of the Senate tariff bill, a ruling in the Treasury Department has increased the duty on all silk and satin trimmings from 20 to 50 per cent. under the present law. The duty on sweat leathers, which we have heretofore paid, has also been increased under the present law 10 per cent. by ruling of the Treasury Department.

Second. That the duty of 30 per cent. ad valorem on fur hats, etc., has never been in any sense protective, the business having been retained in this country because American manufacturers have set the styles, and because foreign manufacturers have not heretofore adopted the improved methods used in American manufacturers. But recent developments show that the foreign manufacturers have adopted substantially all the improvements of American manufacturers, and, with the increased facilities of communication, fast steamers, low freight, and the aid of American jobbers, are putting hats upon the markets of the same styles as American manufacturers, so that the American fur-hat manufacturers must hereafter compete with foreign manufacturers in England and Belgium upon even terms, so far as style and method of manufacture are concerned, and must have, therefore, a duty which shall equalize the difference in cost of production, or the industry must be destroyed.

Third. Careful investigation satisfies us that an ad valorem duty of 50 per cent., which was proposed in the Senate tariff bill, will not be sufficient to enable the American manufacturer to compete on equal terms with the foreign manufacturer. Even if no undervaluation were probable, it would be insufficient. So far as silk or satin trimmings enter into the value of the hat, it would be less than the duty on such trimmings. It is believed that the specific duty proposed, combined with the ad valorem duty, while it would on some grades of hats be high, would on the average afford just about a fair protection to the hat industry of the United States.

Fourth. We wish to impress on this committee, as earnestly as it is possible for us to do so, the fact that the time has come in the history of this business when it must have adequate protection or be destroyed.

By way of illustration we submit for the consideration of the committee the following facts and figures: There is 50 per cent. duty on all the silk or satin linings, bands, and bindings we use in trimming hats, while the hats of foreign manufacture come in with the same trimmings on at 30 per cent. duty.

Forty-five and a half per cent. of the entire cost of fur hats made in an American factory represents the excess an American manufacturer is obliged to pay for labor, duties or material, etc., above the foreign manufacturer; therefore, in order to make the foreign-made fur hats cost as much as the American-made fur hats, a duty of 83½ per cent. ad valorem would be required.

Labor in this country is 50 to 60 per cent. of the entire cost of a hat. Fur is about 20 per cent. of the entire cost, trimmings about 20 per cent. of the entire cost, and boxes and incidentals—largely labor—are about 5 per cent. of the entire cost, say—

	Per cent.
Labor	55
Fur	20
Trimmings	20
Boxes and incidentals	5
Total	100

We pay two and one-half times as much for our labor as the foreign manufacturer; so 60 per cent. on the cost of American labor represents the labor disadvantage of the American manufacturer. We pay 20 per cent. duty on fur, which represents 16 $\frac{2}{3}$ per cent. disadvantage in the cost of that article; and we pay 50 per cent. duty on trimmings, which is equal to 33 $\frac{1}{3}$ per cent. disadvantage on cost of trimmings.

For example:

	Per cent.
60 per cent. on 55 per cent. labor equals on the whole	33
16 $\frac{2}{3}$ per cent. on 20 per cent. fur equals on the whole	3 $\frac{1}{3}$
33 per cent. on 20 per cent. trimmings equals on the whole	6 $\frac{2}{3}$
50 per cent. on 5 per cent. boxes, etc., equals on the whole	2 $\frac{1}{2}$

Total 45 $\frac{1}{2}$

The following is an illustration of what the result of the duty asked for would be, based on a hat costing in this country \$15 per dozen:

55 per cent. of \$15 equals \$8.25; 60 per cent of \$8.25 equals.....	\$4.955
Labor disadvantage.	
20 per cent. of \$15 equals \$3; 16 $\frac{2}{3}$ per cent. of \$3 equals .....	.50
Fur disadvantage.	
20 per cent. of \$15 equals \$3; 33 $\frac{1}{3}$ per cent. of \$3 equals	1.00
Trimming disadvantage.	
5 per cent. of \$15 equals 75 cents; 50 per cent of 75 cents equals.....	.375
Boxes, etc., disadvantage.	

Total 6.83

which is 45 $\frac{1}{2}$ per cent. of \$15.

From \$15, which is the entire American cost per dozen, deduct \$6.83, the entire American disadvantage, and we get—

As the cost abroad per dozen	\$8.17
The specific duty which we suggest is	3.00
The ad valorem duty is equivalent to	2.45

Total cost of foreign hat entering here..... 13.62

which, when deducted from \$15, leaves the American manufacturers at a disadvantage of \$1.36 per dozen hats, costing in this country \$15 per dozen.

R. DUNLAP & Co.

BUTTONS.

STATEMENT OF HORATIO G. KNIGHT.

Mr. HORATIO G. KNIGHT, of East Hampton, Mass., addressed the committee. He said:

Mr. Chairman and gentlemen, I appear before you with Mr. Newell, of Springfield, Mass., who has a place of business in New York, and with Mr. Liebmann of New York, to represent the button manufacturers of the United States. The industry is not a large one. It is comparatively insignificant; but it is of very great importance to those who are engaged in it and who are dependent upon it for a living. There is not connected with this industry any combination or syndicate or trust, but there is among the manufacturers a free competition. According to the census of 1880 there were 124 establishments in this country engaged in the manufacture of buttons, with a capital of a little over \$2,000,000, and employing 6,825 persons, on whom a much larger number were either wholly or partially dependent for support.

In the years following the census year there was a considerable increase in the industry, so that in 1884 it was estimated that there was a capital of \$2,500,000 invested in it, and that there were about one hundred and fifty establishments engaged in it, employing about eight or nine thousand persons. These factories are situated in Vermont, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, Maryland, Ohio, and Illinois. As I said, in the few years subsequent to 1880 (when we had the reliable statistics which I have quoted), there was a considerable increase in the business and the industry was fairly prosperous—the increase being perhaps 40 or 50 per cent. in the number of persons employed and in the value of the products. For the last three or four years, certain branches of the industry have been on the decline. I should say, however, that the industry is divided into three distinct classes. One class of buttons is what is generally known by the commercial designation of covered buttons—buttons covered with some textile fabric (silk, wool, worsted or cotton). The next class is known as hard buttons, and comes under the commercial designation of vegetable ivory. These are composed of vegetable ivory, horn, and composition.

Mr. FLOWER. What is this button [indicating] made from?

Mr. KNIGHT. That button is made from vegetable ivory.

Mr. FLOWER. Do you make a button out of congealed blood?

Mr. KNIGHT. Such buttons are made.

Mr. FLOWER. Are they not made to a large extent in Chicago?

Mr. KNIGHT. Yes; I saw a sample of buttons made from that material, and I was told that there was a very large quantity of them made. They come under the head of hard buttons.

The present duty on vegetable-ivory buttons and on various other buttons known as hard buttons is only 25 per cent. Then there is a third class of buttons composed of glass and metal combined, or wholly of metal—metal of various sorts. These varieties of button (to say nothing of the pearl-button industry), are made in a vast variety of sizes, shapes, colors, and qualities, running into many thousands.

I have spoken of the recent decline in some branches of this industry, especially in hard buttons, and in a certain class of metal and glass buttons. This decline is the result of foreign competition, largely. We have to compete with cheap labor, and in some cases with the convict labor of Europe. We have also to contend with undervaluations, and with great abuses which come up under the present law, and which allowed the importer to deduct from his invoice price the cost of cards, boxes, and packages. That opens the door to a great deal of fraud. The result is that in the last four or five years (probably within four years) at least twenty-five or thirty of the concerns that were engaged in this industry have been obliged to abandon it; and those who continue in the manufacture of vegetable-ivory buttons and of the various composition buttons only continue business in the hope of better times; but at the present time the business is unremunerative.

We are not here to ask for anything but reasonable protection for this industry. In any of these classes of goods labor constitutes a large percentage of their cost. Therefore it is that this cheap foreign labor, to say nothing of convict labor, is very injurious to our industry. I may mention also the Canadian duty on these goods. Canada was the only country to which, up to within the last few years, we have

been able to export buttons. Now we are shut out from that country because the Canadian Government has imposed a specific duty on buttons in addition to an ad valorem duty; and we are not able to sell our goods there at all. That market is entirely closed to us. It was, for certain classes of buttons that we manufacture, a very good market; and now we are entirely shut out from it.

Mr. BRECKINRIDGE. Does not that duty imposed by the Canadian Government apply to your foreign competitors as well as to yourselves?

Mr. KNIGHT. I suppose it does.

Mr. BRECKINRIDGE. How comes it then that that market is closed to your goods?

Mr. KNIGHT. Because they are making them in Canada now. Four or five button manufacturers have started up in Canada within the last two or three years.

Mr. BAYNE. When they put on a duty on the foreign article establishments sprung up there?

Mr. KNIGHT. Yes. The Canadian government imposes a specific duty of 10 cents per gross, and an ad valorem duty of 25 per cent.; and that shuts us out.

The association which we represent, Mr. Chairman and gentlemen, has instructed us to ask for a small specific and a small ad valorem duty on this class of goods—upon hard buttons, composition buttons of various sorts, and on metal buttons. There are other classes of buttons manufactured here in considerable quantities, where the rates of duty fixed in the Senate bill and in the Mills bill (so-called) are, on the whole, satisfactory to us although not all we desire. We are able to live under those rates. We are instructed to ask that there be imposed upon ivory, horn, and composition buttons, a duty of 1 cent a line, and 25 per cent. ad valorem.

Mr. BRECKINRIDGE. How much would a duty of 1 cent a line be on a gross of buttons?

Mr. KNIGHT. On an 18-line button it would be 18 cents a gross and on a 12-line button 12 cents a gross.

Mr. BRECKINRIDGE. What do you mean by a line?

Mr. KNIGHT. The line is one-fortieth of an inch.

Mr. BRECKINRIDGE. Would it not be better to say so much per gross?

Mr. KNIGHT. The objection to that would be that those buttons differ so much in value. They are worth from 20 cents a gross up to \$5 a gross, so that a duty based upon a line size would seem to be more just.

Mr. CARLISLE. Then a button an inch across is a 40-line button?

Mr. KNIGHT. Yes; we are suggesting a duty of 1 cent a line on buttons.

Mr. CARLISLE. Do you mean a duty of 40 cents on each button?

Mr. KNIGHT. No; per gross of one hundred and forty-four buttons, 40 cents per line per gross.

Mr. BRECKINRIDGE. The line applies to the size of the button?

Mr. KNIGHT. Yes; the line applies to the diameter of the button; and this rate of duty which we now ask for would increase the duty on the lower grades and would diminish it on the higher grades; for the prices of these buttons vary from 20 cents a gross to \$5 or \$6. On the higher grades there would be considerable reduction.

Mr. FLOWER. What is the lowest line button?

Mr. KNIGHT. Ten or twelve lines.

Mr. McMILLIN. When you say it would be an increase of duty on the lower grades and a reduction on the higher grades, you mean as to cost?

Mr. KNIGHT. Yes.

Mr. McMILLIN. Then the more valuable buttons would be diminished in duty and the cheaper buttons increased?

Mr. KNIGHT. That is true.

Mr. BAYNE. Have you made out a table of how these proposed duties would apply to the different sized buttons as compared with the duties under existing law?

Mr. KNIGHT. We have not, but we will do so, and with the leave of the committee add a paper setting forth the facts which I have stated and additional facts which may occur to us.

Mr. BRECKINRIDGE. Be sure and show the effect of these proposed duties as compared with the duties under existing law, and carry it out in each class of button.

Mr. Knight subsequently handed in the following paper:

The Committee on Ways and Means of the Fifty-first Congress:

GENTLEMEN: The undersigned, a committee of the "United States Button Manufacturers' Association," beg leave to communicate to you, in writing, the facts and suggestions presented at a recent hearing you kindly granted them.

According to the census of 1880 there were 124 establishments engaged in the manufacture of buttons, with a capital of \$2,013,350, employing 6,825 persons, upon whom a much larger additional number were wholly or chiefly dependent for support. The amount paid annually in wages was \$1,645,130; the value of materials (to them raw material) was \$1,792,891; the value of products was \$4,449,542. In the few following years there was a considerable increase of this industry, and manufactories were

established in—at least—ten of the United States. In 1884 it was estimated that \$2,100,000 was paid in wages, the value of materials used \$2,300,000, and the value of products \$5,600,000. During the last few years some branches of this business have been greatly depressed, are still languishing, and are apparently dying out.

About twenty-five concerns engaged in the manufacture of vegetable ivory and other “hard buttons,” so-called, have discontinued the business, in some cases with great loss, while it is unremunerative to those that continue in it. The same is true in respect to some classes of metal buttons. At the same time importations of these goods have increased, and now exceed domestic production both in quantity and value.

The button industry may be divided into three classes, each being indicated by the material chiefly used therein, viz:

First: Manufactures that come under the commercial or technical designation of covered buttons, in which a great variety of textile fabrics are used.

Second: Metal buttons, in which many kinds of metal are used in connection with glass or otherwise.

Third: Hard buttons, made of vegetable ivory, India-rubber, horn, bone, ivory, glass, and various compositions.

To these classes may be added pearl buttons, an important industry, which has some peculiar features.

Each class of buttons is made in a great variety of sizes, shapes, patterns, colors, and qualities, varying in size from one-eighth of an inch (five lines) to 1½ inches (60 lines) in diameter, and varying in cost from a few cents to several dollars per single gross of one hundred and forty-four buttons. So great is the variety of materials, and the cost thereof, used in the manufacture of these goods, that it is impossible for any appraiser or merchant who is not an accomplished expert in such matters to judge correctly of their cost or value; and this we assign as a valid reason why the duty imposed upon buttons imported should be at least partly specific instead of wholly ad valorem.

In this connection it should also be stated that in most kinds of buttons labor constitutes a large part, and in some kinds by far the largest part, of the cost of manufacture. The cheapness of labor in Europe is an element of great disadvantage to American manufacturers of buttons, and we are credibly informed that convict labor is to some extent employed in this industry, the products of which labor are forced upon our markets.

There is abundant evidence of undervaluation of imported buttons and overestimate of the cost of coverings, charges, etc., excluded from consideration in the assessment of dutiable values, which without changing nominal rates has had the effect to reduce the amount of duties collected. There have also been changes of custom-house classification adverse to American manufacturers.

For the protection of the “covered button” industry we accept as satisfactory the provisions of Senate bill, Calendar No. 2405, as we understand the same.

For the relief and protection of the second and third classes of buttons herein referred to, namely, “metal buttons” and “hard buttons,” we ask that in a revision of the tariff a small specific duty and in addition thereto a small ad valorem duty may be prescribed by a section properly formulated and incorporated in the bill now under consideration.

Reasonable protection, which in this case means, first and chiefly, protection to labor, will restore this depressed industry to a healthy condition, and give employment and support to many thousand persons; and home competition will insure low prices to purchasers and consumers of our products.

In accordance with your suggestion and our promise, we will herewith submit tables showing the wages paid in this industry at home and abroad; also copy of a section or paragraph, which if its form is deemed proper, we pray you to incorporate in the bill.

Thanking your honorable committee for their patient hearing, and holding ourselves ready to answer any questions that may arise relating to this comparatively small, but to us and those whom we represent a very important industry,

We are, very respectfully, your obedient servants

HORATIO G. KNIGHT.
NELSON C. NEWELL.
RUDOLPH LIEBMANN.

JANUARY, 1890.

“Buttons composed of brass, copper, nickel, zinc, tin, pewter, lead, iron, steel, gold, silver, or any other metal, and of which one or more of such metals shall constitute a component part of chief value; buttons composed of vegetable ivory, horn, bone, glass, India-rubber, or various compositions, having the commercial designation of hard buttons, and of which one or more of such materials shall constitute a component part of chief value, 1 cent per line, button measure of one-fourth of one inch, per gross and in addition thereto 25 per centum ad valorem.”

STATEMENT OF NELSON C. NEWELL.

Mr. NELSON C. NEWELL, of Springfield, Mass., addressed the committee. He said:

Mr. Chairman and gentlemen, Mr. Knight has stated our case very fully, and I have really little to say. We would not be here unless our business was in a deplorable condition, as the button business of the country to-day is. We are refusing orders all the time because we are not able to compete with the foreign producers. I was offered an order a short time ago for 50,000 gross of buttons and had to refuse it. I had another order for 40,000 gross, which I also had to refuse. I am speaking now of vegetable ivory buttons. We manufacture a small quantity of pearl buttons, but we have only got a few men at that branch of the business. It is largely hand work. No machinery can be applied to do the cutting. Each button is turned by the eye, and the cost of that labor is so high to us that we are not able to compete with the foreigner. It is so on vegetable ivory buttons. I have a package of buttons here which I now show to the committee so that the committee may understand what I have to say about cards and boxes and packing-cases. On the imported buttons the cost of the packages is now deducted in the computation of duties. I do not think that that was ever intended by the law, because it includes the box all carded, the cards and the cost of carding.

These buttons [indicating] are vegetable ivory button made from the ivory nut which we get from South America. Buttons like this are not merchantable unless they are all put up in this shape. They are sorted and shaded according to colors, and sewed into cards and put into a handsome box. The importers are allowed 8 cents a gross for this packing, when it only costs them about 3 cents on the other side; so that we have that difference of 5 cents a gross to contend against. We think that that error should certainly be righted. So far as the duty on buttons is concerned, we all agree of course on the rates proposed; that is, Mr. Knight, Mr. Liebmann and myself, as well as the association that Mr. Liebmann represents. As Mr. Knight has told you, the industry has gone down very much. Out of thirty or thirty-five different concerns of vegetable ivory button manufactures there are only about five left now, and they are struggling along. There should be ten thousand hands making ivory buttons in this country, but there are not five hundred now. So also with pearl buttons. We might as well have fifty thousand people employed in buttons.

Mr. GEAR. Where do the pearl buttons that are imported into this country come from?

Mr. NEWELL. From Austria, largely.

Mr. GEAR. What is the existing rate of duty upon them?

Mr. NEWELL. Twenty-five per cent.

Mr. GEAR. What is a button line?

Mr. NEWELL. Here is a line guage [exhibiting one]. This coat button [indicating] is a 30-line button.

Mr. CARLISLE. Then on these buttons, according to the rate of duty proposed by Mr. Knight (a cent a line per gross), there would be 30 cents specific duty per gross and the ad valorem duty which you propose?

Mr. NEWELL. Yes, sir.

Mr. CARLISLE. How much is that button worth in the market to-day by the gross?

Mr. NEWELL. That button is worth about 60 cents in the market. It is worth more, but we can not get any more for it.

Mr. CARLISLE. Do you get that price at the factory?

Mr. NEWELL. That is the factory price. In Austria, the man who works on these buttons gets 60 cents a day and the woman gets 20 cents a day; whereas our women and girls average about a dollar a day and are not willing to work for less.

Mr. CARLISLE. What part of the work do the women and girls perform.

Mr. NEWELL. All the finishing of the buttons—the polishing and the drilling.

Mr. CARLISLE. Is not this button cut by machinery?

Mr. NEWELL. Yes. Men do that work mostly.

Mr. BAYNE. How much do the men get per day?

Mr. NEWELL. Two dollars a day; and the men in Austria who are doing the same work get 60 cents a day.

Mr. CARLISLE. Do they cut the buttons there with the same kind of machine that you use here?

Mr. NEWELL. They have a machine very much like ours, but we think our machine very much superior to theirs.

Mr. CARLISLE. Does not your machinery carry the button to a greater state of perfection and leave less work to be done by hand?

Mr. NEWELL. I do not think it does to-day. Workmen come over here from Europe and our workmen go over there.

Mr. CARLISLE. What can our workmen gain by going over there?

Mr. NEWELL. They do not go over there to work. I mean that our people go over

there and go through their works and get information, and their people do the same here. We have workmen who came from there who do the coloring and special work.

Mr. CARLISLE. How is that coloring done, by a brush or by a solution?

Mr. NEWELL. It is done by spattering.

Mr. BRECKINRIDGE. Are your men paid by the day or by the gross?

Mr. NEWELL. Mostly by the gross.

Mr. BRECKINRIDGE. Are they paid the same way in Europe?

Mr. NEWELL. I think so.

Mr. BRECKINRIDGE. What proportion of the cost of buttons is in labor?

Mr. NEWELL. The labor upon that button [indicating] is about half the cost. We get about 60 cents a gross for that button.

Mr. BRECKINRIDGE. Do you pay 20 cents a gross for the labor on it?

Mr. NEWELL. Yes, I should say the labor on that button costs fully 20 cents or perhaps 25 cents.

Mr. BRECKINRIDGE. Do they pay the workmen by the piece in Europe as well as in this country?

Mr. NEWELL. They do mostly.

Mr. BRECKINRIDGE. Do you know how much the labor on a gross of buttons like that costs in Austria?

Mr. NEWELL. I do not know exactly; the women are allowed to earn about 20 cents a day, and the men about 60 cents a day, and we generally base our calculations on what they can earn per day.

Mr. BRECKINRIDGE. Are you able to give us any information as to what they produce for this 20 cents and 60 cents a day? If they are paid by the task, that should be a matter very easy to determine. I do not see why you should make a statement of the day wages paid there when the workmen are not paid by the day but are paid by the piece.

Mr. NEWELL. Our work is all estimated by what the men and women can earn by the day, although we pay them by the piece.

Mr. BRECKINRIDGE. You say that in Europe this work is paid by the piece?

Mr. NEWELL. I think that Mr. Liebmann can give you certain information about that better than I can. They work longer hours there than they do here and very likely produce more.

Mr. GEAR. Do they make any buttons in Austria by convict labor?

Mr. NEWELL. So we are informed. We understand that pearl buttons are made there in large quantities by convict labor and are exported.

STATEMENT OF R. LIEBMANN.

Mr. R. LIEBMANN, of New York, said:

Mr. Chairman and gentlemen, I come here more particularly to speak about the relations of button manufacture on the other side, especially in Bohemia and Austria, as I have gone through different factories there and know the wages paid in making buttons. Our interests have been taken care of in the tariff fairly well heretofore.

Mr. FLOWER. What interests are you speaking of?

Mr. LIEBMANN. Covered buttons and metal buttons particularly. The duty has actually not been collected for various reasons. The principal value of a button is in labor; the material in all classes of buttons is very little. So that it is almost impossible for an expert, even for a manufacturer himself, to find out the value of a button. It certainly is impossible for the custom-house appraisers to do so. If, therefore (as Mr. Knight has said), an ad valorem rate is imposed (no matter how low) and a specific line rate, then we will know that something is collected at the custom-house. As it is now, I do not think that 5 per cent. of a duty of 40 per cent. is collected on account of undervaluations, and on account of the appraisers not understanding the matter. There is another point, the deduction of boxes and packing, which has almost ruined our business. To-day they import buttons from Bohemia, costing there 12 cents a gross, and from that 12 cents a gross 8 cents is deducted at the custom-house for cards and boxes and packing. That is to say, they allow for the card which the buttons are put on, the labor in putting them on, and the box itself. Without the cards and boxes, the button is absolutely worthless; but still this 8 cents being deducted from the 12 cents, the duty that is collected on what is left does not amount to anything. If we got a duty of 25 per cent. ad valorem and of 1 cent a line on glass buttons and horn buttons and metal buttons, we would be satisfied, because we would know that something was collected, but we do not know that anything is collected now.

I returned this fall from a trip to Europe where I made it my particular business to go through Bohemia. Bohemia is the curse of this country so far as manufacturing is concerned. The people there only half live. They are cattle. They work for

almost nothing. The little girls come to the factories at ten years old or nine years or seven years. Do you suppose that our women and men can compete against such labor? And these very same people who work there for almost nothing come over to this country and want \$2 a day and are labor agitators.

Mr. BAYNE. How much do they pay in Bohemia?

Mr. LIEBMANN. They pay for a man about 50 or 60 cents a day. That is good wages. They pay girls from 10 cents to 20 cents a day.

Mr. BRECKINRIDGE. Are the men worth that much?

Mr. LIEBMANN. Yes; they are good skilled workmen. They are the best workmen I know anywhere.

Mr. FLOWER. Why do they not all come here?

Mr. LIEBMANN. A good many of them do come here. They can not make a decent living there and are treated like dogs. But here they are our masters, our agitators.

Mr. BRECKINRIDGE. If they are so idle, as you say, I judge that their work isn't worth 50 cents a day. What mischief do they cause you?

Mr. LIEBMANN. They are not idle there. They are idle here. They give most of their time to politics.

Mr. GEAR. And vote the Democratic ticket, too?

Mr. LIEBMANN. Almost all of them.

Mr. FLOWER. Are there any of them in New York who do not vote the Democratic ticket?

Mr. LIEBMANN. Very few; but in my factory every one of them voted the Republican ticket last fall.

Mr. BAYNE. How had they voted before?

Mr. LIEBMANN. They voted with the Democrats because they did not understand the question.

Mr. FLOWER. Does the fact that these Bohemians voted the Republican ticket in New York last fall account for Mr. Cleveland's gain of 18,000 in New York City?

Mr. LIEBMANN. I do not know. I am a very poor statistician. I only know that any workman who is acquainted with the way that things are done on the other side knows that these Bohemians that come here are treated here like gentlemen and are (so to say) our masters. We are only their subordinates. For the last few years, on account of the undervaluation in buttons, our workmen have actually made more money than we have made. We in our concern are pushers. We have a reputation in this country of making best the fancy styles. We are doing very well and compare favorably with European manufacturers so far as our buttons are concerned. Up to two years ago we wanted to make a fair line of goods, as every manufacturer does; and we stuck to it until we found that unless we made the same sort of goods as they make in Bohemia, we would have to shut up shop. Therefore, I went to Europe this spring in order to find out how things were done there and I found that in the parts of Europe where buttons are made, the button industry was not very busy except in Bohemia. In Bohemia they were very busy working day and night; and I thought it was very funny how that was. I found that the importers in this country had given very large orders in Bohemia for cheap goods, and that the prices there were from 100 to 300 per cent. less than anywhere else in the world. I found that the people in Barman, in Germany, could no more compete with Bohemia than we could. Against Bohemia there is absolutely no possibility of our working.

Mr. BAYNE. You said that the prices in Bohemia were from 100 to 200 per cent. less than elsewhere. You mean, of course, 50 to 75 per cent. less? One hundred per cent. less would wipe out the whole business.

Mr. LIEBMANN. Well, it does wipe out the whole business. When you begin to calculate against Bohemia, you do not know where you stand. The prices there are remarkable. While I am a good protectionist naturally, I do not really like to shut out competition from the other side entirely, because it gives us an animus in trade; but I do want to see our interests kept up, and the capital that is invested in them employed; and you can not do that unless you give us protection. We can not have fair protection in the button business unless we have a specific duty of so much a line, and unless the duty is restored on cards and boxes.

Mr. BAYNE. How would half a cent a line do you?

Mr. LIEBMANN. We would rather have a cent a line. Half a cent a line is not sufficient protection, because the ad valorem duty is not collected at all.

Mr. GEAR. Would it help you if the duty were restored on cards and boxes?

Mr. LIEBMANN. It would be a big gain.

Mr. GEAR. Would it be equal to half a cent a line?

Mr. LIEBMANN. Not entirely, but it would help us considerably.

Mr. GEAR. Would a duty of a half a cent a line and the restoration of a duty on cards and boxes, combined, be nearly equal to 1 cent a line?

Mr. LIEBMANN. Perhaps it would be equal to three-quarters of a cent a line, but it would not be equal to 1 cent a line. But that matter we leave to you. We need protection, but it is immaterial to us in what way you give it.

Mr. McKenna. Is the button industry growing in this country?

Mr. Liebmann. It was growing until those Bohemian buttons came in. Now it is declining.

Mr. Breckinridge. Are you able to state how much is paid in Bohemia by the gross for these different classes of buttons?

Mr. Liebmann. This button, for instance [indicating], is an ivory button, about which I know very little; but I can tell you about my own line of buttons, metal or brass. Where we, for putting together the different parts of this button, pay say 3 cents a gross, they pay on the other side for that same work 1 cent a gross, and in some places less than that, because they employ their girls by the day and they pay them almost nothing.

Mr. Breckinridge. Do they put theirs together by machines?

Mr. Liebmann. Yes; just the same as we do.

Mr. Breckinridge. How many gross of these buttons can one of your operators put together in a day?

Mr. Liebmann. Perhaps from 20 to 25 gross.

Mr. Breckinridge. And the workmen in Bohemia put together the same amount?

Mr. Liebmann. Yes.

Mr. Breckinridge. Then where you pay 60 cents for labor, they pay 20 cents?

Mr. Liebmann. Yes; we figure on a fair operative. Some operatives can make \$1.25, when others can only make 65 cents; but very few of our operatives are making less than \$1 a day.

Mr. Breckinridge. And in order to make \$1 a day in putting together the different pieces of this button an operator would have to put up 33½ gross a day.

Mr. Liebmann. Yes; but that is only one operation. For instance, where we pay 2 cents or 2½ cents a gross for carding they pay (in the same proportion) but half a cent or three-quarters of a cent. Exactly the same proportions go right straight through.

Mr. Breckinridge. Where is your manufactory situated?

Mr. Liebmann. In New York, on Canal and Center streets.

Mr. Breckinridge. Can you prepare a full table of the rates of wages paid in the factories you visited in Europe and the rates paid here, and send it to the committee (describing the classes of work)?

Mr. Liebmann. I will do so.

Mr. McMillin. You have said that in your opinion not more than 5 per cent. of duty is collected on these goods?

Mr. Liebmann. That is my firm opinion.

Mr. McMillin. On what importation or invoice do you base that opinion? What instance do you know of custom-house officials admitting these goods for only 5 per cent. duty, and when was it and where was it?

Mr. Liebmann. I do not care to speak about that. I have acquaintance with manufacturers on the other side, and I would not like to betray their confidence. I have imported these goods myself, and have seen how the thing was done.

Mr. McMillin. Did you only pay 5 per cent. duty on what you imported?

Mr. Liebmann. No, sir; I did not.

Mr. McMillin. The custom-house officials with whom you came in contact required you to pay the full rate of 5 per cent.?

Mr. Liebmann. Yes, because I was honest. In Europe this summer I made it my business to find out the actual cost of putting up these goods. I gathered it from different manufacturers of buttons, and from card manufacturers, and from the girls who sew the buttons on the cards; and I found that the exact cost of this work was 3 cents a gross in Germany and about 2 cents a gross in Bohemia. The same thing costs us here from 5 to 7 cents. I made these inquiries for the purpose of finding out how the custom-house treats such matters. At one of the factories in Europe I gave an order for about a thousand gross. This factory sends a great many of these goods to America. The invoice came over with the price of the buttons on it and a deduction of 40 pfennings (about 10 cents) for cards and packages. Well, I being an honest man, and knowing that these packages only cost 12 pfennings, went to the custom-house and told the appraiser that the packages had only cost 8 or 10 pfennings, and I said, "What do you want me to do?" He said, "Give me your statement."

Mr. Gear. Who was this appraiser?

Mr. Liebmann. This was Mr. Cooper.

Mr. Gear. When was he appointed?

Mr. Liebmann. He was certainly appointed by Mr. Harrison or else he could not be a good man. He investigated the matter; and although I illustrated to him that the cards and packing only cost 12 pfennings a gross, he could not, as the matter was fixed at present, allow only 13 pfennings, but he allowed 30 pfennings. That is the rule in the custom-house. Therefore you see how it works now. On a gross of buttons that costs 13 cents the appraiser deducts 8 or 9 cents for cards and boxes. And now your question (Mr. McMillin's) is answered why only 5 per cent. is collected.

Mr. BRECKINRIDGE. And what is the real cost of the cards and boxes?

Mr. LIEBMANN. About 3 cents.

Mr. BRECKINRIDGE. And you were credited with 8 cents for the cards and boxes?

Mr. LIEBMANN. Nine and a half cents was deducted. The next invoice of buttons that I had I did as the others did.

Mr. McMILLIN. And on your next invoice you paid the custom-house less than you knew that the law required to be paid?

Mr. LIEBMANN. I went to the custom-house and paid what was required.

Mr. McMILLIN. You went with your first invoice and made the custom-house officer change the invoice because you knew that it was wrong?

Mr. LIEBMANN. Exactly.

Mr. McMILLIN. And your next invoice you did not have changed because you say that other importers got this allowance?

Mr. LIEBMANN. Excuse me; I went to the custom-house a second time and inquired whether this ruling had been changed yet; whether they had looked into the matter or only allowing a certain sum of cards and boxes instead of allowing an extravagant price. I was sent to the man who had that matter in charge and he told me that I had a perfect right to deduct 8 cents a gross, as that was the ruling of the Department and that it would be foolish on my part not to have this deducted.

Mr. McMILLIN. And so you deducted 8 cents a gross the last time and only 3 cents a gross the first time, and the reason why you did not deduct 8 cents the first time was because you knew it was a dishonest act, and while you acted honestly in the first instance, you performed a dishonest act in the second instance.

Mr. LIEBMANN. I did not do a dishonest act.

Mr. McMILLIN. How was it that such a change came over the spirit of your dream of honesty?

Mr. LIEBMANN. It did not come over me. I do not believe that a man is dishonest who does what he is told by the authorities that he has a perfect right to do.

Mr. McMILLIN. But the same authorities had told you so in the first instance and when you went the second time you knew that the rate at which you paid the first time was correct?

Mr. LIEBMANN. I know it was correct.

Mr. McMILLIN. But yet the first time you settled on a different basis?

Mr. LIEBMANN. But I asked first.

Mr. McMILLIN. And after accusing other people of dishonesty, you settled at the custom-house on what you knew to be a dishonest basis?

Mr. LIEBMANN. I have not accused other people of being dishonest.

Mr. McMILLIN. You said something about no Democrat being honest.

Mr. LIEBMANN. Oh, no; I did not say that.

Mr. McMILLIN. What was your statement?

Mr. LIEBMANN. A gentleman asked me whether Mr. Cooper was appointed under the present administration and I said yes.

Mr. GEAR. I asked you when he was appointed.

Mr. LIEBMANN. And I said that he was appointed by Mr. Harrison. Then a gentleman said that he must be an honest man, and I said he could not be otherwise. Excuse me (to Mr. McMILLIN). I have a partner who is a good Democrat and he is a very honest man.

Mr. McMILLIN. Having misunderstood your criticism, I merely wanted to see what kind of an importer you were. You had an invoice changed one time because you were too honest, and the second time, although you knew that the allowance was wrong, you did not demand the change. Have you made a contribution to the conscience fund?

Mr. LIEBMANN. Excuse me. You do not understand me, or you do not wish to understand me. I will tell you exactly what I did. I went to work and I made such deductions the first time as I considered right and honest, and I gave the appraiser notice that such was the proper way of doing it. After a while I went down to the custom-house to find out whether I was right, and the appraiser's assistant told me "you have a perfect right to deduct 8 cents, and you act honestly in doing so."

Mr. McMILLIN. And the second time you settled on the basis of an 8 cent deduction, although from your experience abroad you knew that was dishonest.

Mr. LIEBMANN. Yes.

Mr. McMILLIN. But when this man told you—this honest official—that it was honest to deduct more than the real cost of the packing and covering, you changed your notions and settled on the basis of 8 cents a gross?

Mr. LIEBMANN. I did not change my notions, but I accepted the instructions. My notions to-day are the same.

Mr. McMILLIN. And yet you did not pay on the same basis as before, although you were convinced that your first action was right?

Mr. LIEBMANN. Exactly.

Mr. GEAR. Is it not the universal rule in the appraiser's department to deduct the cost of these packages in every case?

Mr. LIEBMANN. Yes.

Mr. GEAR. Therefore you acted in accordance with the established rule of the Government?

Mr. LIEBMANN. Certainly.

Mr. FLOWER. Is there not another way besides that in which the payment of duty is evaded? Suppose you had found some good fancy-button manufacturer in Bohemia who wanted a partner, and suppose you put \$1,000 in the business with him, and suppose he shipped his goods to you at New York at the exact cost of production; is not that done to a great extent?

Mr. LIEBMANN. There is no doubt of it.

STATEMENT OF LEOPOLD MORITZ.

Mr. LEOPOLD MORITZ, of Philadelphia, said:

Mr. Chairman and gentlemen, I am a bone button manufacturer, and we have got pretty nearly the same trouble in that business as you have heard here from the other button manufacturers. We manufacture collar buttons in bone as well as in ivory, and I remember the time when I paid 50 cents a gross for the turning of these collar buttons. Finally the price came down and down, until I sold them at 40 cents a gross. But the next thing I heard was that they were importing them at 35 cents a gross; and the next thing I heard was that they were importing them at 30 cents a gross. I heard to-day that a man sold some in New York for 30 cents a gross. Of course we are entirely knocked out of that business. These buttons are all imported from Austria or from England. The New York people told me that they paid 25 per cent. duty on them, and if they are allowed so much for cards and boxes as you have just been told, the duty paid on them would not be more than 5 cents a great gross. Bone buttons are sold by the great gross. The button trade is generally a very bad trade. It does not take much capital, and nearly any one can start in it if he understands the business. That is the reason why bone-button makers never get rich.

In the fall of 1888 I sold a good bone button at about \$1.27 a gross; but finally I could not sell any more. I did not know what was the matter and I went to New York to see about it. I offered buttons even for less, but could not sell them. Finally I wrote a letter to one of my best customers in New York saying that I wanted to sell him some goods and that I was willing to sell them below cost. He wrote to me in reply that if I had made him the offer some time before he would have accepted it, and could have sold from 2,000 to 3,000 gross of my goods, but that now there was a new enemy in the field and that imported goods were being sold to the trade in New York at \$1 the great gross, and that if I could make him a price so that he could compete with those imported goods, he was willing to place an order. The goods were to cost about 85 cents landed in New York. That was the reply. Of course I was astonished, as the buttons cost us about \$1.25 a gross, and at least 92 cents of that is in labor. I should like to bring in a shin-bone to show how the buttons are made.

Mr. FLOWER. Bring in the shin-bone.

Mr. MORITZ. Very well. Here [exhibiting] is a flat shin-bone. It is about the lowest price of bone. We can not buy any other bone and can hardly pay for this. That bone costs us in Philadelphia on the cars \$28 a ton, and out of that ton weight, about 20 great gross of buttons is made. I mean by a great gross 12 small gross of buttons. We pay for hauling the bone from the car to our place 75 cents. Then we pay for carrying it in 25 cents. Divide that by 20 gross, and it makes 5 cents a gross. Then both ends of the bone have to be sawed off [showing specimens]. Here is the same kind of bone only that the ends are sawed off. That costs 6 cents the great gross. The next work is to saw them up in slabs like this [indicating]. That costs us 19 cents. Now add 11 to 19 and it makes 30 cents. The next work is to put the eyes in the button. We pay a young man for that 6 cents a thousand. It takes 2,000 to a great gross. That would be 12 cents. Add 12 to 30 and you have 42 cents.

Then the buttons have to be cut out as you see here [indicating]. That costs again 12 cents for 2,000. That would make how much?

Mr. BAYNE (in the chair). That would make 54 cents.

Mr. MORITZ. I hope the chairman will count it up for me as I am afraid to make a mistake myself. That makes 54 cents. Then the button goes into a drilling machine. It requires four holes. For that you have to pay 3 cents a thousand. Take 2,000 again for a great gross, and that would be how much?

Mr. BAYNE. Sixty cents.

Mr. MORITZ. Well, sixty cents. Then it goes into a scouring vat, where the work costs 1 cent. That is 61 cents. Then the next thing is to have them brought up stairs and sorted. The broken ones and the buttons that are no good have to be

sorted out. We pay 3 cents a great gross for that. That makes 64 cents. The next thing is to have them dried, and bleached, and polished. I generally do that myself, and I do not know what to charge for it, so I will drop that item. The next work is to have it weighed. That costs a cent a great gross. That is how much?

Mr. BAYNE. Sixty-five cents.

Mr. MORITZ. Then we need twelve of these boxes [indicating] and an outside box that holds the twelve. That costs at least 6 cents. That would be?

Mr. BAYNE. Seventy-one cents.

Mr. MORITZ. Then, in order to make these buttons, I have to employ an engineer and pay him about \$12 a week. The coal costs \$10. Then I need a man to sharpen the lathes and fix the machinery and make the blocks, and I pay him \$12. I can only make about one hundred and sixty gross a week; and that would make this expense 20 cents more.

Mr. BAYNE. That makes 91 cents.

Mr. FLOWER. Then you have to calculate your rent.

Mr. MORITZ. I do not want to count the rent. Now, I have paid out 91 or 92 cents for nothing but labor, and I have yet the packing to do. I have to put them in cases and send them to New York. Then we have to pay for the bone. Now, gentlemen, I told you that I paid \$25 a ton for the bone. Here is a written agreement which will show you how much I got for my waste. I got \$22 a ton, but I have to deliver the waste at the chemical works, which costs me \$1 a ton. Take \$22 from \$25 and I would have to pay \$6 for the bone; and adding \$1 a ton for freight, would make it \$7. If I divide that by twenty gross, it would be 35 cents a gross, which will make the buttons cost me \$1.25 a gross. Now, I have not counted the shop rent, interest, fire-insurance, etc.; and yet they want us to sell for 85 cents the buttons that cost us \$1.25, as they say that they can import them below that. Here is the letter as to shin-bones:

DELAWARE RIVER CHEMICAL WORKS,
Philadelphia, April 13, 1889.

DEAR SIR: Agreeably to your letter of the 12th instant, we have booked your order for our production of cut flat shin-bones until December 31, 1889, say about 2 to 2½ tons a month, at \$30 per ton of 2,000 pounds, delivered to your teams at our works; and take from you clean dry button-bone scrap at \$22 per ton of 2,000 pounds, delivered to our works as heretofore. Accidents to our work excepted.

You may send for a load any time.

Thanking you for the order, we remain, Yours, truly,

BAUGH & SONS CO.

Mr. LEOPOLD MORITZ, 1321 North Fifth street, Philadelphia.

Of course I needn't tell you that I felt very weak. I have made a living in this business twenty years and I would not know to-morrow what to do if I gave up the business. I know other people who are in the business longer than I am; and if they left it to-morrow they would have nothing to do. We are only working half-time now; and I tell you that I can not stand it much longer unless Congress does something for us. I am nothing but a workman, and I like to stay at home and work. It gave me a good deal of trouble to come here to-day, but I thought I would do it as it is the last hope we have left.

Mr. FLOWER. What is the duty on bone buttons now, and what duty do you want?

Mr. MORITZ. There is a duty of 25 per cent. on buttons now, but I believe (as has been shown to the committee) that that duty is evaded. I do not know what the duty ought to be. I do not claim to understand the tariff business. I do not understand it at all. All that I know is from New York importers. I think we would be satisfied if we came in under the rubric of vegetable ivory buttons. That is my opinion.

The following letters were subsequently received from Mr. Moritz:

PHILADELPHIA, *January 11, 1890.*

DEAR SIR: When I was before your committee, January 9, I told you all about the manufacture of bone buttons. You told a party who was there before me that the committee would like to know what a man can earn in Germany. I was twenty-one years old when I left there and the highest I received was less than 27 cents for twelve hours work per day; bricklayers, twelve hours work, 40 to 45 cents, American money. I know that for sure.

Further, I wish you would be so kind as to say a good word for us poor button-makers when a new bill is made. I saw in the newspapers that I said before your committee that 25 per cent. duty would do on buttons. Either you or the newspapers made a mistake. I said that we should be under the heading of mother-of-pearl and ivory buttons, either 2 cents per line or 1 cent per line and 25 per cent. ad valorem, nothing off for boxes and cartage. We have 25 per cent. duty at present and we can

do nothing. I would not trouble you, but the member from our district, Hon. Samuel J. Randall, is sick. I hope you will do me that favor and I will be very much obliged.

Yours, most respectfully,

LEOPOLD MORITZ.

Hon. JOHN H. GEAR.

PHILADELPHIA, *January 12, 1890.*

DEAR SIR: I was before your committee January 9 and told you all about the manufacture of bone buttons. When I came back to Philadelphia I saw in the newspapers that I said before your committee that I would like to have a duty of 25 per cent. on bone buttons. I think it is a mistake, either by me or the newspapers. I think I said that we should be under the heading of mother-of-pearl and ivory buttons—either 2 cents per line or 1 cent per line, and 25 per cent. ad valorem, nothing off for boxes and cartage. I know we have 25 per cent. duty at present, and we can do nothing. I thought when I was before your committee that you were very kind to me. I think you will so kind as to correct that, and say a word for our good when a new bill is made up. I would not trouble you, but the Representative from our district, Hon. Samuel J. Randall, is sick, and I hope you, Hon. Roswell P. Flower, as a man, will not stand back, if you see something is right, and do a good thing for so many poor button-makers, and I will be very much obliged.

Yours, most respectfully,

LEOPOLD MORITZ.

Hon. ROSWELL P. FLOWER.

VIEWS OF JACOB HOFFMAN & SON.

The following letter was received and ordered to be printed in the record:

PHILADELPHIA, *January 2, 1890.*

SIR: In answer to your favor of yesterday will say, pearl buttons are sold by English measure, so called; line gauge, 40 lines to an inch. At present these goods are only protected with 25 per cent. ad valorem. Last year the manufacturers appeared before the Committee on Finance of the Senate and urged for 4 cents per line; that is, a 20-line button would be subject to 80 cents a gross, but only was allowed 2 cents and 25 per cent. ad valorem duty. As we said in ours of 31st ultimo, nothing less than 4 cents will ever bring about a satisfactory result.

They are overflowing the American market with this inferior goods, sold as low as 6 cents a gross with present duty paid on it. We are obliged to pay alone 4½ to 5 cents a gross simply to have them sewed up on cards and put in boxes, there is no cost for material, even if we were to get the material for nothing and work our hands to the lowest rate of wages, from, say, \$4 to \$7 a week. It would cost use very cent of 25 cents a gross without material, expenses of wear and tear. Five thousand people could find employment here if only one-half of the buttons imported were made here. The reason is they can place them on this market at such rates is the poor class of people, not in Vienna, but in the villages and by the mountains where the poorest class live, they work in the dwellings, and what kind of one! Here the whole family down to the small children work and all earn a few kreutzers. Now, 60 kreutzers is about 40 cents American money. That is, the whole family together earns these few kreutzers. Then again they are hired by contract as low, if we are not misinformed, as low as 4½ cents a man per day. We pay 5 cents to a boy that learns just for one hour.

Thanking you for your prompt attention and be glad to give you any particulars,
Very respectfully,

GEO. HOFFMAN,
Secretary of Pearl Button Manufacturers.

Hon. JOHN H. GEAR,
House of Representatives.

VIEWS OF IMPORTERS.

NEW YORK, *January 29, 1890.*

GENTLEMEN: On account of misinformation as to the time of the hearing to be given by you to the button manufacturers on the question of the import duties on buttons, we were not present at the time when they expressed their views on the subject, as was our purpose. But your chairman gave us permission to present in writing our views on the subject, which we do as follows:

We are decidedly of the opinion that the import duties on buttons should not be increased, and certainly not in the way proposed by the manufacturers who appeared before you, and for the following reasons, to wit:

(1) The assessment of duties on buttons both by lines and ad valorem would be difficult; not uniform—bearing exceedingly heavy upon cheap buttons and very lightly upon valuable buttons, and, therefore, misleading and unfair, making two methods of assessing duty on one article, and, therefore, cumbersome and useless; open to errors of great magnitude and making fraud more possible and profitable, and, therefore, tempting.

(2) The present rates of duty are sufficiently large to protect the domestic manufacturers, and any increase in the rates would only be to increase the profits of the manufacturers of such buttons as can be manufactured advantageously in this country. It is known that one of the domestic manufacturers of metal buttons, who appeared before you asking for increased rates of duty, made in profits in one season over \$50,000 on one style of metal buttons. And it is a well-known fact that all manufacturers of buttons in this country, who are engaged in the manufacture of such buttons as can in any event be made profitably here, especially of metal and ivory buttons, are making money largely every year. (The decrease in the value of imports, alluded to further on, has a bearing upon this point.)

(3) Increased rates of duty would not bring increased rates of wages to the working-men, for the domestic manufacturer easily gets the present laborers and can easily get all the laborers he may desire at the wages now paid, and manufacturers, even in this protected country, do not pay higher wages to the working-man than they are obliged to pay.

(4) Any increase of duty as proposed on metal, ivory, agate, and other cheap buttons would fall almost entirely upon such buttons as are used by the poorest and the laboring classes of our citizens.

(5) The great majority of the buttons imported for use by the laboring classes, with the exception of metal and ivory buttons, can not in any event be manufactured in this country, and the increased duty on these buttons as asked for by the domestic manufacturers, would result in an ad valorem duty of 400 to 900 per cent. For instance, so-called agate buttons, which are used by our poorer citizens, by all our laboring classes, men, women, and children, in every part of our country to secure their shirts and all other necessary garments, would pay a duty of 900 per cent. ad valorem, and they can not be manufactured in this country. Again, the cheaper qualities of pearl buttons would pay a duty of 400 per cent., while the metal buttons used so very largely by poor people for their better class and heavier garments would pay duty of from 150 to 200 per cent. ad valorem.

These metal buttons are also considered by the poorer classes as adorning and beautifying their poor and cheap garments as well as necessary for use, and we certainly fail to see from any point of view why our poor, hard-laboring citizens should be made to pay duties ranging from 150 to 900 per cent. on their necessary and ornamental buttons, while our well-to-do, rich, and non-producing citizens pay only duties of from 25 to 35 per cent. on their buttons, ornaments and jewelry of silver and gold, and of only 50 per cent. on their buttons and ornaments of silk, and so high is the duty on buttons and ornaments of silk that the domestic manufacturer has almost a monopoly in them; only \$55,583 worth of these were imported in 1886, and the imports had fallen to \$41,591 in 1889.

The value of the imports of all other buttons, not including brass and gilt buttons, of which very few are imported, was, in 1886, \$3,364,338.78, and this had fallen in 1889 to \$2,728,356.15, showing a decline of nearly 20 per cent. in three years, notwithstanding permanent rates of duty and increased population.

The fashions as to many kinds of buttons, leaving out those which are used by our poorer people, and which are known as "staple goods," such as pearl, ivory, agate, and metal buttons, change from time to time; that is, buttons of certain materials go out of use, and the domestic manufacturer must have his "ups and downs" as well as all other manufacturers in the world, but this has nothing to do with rates of duty, and has only to do with fashions, supply and demand, and business capacity; and one chief trouble with the domestic manufacturer who have not continued business was that they began business with insufficient capital.

As to the imputation of the domestic manufacturers that imported buttons are

manufactured abroad by convict labor we positively assert and can conclusively prove that such imputation is absolutely without foundation in fact. No buttons of any kind are manufactured abroad by convict labor. And we do not believe that there has been any undervaluation or fraud in the importation of buttons. When we consider that the present annual production of buttons in this country greatly exceeds in value the annual importations, it certainly does not appear as if additional protection were necessary, especially so when we know that the great majority of imported buttons can not, under any circumstances, be profitably produced in this country. The number of persons employed in producing buttons in this country does not reach seven thousand, and at the utmost not over ten thousand could be employed in this industry, and for this small number of persons employed the domestic manufacturers ask that fifty millions of our citizens should be taxed from 150 to 900 per cent., and this increase of tax would go to swell the profits of these manufacturers.

It is a matter of fact well known in this community, that the domestic manufacturers of metal buttons have been very successful in their legitimate business in the last ten years, and that they are now making large profits. In fact, they are at this time and have been for a considerable period supplying us with metal buttons at cheaper rates than they can be imported for, and they are very active and earnest in soliciting orders for the same. We therefore as earnestly protest against any increase of duty on these buttons.

Respectfully, yours,

B. BLUMENTHAL & Co., *New York.*
ROTHSCHILD BROS. & Co., *New York.*
S. HIRSCH & Co., *New York.*
DIECKERHOFF, RAFFLOER & Co., *New York.*
GEO. BORGELDT & Co., *New York.*
A. STEINHART & BRO., *New York.*
LEVI BROS., *New York.*
OSTHEIMER BROS., *Philadelphia.*

The COMMITTEE ON WAYS AND MEANS,
House of Representatives.

PULP, PAPER, AND BOOKS.

STATEMENT OF EDWARD C. ROGERS.

Mr. EDWARD C. ROGERS, of Springfield, Mass., president of the American Paper Manufacturers' Association, addressed the committee on the subject of the duty on paper. He said:

Mr. Chairman and gentlemen, I will occupy but very little of your time. I come here as the representative of the paper manufacturers' association of the United States, as I am president of that association. There are now three classifications of paper—one 15 per cent. (unsized paper for newspapers), one 20 per cent., and one 25 per cent. This classification of 25 per cent. (the highest of all) was only a few years ago 35 per cent., and it has been reduced down to 25 per cent.

I do not know that we want to ask for anything special to-day. We think that these duties are too low. If we were to suggest anything, it would be, perhaps, that the second classification of 20 per cent. should be struck out, leaving only two classifications, one at 15 per cent. and one at 25 per cent. We would suggest this for the reason that we think the second classification is liable to abuse from the fact that a great many papers may be brought in that ought to pay the 25 per cent. rate, but that come in possibly under the second classification of 20 per cent. The amount of paper that is coming in under that 20 per cent. classification is increasing quite largely; and that leads us to believe that much paper that ought to come in under the 25 per cent. classification is coming in under the 20 per cent.

The CHAIRMAN. What did the Senate bill do in regard to that matter?

Mr. ROGERS. The Senate bill, I think, left the 25 per cent. classification as it is and left each of the others the same.

The CHAIRMAN. Then the Senate bill leaves the duties on paper as they are under the existing law?

Mr. ROGERS. Yes; and our only suggestion would be, perhaps, that the second classification might be struck out if the committee thought it best; but that we shall leave to the committee.

Mr. McMILLIN. What class of literature is printed on the 20 per cent. paper?

Mr. ROGERS. That is what we do not know.

Mr. McMILLIN. School-books and things of that kind?

Mr. ROGERS. It is barely possible that some of it is used for that purpose; but we suppose that most of the goods that come in under the 15 per cent. classification are used for newspapers and cheap books; and our idea was that most of the goods that come in under the 20 per cent. classification should come in under the 25 per cent. classification.

Mr. McMILLIN. What is your reason for thinking that?

Mr. ROGERS. Our reason for thinking that is that the amount coming in under the 20 per cent. classification in 1878 was nearly double as much as in 1887, and that the amount in 1889 was nearly treble of what it was in 1887.

Mr. BRECKINRIDGE. You are now speaking of imports?

Mr. ROGERS. Yes.

Mr. McMILLIN. If I understand you correctly, there are three classes of paper imported; the lowest, the 15 per cent., being the ordinary newspaper, and the highest, the 25 per cent. class, being the highest grade of paper, glazed and finished?

Mr. ROGERS. Yes.

Mr. McMILLIN. And the intermediate class is the class on which ordinary school-books are printed, not so good as the glazed and not so inferior as the newspaper?

Mr. ROGERS. That should be true.

Mr. BRECKINRIDGE. Your argument is that the increase of imports justifies an increase of duties?

Mr. ROGERS. I did not ask for an increase of duties.

Mr. BRECKINRIDGE. Are you not asking an increase of duty when you are asking for a change in the classification?

Mr. ROGERS. No, sir. I simply suggest that the second classification of 20 per cent. should be struck out, as we are under the impression that the goods that come in under that classification should properly come in under the 25 per cent. classification.

Mr. BRECKINRIDGE. That would be an increase of duty.

Mr. ROGERS. Yes; but my idea was that this was an abuse.

Mr. BRECKINRIDGE. You are viewing it from the stand-point of custom-house regulations?

Mr. ROGERS. That is all.

Mr. BRECKINRIDGE. Why not have the law framed, so as to make it unquestionably right to import them at 20 per cent.

Mr. ROGERS. If all the goods that come in now under the 20 per cent. classification are correctly entered, we have nothing to say; but, if those goods that come in under the 20 per cent. clause, should come in under the 25 per cent. clause, there is an abuse there which ought to be corrected.

Mr. BRECKINRIDGE. Then you would make no objection to the law being so worded as to make it unquestionably correct to import at 20 per cent. those goods that now come in at 20 per cent.

Mr. ROGERS. No, sir. I have just stated that our impression was that many of the goods that come in at 20 per cent. ought to come in at 25 per cent.

Mr. BRECKINRIDGE. But that contention can be removed by making the matter so plain that nobody will raise a question about it.

Mr. ROGERS. Yes.

Mr. BRECKINRIDGE. I understand you to say that you would not be opposed to making beyond question the right to import these goods at 20 per cent.

Mr. ROGERS. I would not be if they come in under the proper classification.

Mr. BRECKINRIDGE. Granting that the law should be construed to tax at 25 per cent. these goods that you say come in at 20 per cent., the question would still remain, might they not be properly taxed at only 20 per cent.?

Mr. ROGERS. No, sir; we should not agree to that at all.

Mr. BRECKINRIDGE. Just why? On that point you have made no argument.

Mr. ROGERS. If they ought to come in under the 25 per cent. classification that is all that we ask.

Mr. BRECKINRIDGE. But why ought we to put them under the 25 per cent. classification?

Mr. ROGERS. Simply because it is so specified in the law.

Mr. BRECKINRIDGE. But why ought it to be so specified?

Mr. ROGERS. I am not a Congressman.

Mr. BRECKINRIDGE. But you are a manufacturer, and you came here to advise Congressmen.

Mr. ROGERS. I simply say that if the goods that come in under the 20 per cent. classification are of the same character or nature as the goods that come in under the 25 per cent. classification, they ought to come in under the 25 per cent. classification while the law stands as it does.

Mr. BRECKINRIDGE. I have asked you two or three times a question which is a step slightly in advance of that—as to whether the law should not be made so as unquestionably to permit the importation of these goods at the 20 per cent. rate.

Mr. ROGERS. The law, as it stands—

Mr. BRECKINRIDGE. I am talking of the law, as it ought to stand, leaving you to substantiate the "ought."

Mr. ROGERS. The goods manufactured in this country are to-day from 40 to 60 per cent. lower than they were in 1860 (before the war). Competition has done this; and the mills of the country (about one thousand or one thousand one hundred in number) are capable of supplying all the wants of this country, and of manufacturing enough more for a large exportation in addition to that.

Mr. BRECKINRIDGE. Are they able to export paper?

Mr. ROGERS. Yes; somewhat.

Mr. BRECKINRIDGE. If they are able to export paper what do they want to protect the home market for?

Mr. ROGERS. The exports are small.

Mr. BRECKINRIDGE. It does not depend so much upon the volume as upon the fact of your being able to export.

Mr. ROGERS. The exports are small. There are certain things which we exported, but the great bulk of the manufactured paper we can not export.

Mr. BRECKINRIDGE. Do these come in under the 20 per cent. classification?

Mr. ROGERS. I do not know.

Mr. BRECKINRIDGE. Is that the only argument you have to make on the subject of the line of my question?

Mr. ROGERS. Yes.

STATEMENT OF MR. JOHN L. McCABE.

Mr. JOHN L. McCABE, treasurer of the Norwegian Wood Pulp Company, of New York, addressed the committee. He said:

Mr. Chairman and gentlemen, as the name and title of our company would indicate a foreign corporation, I desire to state that it is not a foreign corporation. We are all citizens of the United States and are engaged in the importation of foreign wood pulps used in the manufacture of paper in this country. I appear before you to-day in opposition to the Senate bill of last year, changing the duties on all kinds of wood pulp from an ad valorem to a specific rate, and also to ask that the duty on all kind of wood pulp be removed. The clause in the Senate bill reads: "Mechanically ground wood pulp \$2.50 per ton, dry weight." The present duty is 10 per cent. ad valorem, equal to about \$1.25 per ton, dry weight. So that the Senate bill increases the duty 100 per cent.

The present duty of 10 per cent. is prohibitory, as we can not import pulp from the Scandinavian countries or any other part of Europe for less than 90 cents per 100 pounds, delivered on the dock at New York. Mechanically ground wood pulp is worth to-day at the pulp-mills, scattered all over the United States, 75 cents per 100 pounds; so that domestic wood pulp is sold at the mills for \$15 a ton, while foreign pulp costs \$18 a ton on the dock at New York. The two positions are relatively the same. By the pulp-mills I mean the place of production. They have to deliver the pulp to the place of consumption, the paper-mills. The price in New York is of course at the landing point, and from there it has to be delivered, of course, at the paper-mills. The cost of removal is not taken into consideration at all, as the one about offsets the other.

The other articles mentioned in the Senate bill are: "Chemical wood-pulp, unbleached, \$6 per ton, dry weight; bleached, \$7 per ton." It increases the duty on these articles 25 per cent. The fact is that there is not enough pulp of these qualities made in this country to supply the demand. It is necessary to bring the foreign pulp here to keep the paper-mills working. The quality of that produced in this country is not equal to the quality of the foreign pulp, consequently the paper-maker in this country pays more for the foreign pulp than he does for the domestic pulp.

Mr. FLOWER. But the pulp produced in this country is made cheaper than the foreign pulp.

Mr. McCABE. It is sold cheaper, but the quality is not so good.

Mr. FLOWER. Is it not made out of the same material?

Mr. McCABE. It is made out of the same quality of wood. An effort has been made to discover why it is not so good. The formula for making it is the same; the machinery is the same; the workmen are the same (having come here from Europe to establish the factories); the patents under which it is made are the same; and there can be no reason given for the inferiority of the American pulp, except it be the quality of the American fiber.

Mr. BRECKINRIDGE. What kind of wood do they have here generally, and what kind do they use abroad?

Mr. McCABE. Abroad they use the spruce, which belongs to the fir-tree family. It is known there as the Norway pine, and in this country.

Mr. BRECKINRIDGE. And we use the spruce here?

Mr. McCABE. Yes, for this kind of pulp; but there is another pulp made here called the bleached soda pulp. It is made out of the poplar wood. That does not come into competition with the foreign pulp.

Mr. BRECKINRIDGE. Is that a paper-maker's pulp?

Mr. McCABE. Yes, it is used in connection with rags. Foreign sulphite pulps and soda pulps are used independently of rags. They take the place of rags. Rags are free of duty, and, therefore, pulp should be free of duty.

Mr. BRECKINRIDGE. This particular pulp?

Mr. McCABE. All kinds of pulp. There are in this country about one hundred and eighty mills at which ground wood-pulp is made. That is the article which is prohibited importation under the existing duty of 10 per cent., and, in the face of that, the Senate bill increased the duty 100 per cent., which is plainly an absurdity. The poplar fiber which is used in connection with rags and with which the foreign pulp does not come in competition, is sold at the mills at $3\frac{1}{2}$ cents per pound, while the foreign soda pulp and sulphite pulp sell from 3.90 to 4.25 cents per pound.

Mr. BRECKINRIDGE. Duty paid?

Mr. McCABE. Yes, duty paid.

Mr. FLOWER. What does the American pulp sell for?

Mr. McCABE. Three and three-fourths cents per pound delivered.

Mr. FLOWER. In what market?

Mr. McCABE. New York City. It is made at the pulp mills that are scattered all over the country.

Mr. FLOWER. Where are they?

Mr. McCABE. They range from Maine to California. Here is a list of wood-pulp mills in the United States:

Alleghany Pulp and Paper Co., Big Island, Va.
 Allen & Sherman, Plattsburgh, N. Y.
 Androscoggin Pulp Co., Portland, Me.
 Augusta Pulp Co., Augusta, Me.
 Au Sable Pulp Co., Au Sable Chasm, N. Y.
 Atlas Paper Co., Appleton, Wis.
 Badger Paper Co., Kaukauna, Wis.
 Badger Paper Co., Quinnesse Falls, Wis.
 Battenkill Paper Co., Middle Falls, N. Y.
 Bayless Paper Co., Binghamton, N. Y.
 Beaver Falls Pulp Works, Beaver Falls, N. Y.
 Belden's Falls Pulp Co., Middlebury, Vt.
 Bennington Falls Pulp Co., Middle Falls, N. Y.
 Bennington Valley Pulp Co., No. Bennington, Vt.
 Berlin Mills Co., Portland, Me.
 Birkett Bros., Pecoskie, Mich.
 Birkett Manufacturing Co., Birkett, Mich.
 Binninger & Otis, Dexter, N. Y.
 Blackmore Pulp and Paper Co., Watervliet, Mich.
 Black River Paper Co., Brownville, N. Y.
 Brokaw Pulp Co., Kaukauna, Wis.
 Brownville Box and Paper Co., Brownville, N. Y.
 Carrabassett Paper Co., Skowhegan, Me.
 Cascade Pulp Co., Barnet, Vt.
 Cascade Wood Pulp Co., Lockport, N. Y.
 Cataract Manufacturing Co., Niagara Falls, N. Y.
 Catawissa Fiber Co., Catawissa, Pa.
 Centralia Pulp and Water Power Co., Centralia, Wis.
 Central Paper and Fiber Co., Cleveland, Ohio.
 P. C. Cheney Co., Manchester, N. H.
 J. S. Clapp, Snow Falls, Me.
 Clarion Pulp and Paper Co., Johnsonburg, Pa.
 Cliff Paper Mills, Niagara Falls, N. Y.
 Clemitt & Sadler, Green Forest, Va.
 Cleveland Paper Co., Cleveland, Ohio.
 Columbia River Paper Co., Portland, Oregon.
 Conant & Co., Bath, N. H.
 Cornwall Manufacturing Co., Sun Harbor, Mich.
 Cornwell & Co., Ypsilante, Mich.
 Cushnoc Fiber Co., Augusta, Me.
 Deerfield River Co., Readsborough, Vt.
 Dexter Mechanical Pulp Co., Dexter, N. Y.
 Dieffendorf, M. R., Carthage, N. Y.
 Dunmore Pulp Co., Salisbury, Vt.
 Dupont & Co., Louisville, Ky.
 Eagle Paper Co., Franklin, N. Y.
 Eastern Manufacturing Co., Bangor, Me.
 Eau Claire Pulp and Paper Co., Eau Claire, Wis.
 Empire Wood Pulp Co., Black River, N. Y.
 Fall Mountain Paper Co., Bellows Falls, Vt.
 Falls Manufacturing Co., Oconto Falls, Wis.
 Farley Paper Co., Wendell Depot, Mass.
 Fiberite Manufacturing Co., Skowhegan, Me.
 Fond du Lac Pulp and Paper Co., Watertown, N. Y.
 Fowler & Co., Branard, N. Y.
 Fox River Paper and Pulp Co., Kaukauna, Wis.
 Fulton Paper Co., Fulton, N. Y.
 Funke, F., Evansville, Ind.
 A. Gaylor Pulp Co., Mishawaka, Ind.
 Gilbert & Bell, Cohoes, N. Y.
 Gilmore, Leonard & Co., Dexter, N. H.
 Glen Manufacturing Co., Berlin Falls, N. H.
 Glen Paper and Pulp Co., Hoosac Tunnel, Mass.
 Glens Falls Paper Mills Co., Glens Falls, N. Y.
 Glens Falls Pulp Co., Ticonderoga, N. Y.
 Goddard Wood Paper Co., Wendell Depot, Mass.
 Gouffrey & Clark, Pittsburgh, Pa.
 G. H. P. Gould, Lyons Falls, N. Y.
 S. H. Gray Manufacturing Co., Newberne, N. C.
 Great Bend Paper Co., Great Bend, N. Y.
 Green Mountain Pulp Co., Middlebury, Vt.
 Hadley Pulp Co., Hadley, N. Y.
 Harding Paper Co., Franklin, Ohio.
 Harper's Ferry Paper Co., Harper's Ferry, W. Va.
 Hartford Pulp Co., Hartford City, Ind.
 Herkimer Paper Co., Lyons Falls, N. Y.
 Hudson River Manufacturing Co., Mount Pleasant, N. Y.
 Hudson River Pulp and Paper Co., Tribune Building, N. Y.
 Jackson Lumber Co., Lockport, N. Y.
 Jefferson Paper Co., Black River, N. Y.
 Kaukauna Paper Co., Kaukauna, Wis.
 Kennelc Fiber Co., Waterville, Me.
 Kingsley Bros., Salisbury, Vt.
 Kokomo Wood Pulp Co., Kokomo, Ind.
 Lake Sun: pec Wood Pulp Co., Sunapee, N. H.
 Lamoille Valley Pulp Co., Morrisville, Vt.
 Thomas Lane, Valley Falls, N. Y.
 Lewis & Shucim, Beaver Falls, N. Y.
 Lockport Pulp Co., Lockport, N. Y.
 Lyonsdale Pulp Co., Lyonsdale, N. Y.
 Philip McGuire, Forest Port, N. Y.
 Manufacturers' Paper Co., Luzerne, N. Y.
 Marietta Paper Manufacturing Co., Marietta, Ga.
 Marinette and Menominee Paper Co., Marinette, Wis.
 Marion Pulp Co., Marion, Ind.
 Martin, O. E., Norwood, N. Y.
 Mason-Perkins Co., Bristol, N. H.
 Michigan Wood Pulp Co., Niles, Mich.
 Mishawaka Pulp Co., Mishawaka, Ind.
 Montague Paper Co., Turner's Falls, Mass.
 O. D. Moore, Lisbon, N. H.
 Moore, Brown & Co., Concord, N. H.
 Moosehead Pulp and Paper Co., Carratunk Falls, Me.
 Moose River Pulp and Paper Mills, Lyons Falls, N. Y.
 Muncie Pulp Co., Muncie, Ind.
 Niagara Wood Paper Co., Niagara Falls, N. Y.
 Norway Pulp Co., Monticello, Ind.
 Ohio Paper Co., Miamisburgh, Ohio.
 Ohio Paper Co., Niles, Mich.
 Ohio Pulp Co., Grand Rapids, Ohio.
 Olcott Falls Co., Olcott, Vt.
 Ontario Paper Co., Watertown, N. Y.
 Orono Paper and Pulp Co., Bangor, Me.
 Oswegatchie Pulp Co., Fullerville, N. Y.
 Oswego Indurated Fiber Co., Oswego, N. Y.
 Oswego River Pulp Co., Fulton, N. Y.
 Otis Falls Pulp Co., Otis Falls, Me.
 Ontonagon Paper Co., Kaukauna, Wis.
 Outterson Paper Manufacturing Co., Watertown, N. Y.
 Passumpsic Pulp Co., Passumpsic, Vt.
 Patten Paper Co., Appleton, Wis.
 Penna Pulp and Paper Co., Lock Haven, Pa.
 Piedmont Pulp and Paper Co., Piedmont, W. Va.
 Pioneer Paper Manufacturing Co., Athens, Ga.
 Pioneer Pulp Co., Alta, Cal.
 Pioneer Wood Pulp Co., Gand Rapids, Mich.
 Piscataquis Falls Pulp and Paper Co., Enfield, Me.
 Potomac Pulp Co., Conowingo, Md.
 James Ramage Paper Co., Monroe Bridge, Mass.
 Alvin Record, Livermore Falls, Me.
 Reese Pulp Co., Kaukauna, Wis.
 Remington, H. & Son, Black River, N. Y.
 C. R. Remington & Sons, Watertown, N. Y.
 Remington Paper Co., Watertown, N. Y.
 E. S. Reynolds, South Bend, Ind.
 Richards Paper Co., Skowhegan, Me.
 Rochester Paper Co., Rochester, N. Y.
 Russell, Willard & Co., Bellows Falls, Vt.
 Salmon River Paper Co., Malone, N. Y.
 Saranac River Pulp and Paper Co., Cadyville, N. Y.
 Sebago Wood Board Co., South Windham, Me.
 Shawmut Fiber Co., Somerset Mills, Me.
 Shenandoah Pulp Co., Harper's Ferry, W. Va.
 South Bend Pulp Co., South Bend, Ind.
 South Edwards Pulp Co., South Edwards, N. Y.
 Spaulding & Shipley, Newport, Vt.
 Spicer, Henry & Sons, Carthage, N. Y.
 Sprague & Kollar, Fullerville, N. Y.
 Stewart Bros., Ohio.
 Stewart, J. M., Hadley, N. Y.
 St. Lawrence Pulp Co., Gouverneur, N. Y.
 Stoddard Paper Co., Versailles, Conn.
 M. W. Stokes, Mishawaka, Ind.

Sugar River Pulp Co., Newport, N. H.
Susquehanna Water Power and Paper Co., Conowingo, Md.
Taggart Bros., Watertown, N. Y.
Telula Paper Co., Appleton, Wis.
Thilmany Pulp and Paper Co., Kankana, Wis.
Thomson Pulp and Paper Co., Thomsonville, N. Y.
Ticonderoga Pulp and Paper Co., Ticonderoga, N. Y.
W. & R. Tiddy, Charlotte, N. C.
Tippecanoe Paper Co., Monticello, Ind.
Tomahawk Pulp Mill, Tomahawk, Wis.
Train, Smith & Co., Bristol, N. H.
Twigg Manufacturing Co., Augusta, Ga.
Umbagog Pulp Co., Livermore Falls, Me.

Union Pulp Co., Carthage, N. Y.
United Indurated Fiber Co., North Gorham, Me.
United Idurated Fiber Co., Portland, Me.
Utica Pulp Mill, Utica, Mich.
W. J. Valentine, Warrensburg, N. Y.
Victoria Paper Mills Co., Fulton, N. Y.
Western Indurated Fiber Co., Winona, Minn.
Westmoreland Paper Co., West Newton, Pa.
Wildner & Co., Boston, Mass.
Wilkinson, Mell R., Banning, Ga.
Willamette Pulp and Paper Co., Oregon City, Oregon.
C. H. Willis, Stockbridge, Mass.
Winnipegsee Paper Co., Franklin, N. H.
Wisconsin Wood Pulp Co., Centralia, Wis.
York Haven Paper Co., Philadelphia, Pa.

Mr. FLOWER. How many sulphite mills are there in the United States?

Mr. McCABE. According to the latest list about twelve, at which, according to the latest dates, about 87 tons per day are produced.

Mr. FLOWER. Where are those mills?

Mr. McCABE. They are in New York, Wisconsin, Ohio, Michigan, Connecticut, Rhode Island, New Hampshire, and New Jersey. Here is a list of them:

Alpena Sulphite Co., Alpena, Mich.
Alpha Fiber Co., West Carrollton, Ohio.
Barclay Fiber Co., Saugerties, N. Y.
Detroit Sulphite Fiber Co., Detroit, Mich.
Dexter Sulphite Pulp and Paper Co., Dexter, N. Y.
Excelsior Paper Stock Co., Gaffstown Center, N. Y.

Robert Fulton, Weymouth, N. H.
Michigan Sulphite Fiber Co., Port Huron, Mich.
Mount Tom Sulphite Pulp Co., Northampton, Mass.
New England Fiber Co., Turner's Falls, Mass.
Richmond Paper Co., Providence, R. I.
Wilkinson Bros. & Co., Birmingham, Conn.
Wisconsin Sulphite Fiber Co., Monico, Wis.

There was consumed last year in the United States over 60,000 tons of chemical pulps, of which 32,000 tons were imported and the rest were made here. There was not enough made here to supply the demand. About 60 per cent. of all the chemical pulp made and imported was consumed in making the paper on which the newspapers are printed. That paper is made, in a great measure, out of wood pulp and the better the sulphite fiber is the cheaper the paper is made.

Mr. FLOWER. Have you any figures to show how many pulp-mills have gone into operation in this country in the last six months?

Mr. McCABE. I have a list of sulphite mills, some of them not yet in operation.

Mr. FLOWER. I see in this list four mills in Watertown, N. Y., and I know that there are twenty-three mills there.

Mr. McCABE. There are about 700 tons of news paper made here daily. About 290 tons are made in New York State and the balance in other States. The producing capacity of "news" mills is about 900 tons a day. There are about one hundred and eighty of these mills scattered over the United States. There are altogether about eleven hundred paper mills in this country, and all of them use more or less of this sulphite fiber; but the greatest part of the fiber is used by the news-paper mills. Consequently, if the duty is increased in the slightest degree on this sulphite pulp the price of the paper for the daily newspapers is increased and the price of the daily newspapers will go up.

There is another point to which I wish to call the attention of the committee. Spruce wood is getting scarce all over the United States and also in Europe, and its price is advancing. The rapid destruction of the forests in this country is not desirable. A specific duty is not equitable because the grades of pulp are so various in qualities and prices. A specific duty would operate against lower prices. If we could go to Europe and buy at a lower price we can not get any advantage from that lower price when the duty is specific—so much a ton; but an ad valorem duty would permit us to reduce the cost in proportion as we buy at lower prices. I believe that the only reason why a specific duty is advocated is on the ground of undervaluation.

We have been first in the business of the importation of wood pulp, and we naturally should be the watch dogs for the Treasury in that regard and should watch every importation and find out precisely how our competitors can undersell us. We have been undersold continually, and we have looked into the matter and have failed to find out or to have any one point out to us a single case of undervaluation in the port of New York. Our competitors were able to buy lower than we did, and we had to come down also in our prices.

Mr. BURROWS. What competitors are you speaking about?

Mr. McCABE. Other importers.

Mr. BURROWS. Do you have any market here?

Mr. McCABE. A very large market; 32,000 tons were imported last year.

Mr. BURROWS. Are you a manufacturer of pulp yourself?

Mr. McCABE. No, sir; an importer.

Mr. BURROWS. Do you import anything but chemical pulp?

Mr. McCABE. Nothing.

Mr. BURROWS. How much does that cost you here delivered?

Mr. McCABE. The unbleached sulphite pulp is selling in New York at about \$3.30 per 100 pounds.

Mr. BURROWS. Do you also deal in the ground pulp that is made in this country?

Mr. McCABE. Yes, sir, we deal in that also.

Mr. BURROWS. It never was so low as it is now, was it?

Mr. McCABE. Never.

Mr. FLOWER. Is the duty prohibitory?

Mr. McCABE. It is now. It costs 90 cents per 100 pounds to bring it here without duty.

Mr. BURROWS. It is the cheapness of the home product which excludes the importation?

Mr. McCABE. Yes; and it was brought about by the immense production of pulp in this country.

Mr. BURROWS. You say that there is a scarcity of timber from which to make pulp?

Mr. McCABE. There is a growing scarcity of timber all over the sections where it was cut.

Mr. BURROWS. Was spruce timber ever so cheap in the market as it is to-day?

Mr. McCABE. I do not know the prices of timber at all.

Mr. BURROWS. Have you any objection to tell us what this imported pulp costs you?

Mr. McCABE. We are not producers.

Mr. BURROWS. But you are buyers of it abroad. You are importers. Of course, if you have any objection to state it you need not do so.

Mr. McCABE. I must decline to answer the question.

Mr. BRECKINRIDGE. You are not asking any favor from Congress, I believe?

Mr. McCABE. No, sir.

Mr. BRECKINRIDGE. Then you are not called upon to betray your trade secrets.

Mr. BURROWS. Any man who appears here to make his statement to the committee should give us all the information he possesses.

Mr. GEAR. You said that the increase of the duty on pulp would raise the price of paper?

Mr. McCABE. Yes, if the duty is advanced.

Mr. GEAR. About how much per cent.?

Mr. McCABE. Just as much more as the paper-maker would have to pay for the pulp?

Mr. GEAR. How much would that be?

Mr. McCABE. I can not tell.

Mr. GEAR. You know what newspaper is worth to-day?

Mr. McCABE. Yes.

Mr. GEAR. How much would the increased duty on pulp advance the price of that paper, per ream?

Mr. McCABE. The present price of newspaper is about 3 cents a pound; I believe the price would be advanced from 5 to 10 per cent.

Mr. GEAR. How much would that advance the cost of a daily paper?

Mr. McCABE. I do not know. They might make it an excuse for advancing the price.

Mr. GEAR. You made the statement that it would advance the price of daily newspapers.

Mr. McCABE. If they had to pay more for the paper they used they would, no doubt, advance the price.

The CHAIRMAN. If the duty were taken off pulp, would that lower the price of the daily papers?

Mr. McCABE. We could import pulp cheaper and we could sell it cheaper.

Mr. BURROWS. How much cheaper would you sell it?

Mr. McCABE. Just as much as the duty amounts to.

Mr. GEAR. Do you think that the paper would be reduced in price?

Mr. McCABE. The price of pulp would be reduced. We have been reducing it right along, and there is no reason why we should not continue to reduce it, if we buy our stock cheaper.

The CHAIRMAN. Who would get the benefit of the reduction if we took the duty off pulp?

Mr. McCABE. The paper-makers of the United States.

Mr. BRECKINRIDGE. If they sold the paper correspondingly cheaper, who would get the benefit ultimately?

Mr. McCABE. The people who bought the daily papers.

Mr. BRECKINRIDGE. If there was competition among the paper-makers of the United States the final beneficiary of the reduction would be the consumer of paper?

Mr. McCABE. Yes.

Mr. GEAR. How much is a ream of newspaper worth?

Mr. McCABE. I can not tell you.

Mr. LANSING (a Representative from the State of New York), with the permission of the chairman, said:

In regard to sulphite and chemical pulps made in this country they are not in need of protection, as I have evidence (of course, of a private nature) that the sulphite and chemical pulp manufacturers claim that they are making about 70 per cent. per year profit on their investment.

Mr. McKENNA (to Mr. McCabe). You do not believe that?

Mr. McCABE. I should say not.

Mr. McKENNA. If that were true, you would quit importing right away and go into paper-making?

Mr. McCABE. I would.

Mr. GEAR. Why not go in it?

Mr. McCABE. I will just tell you what we intend to do when the chemical pulp industry of this country is able to produce enough pulp and of a quality satisfactory to the paper-mills. We will withdraw from the business of importing and go into partnership with them, or establish manufactories ourselves.

STATEMENT OF E. L. EMBREE.

Mr. E. L. Embree addressed the committee. He said:

Mr. Chairman and gentlemen, I represent the pulp-makers of this country; I represent an industry that employs a capital of about \$20,000,000. We have in the neighborhood of one hundred and eighty mills that are located in twenty-four different States. We make an annual product of \$12,250,000 in value. Ten millions is paid annually to the men who are employed in the industry. Eighty per cent. of the cost of American pulp goes to American labor, and 20 per cent. to the cost of wood. Regarding the statement just made that the American pulps are not of the quality of the foreign pulps, and not sufficient to meet the demands of the American paper-maker, I must deny it. Our mills are running to-day on half-time because we can not find an output for our goods on account of the large importation of foreign fiber. The gentleman who last spoke (Mr. McCabe) made a statement that the duties have been justly paid, and that there have been no undervaluations.

I have here a tabulation of the New York imports for the fiscal year ending June 30, 1889, showing that there were 34,000 tons imported at an average price of 1.56 cent per pound. I have here statistics showing that 99 per cent. of the last year's importation was of the higher priced fiber—what we call chemical fiber. On account of the low price of the American ground wood-pulps there have been few wood-pulps imported for the last six months; and the importation of the higher priced chemical fiber has been large. I make the statement that 99 per cent. of the pulps imported was sold at .33 cents per pound, so that it is evident that there must have been gross undervaluations somewhere. I have also here the imports from the various countries for 1889. It would be well for me to state here that the existing tariff law has only one classification; and all kinds of chemical, and of ground wood-pulps, have to come under this classification. What we call mechanically-ground wood-pulp is simply wood-pulp ground down, or rasped off, which is the lowest grade of wood-pulp and which will sell in the neighborhood of 1 cent a pound.

Then there is a largely advanced quality of fiber called chemical fiber. For that, of course, large and expensive plants have to be erected. The process is difficult and intricate, and we have to use skilled labor and very expensive machinery. There are two processes of making chemical fiber, one the so-called sulphite process, and the other the soda process. The gentleman (Mr. McCabe) says he can not make sulphite fiber here to compete with the foreign-made sulphite fiber. One of our mills has made the finest sulphite fiber that was ever seen, and which brought a price 1 cent per pound higher than any foreign pulp brought into this market. Regarding the soda pulp, it goes into a class of packing and wrapping papers; and under this protective tariff the prices of paper have declined to the lowest point ever known in the history of the trade.

Before the war news paper sold at from 8 to 9 cents a pound; during the war it went up to 26 cents a pound, and to-day it has fallen to 3 and 3½ cents, under the operation of the competition from home manufacture. News paper was never known to be as low as at present.

Mr. BRECKINRIDGE. Has the price gone down abroad also?

Mr. EMBREE. Yes; but not to the extent that it has gone down in this country.

Mr. BRECKINRIDGE. Is it lower here than there?

Mr. EMBREE. No, sir; the prices are about equivalent in both countries.

Mr. BRECKINRIDGE. If the price abroad is about the same as the price here it has gone down about the same.

Mr. EMBREE. Their prices were not so high a few years ago as ours, and so there has not been the same decline there as here.

Mr. BRECKINRIDGE. Is that true as to paper generally?

Mr. EMBREE. No; I am talking of news paper.

Mr. FLOWER. In fixing the duty you take the ground wood-pulp at 90 cents the 100 pounds and the chemical pulp at \$2.70, and you average it all at \$2?

Mr. EMBREE. No; I have not made any statement of what we would like. I made a statement that 99 per cent. of the imports was of this high grade of stock, and yet the average price was only $1\frac{1}{2}$ cents a pound.

Mr. McCABE (the last witness). The gentleman (Mr. Embree) evidently takes the average foreign cost as the import value of the goods. Thirty-four thousand tons were landed in the port of New York last year. These 34,000 tons consisted of every grade of pulp brought in here, from ground wood-pulp up to the highest priced bleached sulphite pulp, costing on the dock, with duty, $4\frac{1}{2}$ cents, and the ground wood-pulp costs about nine-tenths of a cent. Now, when you try to take an average you are mixing water and oil. The two things do not mix at all. In order to get at the proper invoice value you have to get each particular kind of pulp by itself, the bleached sulphite, costing so much, the unbleached sulphite, costing so much, and the ground wood-pulp, costing so much.

The CHAIRMAN (to Mr. McCabe). Is that a question, or is it in the nature of a statement?

Mr. McCABE. I ask Mr. Embree whether he is taking the average price in this country?

Mr. EMBREE. I have taken the average price on which duty is paid—the foreign price—and that average was only 1.56 cent per pound.

Mr. McCABE. Was not that average brought down by taking in the cost of ground wood-pulp?

Mr. EMBREE. It is extremely difficult to tell the extent of ground wood-pulp as compared to chemical fiber, and this substantiates the demand that there should be more than one classification. The Paper Trade Journal—a representative journal published in New York—states, in reviewing the paper industry of last year that, out of the 34,000 tons of imported pulp (which includes all classes) 32,000 tons were of the higher, or chemical pulp, and only 1,900 tons of the mechanical or ground wood-pulp. The gentleman (Mr. McCabe) says that these chemical pulps are of a higher class; ranging up, and yet the average price on which duty was paid on that importation was only $1\frac{1}{2}$ cents a pound. I have a statement of the imports here.

The CHAIRMAN. Hand them to the reporter.

Mr. EMBREE. I will refer again to the Paper Trade Journal, of January 4, in its review of the chemical pulp market. It quotes the selling prices at the beginning of the year, and at the close the prices ranged from \$3.30 per one hundred pounds for unbleached soda pulp to \$4.25 and \$5.12 $\frac{1}{2}$ for bleached sulphite pulp. You can readily see that the average of all the pulps would be an undervaluation. I would say in reference to the reclassification in the Senate bill, that at the time it was proposed Mr. Allison was very particular that the duty should not be increased, and we were very careful to take 10 per cent. on the foreign prices then ruling in the port of Hull England, and the prices were figured at 10 per cent. on the ad valorem basis—thus practically, not changing the data, only making it specific, instead of ad valorem.

There being but one classification under existing tariff, viz, “wood-pulp dried for paper-maker’s use”—and two grades of vastly different value and quality are imported under this one head—it is somewhat difficult to arrive at respective quantity of each grade, but the Paper Trade Journal, published at New York City, and a representative authority for the paper industry, has tabulated each importation, giving place of shipment and quality of same for year ending December 31, 1889. I also append this statement in detail, showing that during 1889 there were imported 32,088 tons of chemical wood-pulp, and 1,911 tons of ground or mechanical wood-pulp, making a total of 13,999 tons.

The same journal, under date January 4, 1890, in reviewing the chemical wood-pulp market for imported pulps for 1889, quotes the selling prices at the beginning of the year, and those ruling at the close; these I also append.

You can readily see that the average valuation per pound is only slightly in excess of $1\frac{1}{2}$ per cent., or \$30 per ton of 2,000 pounds, as per record of custom-house to July 1, 1889, and by reference to table of imports, that over 99 per cent. of the total importation was of the higher and most costly grade, viz, chemical wood-pulp selling at port of New York as per Paper Trade Journal’s quotation at prices ranging from \$68 to \$85.12 per ton of 2,000 pounds.

We are not asking unreasonable protection, in requesting that the duty be changed

from an ad valorem 10-per-cent. basis to a specific basis under the following classifications, as follows:

Mechanical ground wood-pulp, \$2.50 per ton, dry weight. Chemical wood-pulp, unbleached, \$6 per ton, dry weight, bleached, \$7 per ton, dry weight

The following are the statements of imports, average prices, etc., referred to by Mr. Embree.

Imports, January 1 to December 31, 1889.

	Chemical wood-pulp	Ground wood-pulp.		Chemical wood-pulp.	Ground wood-pulp.
	<i>Tons.</i>	<i>Tons.</i>		<i>Tons.</i>	<i>Tons.</i>
Amsterdam	167		Hull	4,346	
Antwerp	1,210		Liverpool	41	
Bristol	5		London	610	
Christiana	3,769	530	New Castle	364	
Copenhagen	1,700	350	Porsgrund	930	
Dundee	40		Rotterdam	400	
Finnø	120		Stockholm	1,165	
Glasgow	360		Stettin	10,158	
Gothenburg	5,119	1,000			
Hamburg	1,576			32,068	1,911

Average prices for the year 1889.

	Opening year.	Close of year.
Unbleached:		
Per ton of 2,240 pounds	\$73.98	\$70.56
Per ton of 2,000 pounds	65.88	63.00
Bleached:		
Per ton of 2,240 pounds	96.04	94.64
Per ton of 2,000 pounds	85.12	83.88

[From the Paper Trade Journal, published in New York City, under date January 4, 1890.]

1889—Opening prices for the following grades of chemical wood-pulps.

Unbleached soda.—3 to 3.30 cents per pound, or \$67.20 to \$73.02 per ton of 2,240 pounds; \$60 to \$66 per ton of 2,000 pounds.

Bleached soda.—3½ to 4.15 cents or \$81.20 to \$92.96 per ton of 2,240 pounds; \$72.50 to \$83 per ton of 2,000.

Closing prices for the same grades and qualities.

Unbleached soda.—2.85 to 3.30 cents per pound or \$63.84 to \$73.92 per ton of 2,240 pounds; \$57 to \$66 per ton of 2,000 pounds.

Bleached soda.—3½ to 4.15 cents per pound, or \$78.40 to \$92.96 per ton of 2,240 pounds; \$70 to \$83 per ton of 2,000 pounds.

1889—Opening prices for the following grades of chemical wood-pulps.

Unbleached sulphite.—3½ to 3¾ cents per pound, or \$70 to \$84 per ton of 2,240 pounds; \$62.50 to \$75 per ton of 2,000 pounds.

Bleached sulphite.—4½ to 5½ cents per pound, or \$95.20 to \$114.80 per ton of 2,240 pounds; \$82.50 to \$102.50 per ton of 2,000 pounds.

Closing prices for the same grades and qualities.

Unbleached sulphite.—2.85 to 3.60 cents per pound, or \$63.84 to \$80.84 per ton of 2,240 pounds; \$57 to \$72 per ton of 2,000 pounds.

Bleached sulphite.— $4\frac{1}{2}$ to 5 cents per pound, or \$95.20 to \$112 per ton of 2,240 pounds; \$82.50 to \$100 per ton of 2,000 pounds.

Origin.	Austria and Hungary.		Germany.		England.		Sweden and Norway.		Nova Scotia, etc.	
	Pounds.	Value.	Pounds.	Value.	Pounds.	Value.	Pounds.	Value.	Pounds.	Value.
1888.										
July	90,167	\$2,199	2,048,234	\$42,527	336,500	\$7,761	6,166,793	\$45,305	.....	.....
Aug	244,739	5,746	896,031	20,098	285,846	6,209	1,897,364	22,864	43,200	\$540
Sept	402,873	9,435	1,228,658	30,198	240,800	5,615	1,439,649	14,272	.....	.....
Oct	345,839	8,294	1,038,623	20,764	309,482	8,842	2,706,103	37,849	.....	.....
Nov	377,505	8,527	1,546,192	38,529	248,070	6,118	2,717,610	30,740	.....	.....
Dec	45,033	1,116	1,388,238	25,345	711,536	16,467	4,597,105	53,939	.....	.....
1889.										
Jan	269,311	6,141	2,880,843	59,074	437,536	10,299	3,157,003	32,910	.....	.....
Feb	153,366	4,295	2,111,169	51,636	620,072	14,385	3,096,389	48,343	.....	.....
March	547,541	12,914	1,114,457	22,434	302,774	6,741	7,238,469	74,883	.....	.....
April	271,811	5,984	2,065,252	42,571	411,095	9,211	3,919,000	51,063	.....	.....
May	66,145	1,467	1,679,205	33,938	313,915	6,982	2,014,283	33,557	5,000	41
June	272,277	6,220	1,856,452	36,209	173,600	3,948	2,875,781	41,481	.....	.....
Total	3,085,607	72,338	19,853,354	423,243	4,391,176	102,668	41,825,540	487,206	48,200	581

RECAPITULATION.

	Pounds.	Value.
Austria and Hungary	3,085,607	\$72,338
Germany	19,853,354	423,243
England	4,391,176	102,668
Sweden and Norway	41,825,540	487,206
Nova Scotia, etc	48,200	581
Total	69,203,877	1,086,036

Or 34,609 tons, at an average of .0156 cent per pound.

STATEMENT OF E. F. BERMINGHAM.

Mr. E. F. BERMINGHAM, of Dexter, N. Y. said:

Mr. Chairman and gentlemen, I appear before you on behalf of the Dexter Sulphite Pulp and Paper Company of Dexter, Jefferson County, New York State. I would respectfully request that in the formulation of your new tariff law you give bi-sulphite fiber a proper classification, which it has never had. It is now being imported under the classification of "Wood-pulp," which is the cheapest fiber manufactured, no chemicals whatever or much labor being required in its preparation. Bi-sulphite fiber is the most expensive fiber to manufacture of the chemical fibers. The construction of any plant for its manufacture requires a large investment of money, and owing to the nature of the process its maintenance is always expensive.

We give employment to two hundred and fifty men.

I would further respectfully request that a specific duty be imposed of \$10 per ton (of 2,000 pounds) on the unbleached bi-sulphite and \$15 per ton on the bleached bi-sulphite.

We do not want an ad valorem duty, which only furnishes opportunities for evading the collection of the proper duty.

STATEMENT OF COL. GEORGE W. THOMPSON.

Col. GEORGE W. THOMPSON next addressed the committee.

Mr. CARLISLE. Is there any difference between the prices of white and colored papers?

Colonel THOMPSON. There is a great difference. There is not a large quantity of colored paper imported. Prices are very high; at least 50 to 75 cents per pound.

Mr. CARLISLE. The reason I ask the question is that you propose the same rate of duty upon all per pound, so that it would be very high upon the lower and very low upon the higher classes.

Colonel THOMPSON. These higher goods we do not care so much about.

Mr. CARLISLE. The duty is now 25 per cent., while paper is worth 16 cents per pound.

Colonel THOMPSON. Sixteen to 18 cents per pound for lower grades.

Mr. CARLISLE. So that a specific duty of 8 cents would be nearly 50 per cent.

Colonel THOMPSON. Yes, sir; the old duty was 35 per cent.

Mr. CARLISLE. Why not make it 15 per cent more ad valorem?

Colonel THOMPSON. It would not be sufficient or satisfactory. We want to manufacture the paper here. We have put in machinery costing \$10,000, and as soon as we commenced to make the goods the prices of the imported article dropped so low that we could not compete, and we have been obliged to suspend its manufacture.

Mr. CARLISLE. Is this used as wrapping-paper by silversmiths and druggists?

Colonel THOMPSON. Not much by druggists. It is used as wrapping-paper by silversmiths. Tissue-papers require more labor than ordinary papers. The labor on ordinary papers would be 50 per cent. less than the cost to manufacture tissue-papers. It is on account of this cost of labor that we can not manufacture them here. The difference in labor on this class of goods between this country and Europe is more than 100 per cent.

Mr. CARLISLE. Do you use substantially the same machinery?

Colonel THOMPSON. Their machinery is a little different in construction from that we have here. It is substantially the same.

Mr. CARLISLE. Is it equal to ours?

Colonel THOMPSON. It is. There is only one machine at present in this country calculated to make this paper. Others can be changed in probably three or four months so as to make tissue goods.

Mr. McMILLIN. Is that used for copying-books?

Colonel THOMPSON. Yes, sir; some of it is imported now already made up into copying-books, and the covers are made and sent here separately, and the books completed after they reach here.

Mr. McMILLIN. For what purpose is it used by druggists?

Colonel THOMPSON. Druggists do not use it much.

Mr. McMILLIN. Is this paper not used by druggists for filtering?

Colonel THOMPSON. There is not a large consumption of it for that purpose.

The CHAIRMAN. What effect would the increase of duty have upon the price?

Colonel THOMPSON. It would increase the price temporarily, but not very much. Mills here would commence to make it, and as soon as they found there was money in it other mills would change their machinery, and the price would soon find its level. They would have to make an agreement among themselves that the price should not be reduced so low that we could not manufacture it at a profit. It would soon be down to nearly as low a price as it now is.

Mr. BRECKINRIDGE. State the different values of these papers. What is the lowest value?

Colonel THOMPSON. From 80 cents to \$1 per ream for copying-paper. Of the colored papers some are \$5, \$6, and \$7 a ream. One color is \$15 a ream.

Mr. BRECKINRIDGE. Can you not state the prices in pounds?

Colonel THOMPSON. Yes, sir; the lowest price is about 16 cents per pound for the goods we wish to make.

Mr. BRECKINRIDGE. I want you to confine your statement to expression in pounds. Leave out the element of reams. Can you not state it as well in pounds; is it not taxed on a pound basis?

Colonel THOMPSON. A 6 cents pound paper is 90 cents a ream, or 16 cents a pound.

Mr. BRECKINRIDGE. Leave out the expression "ream." I ask you to put the calculation in pounds.

Colonel THOMPSON. Yes, sir. The present prices of imported tissues are from 16 cents up to 50 cents per pound. The tax is about 4 to 5 cents per pound, according to the weight of the paper.

Mr. BRECKINRIDGE. What is the cheapest paper per pound under this classification?

Colonel THOMPSON. About 16 cents.

Mr. BRECKINRIDGE. I thought you said 7 cents a pound was the price of some paper?

Colonel THOMPSON. I said \$6 to \$7 a ream, or from 16 to 50 cents a pound for 20 to 30. There is no paper as low as 6 or 7 cents per pound.

Mr. BRECKINRIDGE. Sixteen and 17 cents is the lowest price by the pound of these papers?

Colonel THOMPSON. Yes, sir.

COPYING PAPERS, CIGARETTE PAPERS, Etc.

BROOKLYN, N. Y., December 17, 1889.

DEAR SIR: I am instructed by the American manufacturers of thin papers, for whom the gentlemen whose names are signed at the foot of this communication have been appointed a committee to bring the condition of their industry to the attention of your committee. I attach hereto sample sheets of the paper in question, which is used chiefly in the manufacture of letter-copying books. It is also consumed in large quantities by manufacturers of silver-ware, jewelry, and other articles, and for great variety of other purposes. You will probably be astonished to hear that for a long period it has been found impossible to manufacture it in the United States and sell it in competition with the imported merchandise. At the present time all the machinery used in its manufacture is lying idle. The Ivanhoe Mill at Paterson, N. J., which was built and splendidly equipped at great cost for the express purpose of manufacturing such papers, has not been running at all for several years, with the exception of the short period stated below. A capitalist of this city, some months ago, purchased it under the impression that as all other mills had ceased its manufacture and the price of foreign papers had, as usual, when the domestic manufacturer is driven out of the market, increased considerably in price, he would be successful, but he found himself in the same position as the other manufacturers, and the mill is once more closed. Consequently every consumer of the article is now dependent on the foreigners for his supply.

It is unnecessary in this communication to enter into the question as to the difference in the rate of wages between the European countries and the United States. There is, however, one fact well worth calling your attention to. An elaborate article on the subject, published in the Paper Trade Journal recently, gave statistics showing that in a certain mill in Europe, manufacturing this particular kind of paper, the average rate of wages paid is a little in excess of 14 cents per day.

The question whether these papers shall be manufactured in the United States or not is entirely one for your committee and Congress. Under the present tariff act such papers are classified for duty under 392*b* at 25 per cent. ad valorem. Undervaluation is practiced to a certain extent by a few importers in whose hands the trade now is. Investigations now going on, by the order of the Secretary of the Treasury, proves this beyond doubt. Therefore the amount of duty collected is small, and for all protective purposes the article might as well be placed on the free list as be subject to a duty of 25 cent. ad valorem. The most thorough and careful investigations, extending over the past ten months, have been made into the real needs of the manufacturers to enable them to successfully compete with the foreigners. Careful consideration has been given to the cost of every article entering into its production, and precise calculations show that with the duty placed at 8 cents per pound and 15 per cent. ad valorem it can be manufactured at a fair profit in American mills and sold at a less price to the consumer than when the market is entirely under the control of the importing merchant.

Col. George W. Thompson, the head of the Diamond Mills Paper Company, who own two mills in New Jersey and one in New York, has been a practical paper manufacturer for over forty years. He instructs me to say that with the above rate of duty the pay-roll on such papers manufactured in his own and other mills with which he is acquainted would amount to at least \$1,000,000 per annum. Further, about 90 per cent. of the materials used in the manufacture are of domestic production. This statement proves the importance of the industry.

I am therefore instructed to ask that in the tariff bill now being prepared by your committee the following special clause relating to the papers under consideration be included therein:

"Papers known commercially as copying papers, cigarette paper, filtering paper, silver paper, and all tissue paper, white or colored, weighing on a basis of 20 by 30, 480 sheets, 12 pounds and under, whether made up in copying books, reams, or in any other form, 8 cents per pound, and in addition thereto 15 per centum ad valorem."

It is believed that no ad valorem rate however high would be satisfactory. All materials used in the manufacture of the paper are bought and sold by weight. The

paper itself when sold in quantities is also sold by weight. Therefore the natural and proper tariff should be a specific one.

The gentlemen named are prepared to appear before you on any date you may notify either Colonel Thompson or myself to answer any questions your committee may desire to put.

Very respectfully,

W. H. OSBORN,
Attorney and counsel.

G. M. THOMPSON, Diamond Mills Paper Company.

JAS. TOMPKINS, Jersey City Paper Company.

FRANK H. WHITTLESEY, Windsor Locks Mills.

A. F. HAND, Peekskill Mills.

Committee acting on behalf of American manufacturers of thin paper.

Hon. WILLIAM MCKINLEY, JR.

Chairman Committee on Ways and Means.

STATEMENT OF WILLIAM H. OSBORNE.

MR. WILLIAM H. OSBORNE, of Brooklyn, N. Y., next addressed the committee. He said :

Mr. Chairman and gentlemen of the committee, I appear as counsel for all the manufacturers of thin papers in the United States. The papers in question, a sample of which is attached to my brief, are copying papers, tissue papers, cigarette papers, and all papers of that character. A committee of gentlemen interested in the subject was appointed to come here, but, unfortunately, all have been taken sick, with the exception of Colonel Thompson, who has been engaged in the manufacture of paper over forty years, and whom, when you examine him, will cover the practical portion of the subject much better than I can. Therefore I propose to address you very shortly, explanatory of my brief, which I will hand in to the stenographer at the conclusion of my remarks.

There is not at the present time one pound of these papers manufactured in the United States. Formerly, certain firms, some specially established, manufactured all that was required here. But in the face of the importations, chiefly from Germany and France, and now also from Russia, they found it impossible to manufacture at a profit, and all the machinery is lying idle. It is well known that when domestic manufacturers attempt to produce goods which are made largely abroad, importers instantly reduce the price to a point which drives them out of the market, then increase prices far above the actual value, thereby re-imbursing themselves for the losses sustained in obtaining the market. That is the case with the merchandise I am discussing. Illustrative of this phase of the case, I refer to the Ivanhoe Mill, of Paterson, N. J., which was magnificently equipped for the manufacture of this class of paper only. The persons who built it were ruined by the competition of the importers. The mills lay idle for a long time, when a capitalist of Brooklyn, I believe a Mr. Whitman by name, finding the price of imported papers advanced probably 100 per centum over that prevailing at the period the Ivanhoe Mill failed, purchased the same, investing some \$20,000 or \$30,000, under the impression that it would pay him a fair profit upon his outlay. No sooner was this known, than down went the price of foreign papers, rendering it impossible for them to be manufactured at Paterson, and the mill is once more closed, the proprietor losing a large sum of money.

The difference in the rate of wage in Europe and this country has been so often discussed, and is so well understood, that I refrain from going into that question. But I desire to call the attention of the committee to a statement published in the well-known Paper Trade Journal, giving full statistics of the rate of wages paid in the mills in Europe, where in one factory in northern Europe the average wages paid was about 16 cents per day. For some years after 1883 several importers entered these papers at the custom-house for dutiable purposes as printing papers, and a large quantity was thus passed. Acting under instructions, I called the attention of the Department to the subject, which resulted in its being taken to the Supreme Court, where the decision was that it was properly dutiable at 25 per centum instead of 15 per centum. It is proper to say that only one or two firms were engaged in such importations. We have obtained samples from Germany and France, and on precise calculations find that, even with full duties paid on actual values abroad, it is utterly impossible to produce it in this country in competition with the foreign article. There is no question that undervaluation is practiced to a great extent. Colonel Thompson recently instructed me to take the case to the Treasury Department, and an investigation is now going on which it is believed will show gross frauds at the hands of several importing merchants. The assessed duty of 25 per centum is, by the means referred to, reduced to a mere nothing.

Mr. Thompson, of the Diamond Mills Paper Company, is, as I have already said, a practical paper-maker of over forty years' standing, engaged in it day by day and week by week for that period (excepting the interregnum of the war), and will answer any questions relating thereto you may desire to put to him. I will not take up more of your time further than to say that the clause I am about to suggest is a concise one. We want a correct classification. We believe an ad valorem duty, however high, would not be satisfactory. We think a specific rate can be made that will be. All the materials used in the manufacture of paper are purchased by weight. When the product is sold (except when it is disposed of in small quantities) it is by weight, and the proper way to assess a duty on paper is undoubtedly by the same system. We wish it given a classification by itself, and such a one regarding which there can be no question as to what is intended thereby. It would have to be a separate clause, and that I know is objectionable; but in a matter of this importance when, positively, to-day there is machinery ready, or can be ready within ninety days after the passage of the bill, by which there will be at least \$1,000,000 paid out for labor alone by Colonel Thompson and other mill owners with whom he is acquainted, in my judgment such objection falls to the ground, and the extension of the act by three or four lines should not be taken into consideration. Colonel Thompson will guaranty that inside of one or two years, if he be protected so that he can find a market, he will manufacture all the thin papers that are consumed and at a price which will be less than they are to-day.

Mr. BAYNE. What is the clause that you suggest?

Mr. OSBORN. "Papers, known commercially as copying papers, cigarette papers, filtering paper, silver paper and tissue paper, white or colored, weighing on a basis of 20 to 30, 480 sheets or less, whether made up as copying books, reams, or in any other form, 8 cents per pound, and in addition thereto 15 per centum ad valorem."

PHOTOGRAPHIC ALBUMENIZED PAPER.

NEW YORK, *January 9, 1890.*

DEAR SIR: We regret very much that it is impossible for us to appear before your committee to-morrow, January 10, and express our views as to the duty to be fixed in the forthcoming tariff bill on photographic albumenized paper, and take the liberty of addressing these lines to you in order that you may be fully acquainted with the condition of affairs in the albumen paper market, and thus be better able to judge as to what rate of duty should be fixed upon this article.

The plain photographic paper is manufactured almost exclusively by the firm of Blanchet frères & Kleber, at Rives, Isère, France, whose factory there is situated at the foot of the Western Alps, and is supplied with water of extraordinary purity from the snow-clad mountains near by. This contributes very largely to the success achieved by them in the manufacture by them of the most pure and perfect photographic paper that is made in the world. Another element of success with them is the fact that they are descendants of a family who have owned that same factory for more than one hundred years, and from the first, long before photographic paper was required, their aim has been to produce paper of the finest quality, which experience, of course, was most valuable to them when the demand arose for photographic paper, which, as you are aware, requires the most absolute purity. For the past twenty or thirty years, therefore, they have maintained an almost absolute monopoly of the plain photographic paper, and the name "Rives," by which their paper is known in the trade, has come to be such a symbol of purity that few photographers will buy any albumenized paper that is not albumenized on Rives plain paper.

The albumenizing of photographic paper is carried on chiefly in Dresden, Germany, where two factories albumenize together about 40,000 out of about 50,000 reams of paper, which latter figure represents approximately the total product of albumen paper throughout the world. These two factories are bound by contract to Messrs. Blanchet frères & Kleber, to give their paper preference in all cases, so that only a very few hundred reams of other plain paper is albumenized by them. In return for this Messrs. Blanchet frères & Kleber sell their plain paper to the albumenizers in Dresden at a much lower price than they will sell it to any albumenizers in America. This fact makes it practically impossible for any one in America to albumenize Rives paper, and, since few photographers will have any other paper than that albumenized on Rives plain paper, the Dresden manufacturers thus maintain a very large and almost absolute control of the American market. Our house is the representative of one of the Dresden factories, and the Scovill & Adams Company, 423 Broome street, New York, and Mr. G. Gennert, of No. 52 East Tenth street, New York, are the agents of the other factory in Dresden, so that our three houses imported last year, as nearly as we can compute, more than 80 per cent. of all the albumen paper used in the

United States. The duty on albumen paper under the tariff of 1883 was at first assessed at 25 per cent. until suits brought by the three importers above mentioned resulted in a verdict that the rate should be 15 per cent., and we then immediately reduced the price of albumen paper in this country. Should you see fit to remove the duty altogether we will of course reduce the price again; but if it be fixed at 25 per cent., as was contemplated last year both by the Mills' bill and by the Republican tariff bill, we should be compelled to increase the price, and the consumer would be the only one affected by a change in the tariff, as you will readily see by considering the conditions above referred to.

An increase in the rate of duty could not result in fostering the manufacture of albumen paper in this country for the following reasons: First, because of the higher price which Messrs. Blanchet frères & Kleber charge for their paper to American albumenizers; second, because the three importing houses would not care to handle the American paper, for fear of a rupture of their relations with the Dresden albumenizers; and, third, because the small dealers throughout the country, whom we supply with our respective brands of paper, which have been so long and favorably known to the trade, would not care to undertake to introduce among their constituents new brands of paper in competition with those that sell readily and are considered as staple articles. Especially in view of the fact that there are several different colors of each different brand of paper sold by the three importing houses above mentioned, and when dealers are stocked up with the quantity of paper necessary to supply the demand, they would not care to invest money in any outside brand as the paper is very expensive, the present wholesale price being \$32 per ream, and the carrying in stock of a full supply of all colors of all our brands locks up a great deal of money.

In view of the above facts, we respectfully urge your consideration of the question whether albumen paper may not be one of the articles placed on the free list in order to reduce the surplus in the United States Treasury.

We beg to remain, dear sir, very respectfully,

E. & H. T. ANTHONY & Co.

Hon. WM. MCKINLEY, JR.,

Chairman Committee on Ways and Means.

VIEWS OF SANDER & NEULANDT.

GENTLEMEN: We submit to you for inspection samples of plain sized photographic paper, which is used for making the albumen paper, and on which we have to pay an import duty of 25 per cent. ad valorem.

We also submit to you samples of albumenized paper on which there is only a duty of 15 per cent. ad valorem.

Ten years ago, when the duty was 35 per cent. ad valorem, there were albumenized in this country 6,000 reams of paper and imported about 4,000 reams; since then the German manufacturers have, by means of cheaper production and by the reduction of the tariff to 25 per cent. and later on to 15 per cent. ad valorem, succeeded in destroying this industry entirely; they have driven out of business one albumenizer after the other, until they have reduced the home production to 1,000 reams a year, whereas the amount of imported albumen paper has increased now to 20,000 reams per year.

These 20,000 reams are nearly all manufactured by two Dresden stock companies, which turn out of their works 40,000 reams a year, with a net profit of 800,000 marks annually; half of their paper is therefore exported and used in the United States.

They get their plain photo paper from the *Papeterie de Rives* (paper mills of Rives), near Lyons, France, and in consideration of their taking 20,000 reams each they get it at 60 francs a ream; we have to pay 75 francs for the same goods, as we are unable to use 20,000 reams at the present condition of the market.

The cost of manufacturing is, therefore, as follows:

In the United States:

One ream of plain paper, 75 francs.....	\$14. 40
Duty, 25 per cent.....	3. 60
Eggs, labor, etc.....	11. 00
<hr/>	
Total.....	29. 00

In Germany :	Marks.
One ream of plain paper, 60 francs	48
Duty in Germany	1
Eggs, labor, etc	21
Total	70
Equivalent in United States money to	\$17.00
Profit they make now on their export goods, 30 per cent	5.00
Total	22.00
Duty as proposed by the last Congress, 35 per cent	7.70
Laid down in New York	29.70

Now, with a duty of 35 per cent. ad valorem, as proposed in the last Senate tariff bill, the cost of one ream of paper to the importer is \$29.70. The cost to manufacture the same kind of albumen paper in this country is \$29.00.

The Dresden albumenizers make on their paper a profit of 30 per cent. Now, if they reduce their profits to 16 per cent. and less, they are still able to sell their albumen paper, laid down in New York at \$25.50; therefore they can undersell us still to the amount of \$3.50 to \$5 even if we work with nearly no profit.

This is what they have done six and eight years ago. When the duty was 35 per cent. ad valorem their goods were sold in this market at 73, 75, and 77 marks from Dresden; as soon, however, as the duty was lowered the price of the albumenized article was raised to 80 and 85 marks and lately to 90 and 95 marks. They have regulated their prices according to the duty that has been placed upon the goods by the United States Government.

Their agents in this country have used every possible means to destroy the home industry; they have even gone so far as to make agreements with the three hundred dealers in photographic materials, pledging them to keep no other paper in stock than the imported brands. The following is an extract of said agreement:

"December 19, 1889.—The parties hereto agree that after they have disposed of the present stock which they may have of outside brands of albumen paper they will keep in stock, during continuance of this agreement, only such brands of albumen paper as may be sold to them by the Scovill & Adams Company, G. Gennert, or E. & H. T. Anthony."

Therefore the increase of the duty on albumenized paper from 15 per cent. to 35 per cent. ad valorem is not sufficient to protect the American albumenizer, because the German albumenizers will, as soon as the tariff takes effect, reduce their present price of 95 to 75 marks, and will sell just as many goods as before the change.

In order to enable the United States manufacturer to compete, a duty of 50 per cent. ad valorem on albumenized and sensitized paper should at least be charged, or the 25 per cent. duty which the American albumenizer has to pay on the plain photographic paper which he must import, as same can not be manufactured here, should be taken off and plain photographic paper for albumenizing purposes should be entered on the free list.

We favor the latter proposition, as the duty of 25 per cent. benefits nobody other than the United States Treasury, it being entirely out of question that the article can be made in this country. The reasons for this assertion are as follows:

The composition, bleaching, and sizing of the paper are secrets. No chemicals must be employed which have a reaction upon nitrate of silver, chloride of gold, or such chemicals as are used by photographers in their formulas. The paper must resist the action of water for at least twenty hours.

Only machinery made of bronze and which costs many thousands of dollars can be used, as the paper must be entirely free from iron and spots of any kind.

The calendering or rolling of the paper is done different than in the manufacture of writing papers.

The whole process is so difficult that only two manufacturers of many who have tried are in a position to furnish a salable article, and they have commenced when photography was in its infancy yet and they only succeeded by being the first ones to make it and by gradually improving the quality of their goods.

These two factories are Papeterie de Rives, near Lyons, France, and Steinbach & Co., Malmédy, Germany.

The plain paper, made by the French mills, is a far superior article; it is therefore used by all the albumenizers in Dresden while the paper of the German mills is only used for inferior grades of goods.

The output of the French mill amounts to about 45,000 reams and of the German mill to about 3,000 reams. In the United States some feeble attempts have been made but without any success, and to-day no mill will even attempt the manufacture.

The albumenizers of Germany have been successful in convincing the German Government that they must have the French plain paper; therefore the French plain paper enters Germany nearly duty free, the tax being only 25 cents per ream, whereas we have to pay \$3.60 per ream.

Furthermore, if the duty is taken off the plain paper we shall also be able to sell to Canada and Central and South America, which markets are controlled by the New York agents of the Dresden factories.

As this country uses 20,000 reams of paper annually it would require 12,000,000 of eggs to albumenize them here.

We can only repeat that it is only fair towards the American photographer and albumenizer to place plain, sized photographic paper, used for albumenizing purposes, on the free list and charge a duty of 35 per cent. ad valorem on the albumen paper, or if, for some reason or other, this can not be done, raise the duty on albumen paper 50 per cent. ad valorem, otherwise we shall be compelled to give up the manufacture in this country.

We also inclose two letters, one from Messrs. Steinbach & Co., Malmédy, Germany, and one from Messrs. Blanchet frères & Kleber, proprietors of the Papeterie de Rives, which will show you that our suggestions regarding the difficulties in the manufacture are true.

As our Mr. H. Sander has been technical manager in one of the largest stock companies at Dresden, and as our E. H. Neulandt has been confidential clerk for one of the agents of the Dresden factories at New York, we are thoroughly posted in all matters concerning the manufacture and sale of albumen paper both in Germany and in the United States.

Respectfully, yours,

SANDER & NEULANDT,
Albumenizers and Sensitizers of Photographic Papers.

VIEWS OF R. ABEL.

NEW YORK, *January 17, 1890.*

Hon. WM. MCKINLEY,

Chairman of the Committee of Ways and Means :

The undersigned, manufacturer of albumen paper, here with respectfully calls your attention to the present tariff on albumen paper and on plain photographic paper, used for albumenizing.

Albumen paper is an article used by photographers; it is prepared by giving a certain kind of plain white paper, which is specially made for the purpose by a French factory, one or two coatings of eggs' white and chemicals.

It is a well-known fact that albumen paper can be made much cheaper in Germany than in the United States, as eggs and labor are considerably cheaper there than here; furthermore, the present tariff on plain paper is 25 per cent. ad valorem and on albumen paper only 15 per cent. ad valorem. How can we exist under such circumstances?

I have lost money every year, and have only kept my works going in the hope that Congress may rectify the above wrong and put the albumen paper maker of this country in a position to compete with the importers who have grown rich and monopolize the market.

If the protective tariff shall be a protection to us I advocate a duty of 75 per cent. ad valorem on albumen paper and ready sensitized paper; or, better yet, a duty of 50 per cent. ad valorem on albumen paper, and the placing on the free list of plain, photographic paper used in the albumen paper manufacture.

If none of the above propositions can be accepted albumen paper may just as well be placed on the free list, as the remaining albumenizers will be forced to close up their works.

Twenty years ago all the albumen paper used in this country was made here and none was imported, but the domestic manufacturer has lost ground every year, and to-day there are made here only from 1,000 to 2,000 reams. If this industry had been properly protected we could have supplied the whole American market, which uses about 25,000 reams a year.

Fifteen million of fresh eggs would be necessary to make the above number of reams, a circumstance which would be of great benefit to the farmers.

Formerly the duty was 35 per centum ad valorem on albumen paper, yet the importation of this article was not only possible but the imported article was sold here at \$28 per ream, whereas its cost of making it here is \$30 per ream; the above duty was therefore not sufficient to give us the necessary protection.

As our paper-mills can not make the plain paper I see no reason why we shall pay 25 per cent. duty on it; if this duty were taken off and the duty on albumen paper

were increased to 50 per centum ad valorem, you would preserve this industry to this country; if not, all other makers, as well as myself, shall be compelled to abandon the manufacture.

I hope you will kindly give the above lines your consideration, and I am,
Your obedient servant,

R. ABEL,
89 Second Avenue, New York.

SURFACE-COATED PAPER.

SPRINGFIELD, MASS., *January 14, 1890.*

DEAR SIR: There is a valuable manufacturing interest in this Congressional district liable to be affected by tariff legislation during the present session of Congress. There are also two or three factories in your district making the same goods.

I refer to what is known commercially as "surface-coated paper." These goods at present, when imported, pay a duty of 25 per centum ad valorem under that clause of "Schedule M," act of 1883, which says: "All other paper not specially enumerated or provided for in this act, 25 per centum ad valorem."

The Senate tariff bill, passed by the Senate in 1888, fixed the duty on "surface-coated paper" at 35 per centum ad valorem—an improvement on the present situation, as it would place our goods by a designated name on the list of dutiable articles, and also increase the present collected duty 10 per centum.

While this is an improvement, it is hardly sufficient to enable the American manufacturer to meet the increasing aggressiveness of the Belgian and German makers of these goods, whose agents are constantly canvassing this country offering lower prices than the home manufacturers can meet.

The same class of labor for which we pay \$1 and \$2 a day is readily procured in Belgium at 10 and 30 cents a day; in Germany wages are a little higher. The cheap labor of these two countries is wonderfully effective and well trained, following the same routine of work almost from the cradle to the grave. "Surface-coated paper" can not be classed as "necessaries," but comes under the head of "ornamental," and in this way only as useful; it is used to cover the outside and sometimes the inside of boxes, making them more pleasing and beautiful to the eye, also for labels on patent medicines and a great variety of fancy articles, in no way necessary to their intrinsic value, but simply adding to their attractiveness.

The machinery of the foreign manufacturers is of the most improved kind, and they are constantly adding to its effectiveness by originating improvements, and also by copying the improved machinery of this country.

In view of all these facts, taking into consideration that no man is compelled by his necessities to use in any way "surface-coated paper," it would seem to require no lengthy argument to convince our friends in Congress of the expediency of placing a duty on these goods sufficient to enable the American manufacturer to control the American or home market and continue to pay American prices for labor.

The duty should be not less than 50 per centum ad valorem. The capital invested in the manufacture of "surface-coated paper" in this country is not far from \$3,000,000, employing about two thousand persons, mostly men.

Will you kindly call the attention of the Committee of Ways and Means to this matter? From your long and close business relations with the manufacturers of "surface-coated paper," I think you can explain to the committee any doubtful point better than almost any other person.

Very respectfully,

JOHN F. MARSH,
Treasurer Springfield Glazed Paper Company.

Hon. RODNEY WALLACE, M. C.

CARD BOARDS.

PHILADELPHIA, *January 9, 1890.*

The Committee of Ways and Means of the Fifty-first Congress:

As manufacturers of paper card-boards we beg leave to call attention to a manifest error in Schedule M, act of 1883, in classification of our manufactures. The paragraph to which we here refer stands as follows:

"Paper, manufactures of, or of which paper is a component material, not specially enumerated or provided for in this act, 15 per centum ad valorem."

Paper, the raw material used in the manufacture of card-boards, not being classified

in the act of 1883, is subject to a duty of 25 per centum ad valorem, as "all other papers not specially enumerated or provided for," thus making a discrimination of 10 per centum against our industry—an unjust discrimination which could not have been intended by the framers of the act of 1883.

The Senate perceived and legislated to correct this error, but failed. We now respectfully solicit your favorable consideration of Schedule M of what is known as the Senate bill, paragraph No. 382, which is as follows:

"Papers known commercially as surface coated papers, and manufactures thereof, card-boards, albumenized and sensitized papers, lithographic prints from either stone or zinc, bound or unbound (except illustrations in printed books), and all articles produced either in whole or in part by lithographic process, and photograph, autograph, and scrap albums wholly or partially manufactured, 35 per centum ad valorem."

Respectfully submitted.

A. M. COLLINS MANUFACTURING COMPANY,
EDWARD CAPO,
Vice-President.

ENVELOPES.

STATEMENT OF WILLIAM ERWIN MARTIN, OF NEW YORK CITY.

Permit us to call your attention to the tariff on envelopes, and to ask the retention of the present rates, or 25 per cent., for the following reasons:

(1) The duty on envelopes was at one time 45 per cent., then reduced to 35 per cent., and now in Mills bill made 20 per cent. These reductions have all tended to increase the importation of envelopes, and at 20 or 25 per cent. duty the Belgium, Scotch, and English envelope manufacturers could swamp the markets of the United States and drive out of business the American manufacturers.

The class of labor employed in the United States is largely female; say 85 per cent. of all now employed in the manufacture of envelopes are girls and women. The very low rates of wages paid this class of help in Scotland, which is about one-quarter the sum here. There girls on machines used in making envelopes receive from 2s. 6d., or say 62 cents, to 3s. 6d., or 87 cents, per week. In Belgium, France, and Italy it is much less. A few of the more skilled average 5s., or \$1.25 per week, while the corresponding wages for similar work in the United States averages from \$5 to \$9 per week.

Then, again, the cost of paper made into envelopes used in Scotland and Belgium costs much less than in the United States.

The boxes, gum, and various articles used in manufacture of envelopes all cost on an average 40 to 50 per cent. less there than here.

(2) The prices of envelopes in the United States, owing to protection in the past, the improvements of the machinery to manufacture, and competition in trade, are now sold at about 50 per cent. of what they were sold in 1861, while all the expenses for wages and labor and sundries have increased nearly 100 per cent.

Lines of goods sold in 1860 and 1861 at \$2.25 per thousand we now sell a better-made article at \$1.10 to \$1.25 per thousand. This has been helped largely by the reduction in prices of papers used in the manufacture of envelopes of from 16 cents per pound to 9 cents, and the improvement in the manufacture by machinery of self-gumming and folding styles only makes above possible.

This, or any, reduction in duty on envelopes is not needed or called for, as the citizens of the United States now buy a better and finer line of envelopes for less money than any other people in the world. And the destruction of the envelope manufacture would be a great blow and be of great injury to the paper-makers' interest of the United States, who employ a large amount of machinery, large plants, a large amount of capital, and a large number of hands in the manufacture of envelope paper: 60 to 100 tons of paper daily are now used in envelope-making.

(3) The envelope manufacturers of the United States now have a very strong and unjust competition in the United States Government, first through the Post-Office Department, who make and sell and carry through the mails to the post-offices of the United States free many thousands of tons of envelopes yearly, and they are sold by the postmasters to the people at cost to the United States of manufacture, and at lower prices than the retail dealers can afford to sell at and pay store-rent, expenses, freights, etc., and make a fair profit.

The prices for stamped envelopes have been reduced from year to year, and that has forced the envelope manufacturers down and down in prices to try and compete with the Government.

The increase in consumption of stamped envelopes has been very great, over 52,-000,000 last year, or over 1,000,000 per week for past year; and this unjust competi-

tion goes on, fostered and protected by the Post-Office Department and large appropriations from the United States Treasury. So with this great competition of and by the United States Government the manufacturers should not have another and worse one thrown on them by reduction of the duty.

(4) This industry has grown and increased with the demand for goods and protection in the past, and is now seeking, and with fair success, an export market in Mexico, West Indies, and South America, and various other parts of the world.

This effort should be aided and encouraged by the United States Government, and not discouraged by lowering duties and destroying the manufacturers.

(5) This industry now employs directly and indirectly from 5,000 to 7,000 employes, besides large numbers employed on building machinery used in making envelopes, making paper boxes, and various branches of trade connected with the manufacture of envelopes, and a large percentage of this number are females, who need all the protection in way of fair wages that it is possible to give, and not have their wages reduced by competition of poorly-paid and poorly-fed pauper labor of Belgium and Scotland, England, France, and Italy.

(6) The Mills bill places envelopes at 20 per cent. and the paper they are made from at 25 per cent.

Why is this? Should not a manufacturer be protected as much on his manufactured goods as on a so-called "raw material" of paper?

(7) We have only named a few of the facts why this duty should not be reduced, and why this important industry should be still protected and fostered by a fair duty of 35 per cent.

The reasons for this are as stated above:

(1) Labor costs on paper-making (our raw material) in Europe are one-half to one-quarter of amount for making same grades paid in the United States.

(2) Labor employed in manufacture of envelopes in Europe is only paid one-third to one-fifth of amount paid in United States for same work.

(3) The Canadian duty is now on envelopes 35 per cent., and why should not United States manufacturers have same protection?

The Scotch, English, and Canadian manufacturers are now coming into the United States, underselling the American manufacturers at 25 per cent. duty, thus robbing American laborers in paper-mills and envelope factories of their labor.

LITHOGRAPHS.

STATEMENT OF LOUIS ETTLINGER.

Mr. LOUIS ETTLINGER, lithographer, of New York, next addressed the committee. He said:

Mr. Chairman and gentlemen, we appear as a committee from the Lithographers' National Association to ask your honorable committee to change the tariff schedule on books, papers, etc., as follows: Lithographic and photolithographic prints, from either stone, zinc, glass, or gelatine, and all articles produced either in whole or in part by lithographic or photolithographic process, wholly or partly manufactured, 62½ cents per pound.

The CHAIRMAN. What is the existing rate of duty?

Mr. ETTLINGER. It is now 25 per cent. ad valorem. It is impossible to arrive at the actual value of lithographic work without being perfectly familiar with the circumstances under which the work has been produced. The circumstances are as follows: In the first place, if it is original it is a high class of work, and if it is copied from something in existence it does not cost anything to copy.

Mr. BRECKINRIDGE. Have you a statement of the effect of this change in the law—what its effect would be upon rates?

Mr. ETTLINGER. The effect would be to make the cost equal to the selling price on the other side.

Mr. BRECKINRIDGE. Have you any table so as to show how it would compare with the present rate?

Mr. ETTLINGER. I have it right here.

Mr. BRECKINRIDGE. What would be the effect upon such work as that [indicating]?

Mr. ETTLINGER. These sheets are now imported. The sheets are 29½ by 32½ and there are thirty-two single pictures on a sheet. These sheets cost 22½ cents on the other side. If you take as a basis 5,000 sheets as an edition, the cost would be \$1,125 in Europe, and at present the duty would be nearly \$300.

Mr. BRECKINRIDGE. At your proposed duty, what would it be?

Mr. ETTLINGER. At our rate of duty it would be \$550.

Mr. BRECKINRIDGE. This is very fine work, is it not?

Mr. ETLINGER. Yes, sir.

Mr. BRECKINRIDGE. What would be the effect upon more ordinary work?

Mr. ETLINGER. Here is some work [indicating] where the cost would be greater. That depends, also, to a considerable extent, where the goods are manufactured. Labor in some countries is cheaper than in others. These sheets are invoiced at 5 cents apiece.

Mr. BRECKINRIDGE. This work [indicating] is not so fine as the first you showed.

Mr. ETLINGER. This is not so fine as the other. This is good work. The invoice of 5,000 sheets of this picture would be \$250 at the present rate, and the cost of producing 5,000 sheets of this in this country would be \$790. The point is that these sheets were not imported in 5,000 lots. They came in in 100 and in 500 lots.

Mr. BRECKINRIDGE. What would be the amount of taxation on 5,000 lot sheets, and what would it be on your proposed taxation on 5,000 lot sheets of this kind of work?

Mr. ETLINGER. As I understand this law, drawings and designs should be included in the importation because it is part of the cost to bring the article to a marketable condition.

Mr. BRECKINRIDGE. The law does not enumerate any of these details?

Mr. ETLINGER. The invoices are not based on the cost of the goods.

Mr. BRECKINRIDGE. Tell me what would be the tax on the quality which you speak of—I take your figures—of a 5,000 lot, and what would be the taxation named in your proposed rate.

Mr. ETLINGER. It would be \$62.50 on 5,000 sheets.

Mr. BRECKINRIDGE. Under the present law?

Mr. ETLINGER. Yes, sir.

Mr. BRECKINRIDGE. And how much under your proposed rate?

Mr. ETLINGER. It would be \$400.

Mr. BRECKINRIDGE. How much will this kind of work weigh to the thousand sheets.

Mr. ETLINGER. Eight hundred pounds to 5,000 sheets.

Mr. BRECKINRIDGE. This is specimen 1, I believe?

Mr. ETLINGER. That is No. 2.

Mr. BRECKINRIDGE. What do you call this first specimen?

Mr. ETLINGER. No. 4.

Mr. BRECKINRIDGE. Have you any further specimens that you have rates on?

Mr. ETLINGER. I have some others.

Mr. BRECKINRIDGE. If you will figure up the rates and file samples with the stenographer giving the tax on them at present and the tax under your proposed law that would be satisfactory. How long has this business been conducted in this country?

Mr. ETLINGER. We have been in the business since 1868.

Mr. BRECKINRIDGE. What per cent. of the consumption of this kind of goods is manufactured in this country?

Mr. ETLINGER. I can not tell; we have no way to find that out.

Mr. BRECKINRIDGE. Are they extensive?

Mr. ETLINGER. They are extensive, but the trade is growing all the time.

The CHAIRMAN. You say their production is increasing?

Mr. ETLINGER. Constantly.

Mr. BRECKINRIDGE. You mean the whole trade is increasing?

Mr. ETLINGER. No, sir.

Mr. BRECKINRIDGE. Do you mean the trade is increasing in this country?

Mr. ETLINGER. Not in our branch of the business.

Mr. BRECKINRIDGE. How long has this business been followed in this country?

Mr. ETLINGER. I suppose about forty years. But I want to call your attention to the fact that before 1869 this work had all been done on hand-presses and since 1869 it has been done on steam-presses, which cheapens the work considerably. The first presses were European presses, and all the improvements that have been made in that regard in machinery have been done in Europe, and it has been followed up in Europe, and being enabled to do that work so much cheaper it has gone to them. It is mostly used for advertising purposes and never goes into what the poor man would want.

Mr. BRECKINRIDGE. How many establishments for doing this kind of work exist in this country?

Mr. ETLINGER. About two hundred and fifty.

Mr. BRECKINRIDGE. Is this a large establishment?

Mr. ETLINGER. It is one of the largest.

Mr. BRECKINRIDGE. What would be the volume of your sales in a year?

Mr. ETLINGER. It would be about \$450,000.

Mr. BRECKINRIDGE. How many establishments in the country approximate yours in size?

Mr. ETLINGER. About a dozen.

Mr. BRECKINRIDGE. How many of those were in this country in 1880?

Mr. ETLINGER. A few less than there are to-day.

Mr. BRECKINRIDGE. When was your concern established?

Mr. ETLINGER. In 1868.

Mr. BRECKINRIDGE. What was the character of its growth and development?

Mr. ETLINGER. We have certainly been growing, and some fast machinery has been put in. Originally this business was all hand work. We are putting in machinery now.

Mr. BRECKINRIDGE. You say your present sales are about \$450,000 annually.

Mr. ETLINGER. Yes, sir.

Mr. BRECKINRIDGE. What were your sales, say, in 1880?

Mr. ETLINGER. I do not think it was less than \$350,000.

Mr. BRECKINRIDGE. What were they, say, in 1875?

Mr. ETLINGER. In 1875 they must have been \$250,000 or \$300,000.

Mr. BRECKINRIDGE. Is competition pretty sharp in this line of business?

Mr. ETLINGER. It is.

Mr. BRECKINRIDGE. About how much would this proposed tax be on this \$450,000 worth of goods?

Mr. ETLINGER. That is a difficult question to answer.

Mr. BRECKINRIDGE. Can you compute it?

Mr. ETLINGER. No, sir. We would have to figure up all the work, what the paper was, and all that.

Mr. BRECKINRIDGE. Is it difficult of computation?

Mr. ETLINGER. It is.

The CHAIRMAN. Where does your competition from the other side come from?

Mr. ETLINGER. It has grown in the last few years. They were formerly all jobbers in this country. These foreign manufacturers now only send goods to their own houses.

The CHAIRMAN. They consign them to parties here?

Mr. ETLINGER. Yes, sir. In this way competition has grown very much.

The CHAIRMAN. Is production cheaper on the other side than on this side?

Mr. ETLINGER. Labor is only one-third or one-fourth what it is here.

The CHAIRMAN. How much of your production is labor?

Mr. ETLINGER. About 85 per cent.

The CHAIRMAN. You have computed that this labor is paid two-thirds or three-fourths less than yours?

Mr. ETLINGER. Yes, sir. We have a printed statement here on that question.

The CHAIRMAN. Give it to the stenographer.

Mr. BRECKINRIDGE. Have you a statement of the amount of your pay-rolls for 1889?

Mr. ETLINGER. I have not that with me.

Mr. BRECKINRIDGE. I would be glad if you would give it to the stenographer, with a statement of your sales for two or three years past, together with the pay-roll for the same period, and state what you include in that pay-roll; whether you include the expenses of management or simply what is known as your manual labor. State whether or not you include salesmen.

The CHAIRMAN. You say your production is about \$450,000 a year?

Mr. ETLINGER. Yes, sir.

The CHAIRMAN. What is the total production of this country, if you happen to know?

Mr. ETLINGER. The total production, I should think, would be \$20,000,000 to \$25,000,000.

The CHAIRMAN. Do you know how much labor is employed in the trade?

Mr. ETLINGER. I think altogether there are 25,000 to 30,000 men employed in all the houses in this country, and the capital is \$25,000,000.

The CHAIRMAN. Under the present rate of duty you are not able to compete with your foreign competitor?

Mr. ETLINGER. No, sir.

The CHAIRMAN. Because of the difference in labor in competing countries?

Mr. ETLINGER. There is another thing which makes it impossible for us to compete. Here is a design of pictures [indicating] used for cigar labels. To make this originally on paper would cost not less than \$20. The drawing on stone of this picture would cost not less than \$125. The embossing plate would cost not less than \$45. This is an expense of \$190 cost to us. On the other side the manufacturer makes this design for a cigar manufacturer over there, and having the design already on stone and paid for, will sell it here, leaving out the entire cost of the drawing, saying they have already been paid for it and will simply sell the surplus stock. Against such goods we are unable to compete.

Mr. BRECKINRIDGE. Will you mark these samples by number and name so that we can identify them?

Mr. ETLINGER. Yes, sir. If we print one edition of 10,000 copies of this [indicating] the making of the drawing on stone and printing would cost us \$469.20. They are sold in this market for \$225. The invoice price can not be more than \$180. There is 25 per cent. duty on it. They leave the drawings out on half of them.

STATEMENT OF MR. DONALDSON.

Mr. ROBERT DONALDSON next addressed the committee. He said:

Mr. Chairman and gentlemen: I have here a statement of the average rates of wages paid in the various countries of Europe. I do not think it is necessary to take up your time in calling attention to the itemized amounts, but I will simply make a recapitulation. We find the cost in Great Britain on 1,000 impressions is \$1.18. In southern Germany and Switzerland, 80 cents; in Berlin, \$1.18; in Paris, \$1.42. The cost for like labor in the United States is \$2.09, making an increased cost in the United States of 79 per cent. over the cost in Great Britain, 161 per cent. over the cost in Germany and Switzerland, 93 per cent. over the cost in Berlin, and 47 per cent. over the cost in Paris. This is simply the cost of the printing.

Mr. BRECKINRIDGE. You mean the manual labor of printing 1,000 copies?

Mr. DONALDSON. Yes, sir.

Mr. BRECKINRIDGE. Regardless of the size of the edition?

Mr. DONALDSON. Yes, sir. This is the average in those countries.

Mr. BRECKINRIDGE. How comes it that some of those countries in which wages are much cheaper than in England are not breaking up this industry in England?

Mr. DONALDSON. I am not prepared to answer that question.

Mr. BRECKINRIDGE. There are other elements besides the cheapness of labor, I suppose?

Mr. DONALDSON. There are no other elements as compared with this country.

Mr. BRECKINRIDGE. Why is that not true of England?

Mr. DONALDSON. That I am not prepared to state. The difference in the cost of labor between the United States and Great Britain on 1,000 copies would be 77 cents. The difference between labor in Switzerland and Southern Germany would be greater.

Mr. BRECKINRIDGE. Yet, although some countries have cheaper labor than England, they do not break up the industry in England?

Mr. DONALDSON. As a matter of fact most every English publisher has his work printed in Germany. Fine lithographic books are printed for England at Nuremberg in large quantities, so that all fine lithographic work is really going from England to Germany and Saxony. It is breaking up this finer quality of work in England.

Mr. BRECKINRIDGE. Are these figures based upon actual transactions in England?

Mr. DONALDSON. Unquestionably; it is the rate of wages.

The CHAIRMAN. It is the actual rate of wages paid?

Mr. DONALDSON. It is the actual wages paid for the printing.

The CHAIRMAN. How much of that work is done in England?

Mr. DONALDSON. There is a considerable industry there.

STATEMENT OF EDWARD HATCH.

Mr. EDWARD HATCH, attorney, of New York, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I would explain that we applied to the Fiftieth Congress for an increase in the ad valorem duty on lithographs. Lithographs are not specified in the paper schedule. They are only included there by virtue of a decision of the Treasury Department. I presented the matter in the Fiftieth Congress before the Committee on Ways and Means and before the Finance Committee of the Senate. The bill of the Finance Committee increased the ad valorem rate to 35 per cent.

The national association that I have the honor to represent, which comprises the lithographers of the whole country, have no dissensions of any character, and at a regular meeting concluded that it was not practicable to have a reappraisal in lithographic work because of the difficulty in obtaining a merchant appraiser. It was stated that one of these pictures, the printing on it, we would say, cost \$100, whereas with the design and plates it will cost, we will say, \$200. There is an importation of these prints and the importer swears that it cost, say, \$100. That is satisfying his conscience, for the other \$100 is going to be charged in some other edition that is going to be sent to another country, or liable to be sent to another country; but whether that edition is ever issued in which the cost of the design is to be included, is something nobody can answer. We conferred with the Treasury Department and

we favor a change of the duty from an ad valorem to a specific duty, for if a proper specific duty is arrived at whatever is a fair average the Treasury Department will ascertain, and there is no chance of undervaluation.

Under an ad valorem duty the Treasury Department will inform this committee that it is practically impossible to appraise lithographic prints—more so than anything that comes into this country. In the first place, nobody can tell what the design costs. There is no way to ascertain whether the edition is ever issued. If the first edition is the only one issued the expense should be included. If there is going to be an edition of 20,000 then the cost would depreciate in proportion to the value of the invoice. We will say an importer assumes he is going to issue 20,000 in one edition, but if he does not the American manufacturer is not protected against this portion of the work, namely, these plates. On the other hand if the importer is only going to import 100 or 500 or 1,000, under the plan suggested, the importer is going to make money under this specific duty, for you give him credit with issuing 5,000 copies of everything, whereas the importation may not exceed 2,500 copies. We give them credit for issuing 5,000 and that fixes the ad valorem duty, whereas if they only issue an edition of 2,500 they make 50 per cent. on the duty. It is because of this impossibility to get a reappraisalment that we want a specific duty.

There is another reason. It is almost impossible to obtain a merchant appraiser to pass on imported lithographic work. The manufacturers abroad send, we will say, only to five houses, and all with an undervaluation, and no other importer could be called as a merchant appraiser. The merchandise is shipped from the manufacturer in Germany to his agent in New York. It makes no difference what it is invoiced to the agent in New York at. He sells it to former importers. That makes it impossible for any lithographer to obtain a reappraisalment on lithographic work. There are instances here that we have had where it is absolutely impossible to obtain a reappraisalment.

MR. BRECKINRIDGE. These frauds in invoicing that you speak of are perpetrated by shipments to agents?

MR. HATCH. Largely so.

MR. BRECKINRIDGE. They avoid the statement of the market price?

MR. HATCH. No, sir; I do not accuse them of that. I think they satisfy their own consciences by leaving out this item of the plates and designs. They set to work and charge on the other side the whole expense of these plates in the prices they fix to their customers. They can charge the full value of the plates.

MR. BRECKINRIDGE. They have to reimburse themselves for their expense incurred as a matter of course, or they would make no profit. Now they do not sell to buyers upon equal terms, do they?

MR. HATCH. Where they actually sell they do not discriminate against the American importer.

MR. BRECKINRIDGE. Is not another man's money just as good as ours?

MR. HATCH. They do not want to deprive themselves of the benefits of the American market. There are manufacturers in Germany that include to their customers the value of their plates. They have struck off an entire edition. They have already got the price of those plates out of the German customers. Then he sends his next edition to America and says: "My plates are paid for and consequently I will not charge for them in my invoice to the American market."

MR. BRECKINRIDGE. The American actually purchases when he buys for import more cheaply than the foreigner?

MR. HATCH. They are consigned practically to agents here.

MR. BRECKINRIDGE. If the prices, whether consigned or purchased, were to be actually based upon the market prices in the country where sold then these frauds could not be perpetrated.

MR. HATCH. It could in this way: The work costs so much on the first 5,000 sheets. If any portion of that 5,000 shall be sent to America that would be figured at the cost in Germany.

MR. BRECKINRIDGE. If sent to America how?

MR. HATCH. Either sold or on consignment. I do not complain of that. But what we do complain about is that this 5,000 does not, as a matter of fact, come to America, and so, consequently, the market price of 5,000 does not interest us. If that 5,000 is included when they figure the cost for the first edition they issue the next edition, and that comes to America, so that they sell, one of these designs we have here for instance, for \$225. They imported at \$180. We can not produce it here for \$500.

MR. BRECKINRIDGE. Is it customary where one edition is issued to include all the costs of issuing the edition in the selling price of that first edition?

MR. HATCH. Not necessarily. I have known of an importer—in fact he is here in this room to give actual instances—in which he purchased from the other side some lithographic work for which he paid \$220. It was sent to him. Then he went across last summer, and he went to the manufacturer and found that the manufacturer had made some more from the same plates where the cost had been charged in the edition

that he ordered first. This gentleman bought the next edition for \$15, although he had paid \$200 for the first one.

Mr. BRECKINRIDGE. The expense of the first edition was not charged in the selling price of the next edition?

Mr. HATCH. Yes, sir; they will figure the cost on the edition of 20,000, and if they only send 1,000 to America, America would only pay one-twentieth of the cost.

Mr. BRECKINRIDGE. Is it not true that a very large edition of anything can be sold more cheaply than a smaller edition?

Mr. HATCH. Well, that depends entirely upon the way you figure it.

Mr. BRECKINRIDGE. Suppose, in issuing 10,000 of these plates as against an edition, say, of 2,500, could not they sell the 10,000 for less money per thousand than the 2,500?

Mr. HATCH. Yes, sir.

Mr. BRECKINRIDGE. Is there any kind of this work of which that is true?

Mr. HATCH. The second and third thousand would cost exactly the same. It would cost just as much for paper and ink and labor after the first edition, and that is what we complain about.

Mr. BRECKINRIDGE. That is not answering my question, and in the second place it is not a statement in connection with my inquiry. My question was simply this: Can not they sell an edition of work of any of these kinds at less per thousand where they have an edition of 10,000 than they could if they issued an edition of only 2,000?

Mr. HATCH. I answered that "yes."

Mr. BRECKINRIDGE. My second question is—or rather it would be in the line of your reply—if, after issuing an edition of 10,000 of these kinds of work, they issued another 10,000, can they not sell that second edition of 10,000 at less than the first edition of 10,000?

Mr. HATCH. Yes, sir.

Mr. BRECKINRIDGE. And they sell to buyers without favoritism the product of each edition?

Mr. HATCH. It depends upon—

Mr. BRECKINRIDGE. If, for instance, you were in Germany and you were buying these goods by the thousand of the first edition, and I go and buy a thousand of the first edition; which one is going to get them the cheaper?

Mr. HATCH. Where we pay money I suppose we would both get them for the same.

Mr. BRECKINRIDGE. Suppose we buy a thousand each of the second edition; we would have to pay the same amount of money, I suppose.

Mr. HATCH. Yes, sir. My idea is that they have to issue the first edition, and they may take an order for a time customer and issue an edition of 1,000, and they charge the full expense of the plates against that 1,000. Then they turn around and send the next 5,000 here and do not include the plates. In November last, the Treasury Department attempted to correct that by decision No. 9727, in which it decided that the importer has no right to do that; that he must include the cost of the plates. That decision is very nice for the American manufacturer, but there is no way of carrying it into effect. We have no way to prove whether there is 1,000 or 10,000, or what the edition is. It is impossible to carry this decision into effect. We apply to this committee and the Treasury Department, and ask you and the Department to adopt some plan of taxation, whatever it may be, so that we will not have to trust wholly to the heart of the importer.

Take four or five more cases and figure what the goods here would cost the American manufacturer for the actual work. Take the prices at which those goods came into this country and are sold by the foreign importer. We deduct the selling prices from what it actually costs us and then, taking the number of pounds to the lot, figuring on a 5,000 edition, and it makes a duty of 62½ cents—equal to what it costs us to produce the goods in this country.

Mr. CARLISLE. You propose a specific duty?

Mr. HATCH. Yes, sir. We ask for a specific duty.

STATEMENT OF MAURICE KAUFMAN.

Mr. MAURICE KAUFMAN, of New York, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, we come here as dealers and importers of printed matter, chiefly lithographic work, to ask for a reduction of duty on these articles. I must confess I was taken by surprise at the statements made by our friends who have just addressed you. I look upon myself very much like the poor little lamb who offended the wolf. Twenty years ago we began to import these goods; the manufacture of them in this country was very little and it is now in its infancy. The total importation of chromos, pictures, engravings, etchings, printed matter, etc., except books, at the port of New York amounted in 1887 to \$549,883; in 1889, up to December 20, it amounted to \$603,099; while the total importations during

1879, including all printed matter and books, were \$1,348,844. From this it will be seen that the importation of printed matter has not increased. Besides the great percentage to steel engravings, etchings, pictures, cards, chromos, and educational work, the duty if raised these goods can not be imported, and at the same time can not be made here for lack of demand; and it would crush out the few importers. The most of this class of goods prior to 1883 was 35 per cent. It was then reduced to 25 per cent. Let us consider how this affects the home production. The total amount of business in lithographic printing was in 1880, \$6,912,338. It had 167 presses employed, and an invested capital of \$4,501,825. These figures are from the Census Bureau. In 1889 there was invested capital of \$32,500,000, with 563 presses at work. The business in the city of New York alone has increased about twelve times. Some of the houses, such as that of Knabe & Co., are doing a business of over \$600,000 per annum. That company had in 1880 seven presses, employed and have over three hundred in 1889. At the present time eighteen firms are engaged in this press business.

Mr. BRECKINRIDGE. Did Knabe & Co. make this kind of goods?

Mr. KAUFMAN. There is only one firm in this country that can make goods similar to the imported goods. There are eighteen firms engaged in selling lithographic presses. Large quantities of presses are imported. The tariff on all printed matter, excepting books, should be reduced to at least 15 per cent. ad valorem. With your kind permission I will prepare a tabulated statement of these facts as presented to you and will hand them to the clerk of your committee as a part of my remarks, especially as certain remarks have been made which by actual undoubted figures I can controvert; and I think I should be given a chance to do so. I want to be fair and square to everybody.

Mr. CARLISLE. Could a specific duty be put on these goods with anything like fairness?

Mr. KAUFMAN. There would be no justice whatever in it, Mr. Charles Kaufman is prepared to prove to you in the fullest manner by exhibits, as well as calculations.

STATEMENT OF CHARLES KAUFMAN.

Mr. CHARLES KAUFMAN, of New York, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I desire to show you some specimens of printed matter, from which you will see that it is impossible to put a specific duty on this class of goods. They can not be scaled as iron or as paintings. Printed matter is made in three, four, five, six, twelve, twenty-five, and almost as high as thirty colors, according to the quality. It is almost like thought—it can not be scaled. They cost 170 marks per thousand sheets.

Mr. CARLISLE. They weigh how much?

Mr. CHARLES KAUFMAN. One hundred and eighty pounds. It would make about 264 per cent. The goods cost 40. They would cost \$111 with the duty at 62 cents a pound. That will illustrate about what these gentlemen want.

Mr. BRECKINRIDGE. What do these goods sell for in New York?

Mr. CHARLES KAUFMAN. Seven cents a sheet.

Mr. BRECKINRIDGE. Are they sold by the pound?

Mr. CHARLES KAUFMAN. They are never sold by the pound.

Mr. BRECKINRIDGE. Can you not calculate it as we are trying to trace out this theory of taxation.

Mr. CHARLES KAUFMAN (after figuring). It is about 12½ cents a pound.

Mr. BRECKINRIDGE. What tax are they asking?

Mr. CHARLES KAUFMAN. Sixty-two and one-half per cent.

Mr. BRECKINRIDGE. That would be five times the amount they are now getting.

Mr. CHARLES KAUFMAN. Yes, sir. If you take \$40 as the cost of these goods the duty would be \$111 on the better class of goods No. 2.

Mr. BRECKINRIDGE. Give the prices of these per pound.

Mr. CHARLES KAUFMAN. They cost 900 marks a thousand, or in American money \$216. The duty is \$54 at present. They weigh 425 pounds to the thousand sheets, which would make the duty \$255. Everybody cannot purchase these in the market at the prices I have named. We buy 5,000 and sometimes 10,000 sheets. We may purchase them cheaper than others because we are dealers.

Mr. BRECKINRIDGE. Anybody could buy them in the same quantities.

Mr. CHARLES KAUFMAN. Certainly. This is the established market price.

Mr. BRECKINRIDGE. These sheets are all the same size, are they?

Mr. CHARLES KAUFMAN. Almost the same size. There is No. 4 [indicating], which cost 100 marks a thousand, or \$24. The duty is \$6. They weigh 103 pounds to the thousand, and the tariff at 62½ per cent. specific duty would make about \$62 per thousand, or 253 per cent.

There is another line of goods, No. 5 [indicating]; they cost 16 marks a thousand,

or \$3.84. The duty is 96 cents, and they weigh 12½ pounds. At 62½ cents specific duty it would amount to \$7.50, instead of 96 cents, the present rate. This No. 7 [indicating] is an oleograph. That costs 250 marks a thousand, or \$600, making the duty of \$15 per thousand. They weigh 135 pounds, and at 62½ cents specific duty it would amount to \$81, instead of \$15, as at present. This is No. 9 [indicating]. It is an imitation engraving or lithographic printed matter. That costs 49 marks a thousand, or \$11.76. The duty is \$2.94. They would weigh 125 pounds, and the duty at 62½ cents would be \$75, instead of \$11.96.

Mr. BRECKINRIDGE. How much does it cost in this country to make this article, No. 9 per thousand?

Mr. CHARLES KAUFMAN. As to this particular class of goods I do not know. I could not answer that question on that class of goods. I am not so well posted on goods made in this country as on imported goods.

Mr. FLOWER. This seems to be a very great advance. Is it the intention in asking a specific duty to hide the percentage?

Mr. CHARLES KAUFMAN. Yes, sir; it would wipe us out entirely. This statement shows you the importation of printed matter in the port of New York. The total does not amount to more than \$600,000, except on books. It has not increased. The domestic manufacture of these goods has increased immensely. Their book business is \$30,000,000 to \$40,000,000.

Mr. BRECKINRIDGE. The point is, do they come at all into competition with domestic production in this country of this article No. 9?

Mr. KAUFMAN. Very little.

Mr. BRECKINRIDGE. They sell this at what price per thousand?

Mr. KAUFMAN. This is sold, I think, at \$9 per thousand.

Mr. BRECKINRIDGE. You compete with those at \$9 a thousand now in America, do you?

Mr. KAUFMAN. Yes, sir; but we sell very few of them.

Mr. BRECKINRIDGE. The proposed duty on this would be how much?

Mr. KAUFMAN. Seventy-five dollars.

Mr. BRECKINRIDGE. The whole cost is less than \$9, and you compete and sell for \$9 on the market?

Mr. KAUFMAN. Yes, sir.

Mr. FLOWER. The specific duty is really to hide the percentage?

Mr. KAUFMAN. It does so entirely. These gentlemen have referred to the design expense. I do not know whether you gentlemen are to deal with that. It is a decision of the Department which was made two years ago. That decision added to the duty on expense of making the original plates which remained in Europe on certain goods. I think this has created unpleasant feeling, and I think it is entirely unjust, and I complained very bitterly against it. We have done a great deal of importing business and never have had any trouble, and do not expect to have. As to what they say about merchant appraisers, I can say I have often been appointed a merchant appraiser. I was appointed yesterday. I have always served, but I could not appear yesterday because I was here. There is at present in the custom-house an unpleasant feeling created by some of these gentlemen which puts the importer in an unpleasant light.

Mr. BRECKINRIDGE. Do they frequently have merchant appraisers on these goods?

Mr. KAUFMAN. Very little. There is only one importer who has ever undervalued.

Mr. BRECKINRIDGE. There is little complaint then.

Mr. KAUFMAN. Very little.

Mr. BRECKINRIDGE. When there has been has there been any trouble in getting a merchant appraiser?

Mr. KAUFMAN. Not at all. This whole trouble has been created by those cigar labels. I do not think the importation of cigar labels amounted to more than \$40,000 or \$50,000. This has caused all the trouble. This matter is to a great extent educational and for mercantile uses. They could never make these goods here, because it would not pay them. The importations prove that.

Mr. BRECKINRIDGE. Under this classification those goods are not made here?

Mr. KAUFMAN. Not at all; they can not make them here.

Mr. BRECKINRIDGE. The reason is the demand is too small?

Mr. KAUFMAN. Yes, sir; and at the same time these goods have a market price in Europe at which we and everybody else can purchase them.

Mr. BRECKINRIDGE. And the only commercial goods, or goods designed for ordinary commercial purposes, such as trade labels, that you know of are these few cigar labels?

Mr. KAUFMAN. I think so.

Mr. BRECKINRIDGE. The present tariff is prohibitory on all these classes?

Mr. KAUFMAN. The importations of them show it. By the statements shown they are quoted at 900 marks. I quote the same price as you have there.

Mr. BRECKINRIDGE. Our manufacturers are selling these goods to-day as cheaply as you can get the same thing in Europe.

Mr. KAUFMAN. I would not say generally.

Mr. BRECKINRIDGE. Your quotation is the price in Germany with duty and transportation added?

Mr. KAUFMAN. Yes, sir; 900 marks per thousand free on board.

Mr. BRECKINRIDGE. That applies to specimen No. 4?

Mr. KAUFMAN. Yes, sir; that corresponds with my No. 4. That does not come in competition with the American market, and as we have helped to develop this in this country, we desire to have a reduction on the present rate of 25 per cent.

Mr. MAURICE KAUFMAN. A remark was made by one gentleman about advertising goods. He has imported largely for educational purposes. They are goods produced from twelve colors; they are for advertising purposes and foreigners can not compete with them. There is a lithographer in this very room to whom I gave an order for over \$3,000 for 100,000 advertising cards. I could not help myself. I was barred out as by a Chinese wall, and we do not compete with those advertising goods. I deny his assertion.

STATEMENT OF RALPH TROUTMAN.

Mr. RALPH TROUTMAN, of New York, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I only want to make a few remarks about specific duties, without going into any details whatever. But while the two gentlemen who have just spoken mentioned the advertising part of the competition I do not see any specimens here which pertain to it, which is the leading feature of our claim. We can not compete with that advertising matter. This is a fact and the importers must know it. The very fact stated by Mr. Kauffman—that these goods were imported and can not be made here—goes to show that we can not compete with them. These goods sell as advertising goods. While Mr. Kauffman in one breath stated that he imported five or ten thousand, he afterwards stated in the same breath that he imported two or three hundred lots. That does not jibe together. It must be either one or the other. Why do we desire a specific duty? We ask for a specific duty as it is the only just and equitable protection in our line of business. The editions of each order are different, and it is impossible for a man in England, Germany, France, Italy, or Spain, to be positive as to the correctness of any prices of any invoices unless he was thoroughly conversant with all the details of the lithographic business in the respective countries. The same can be said of the appraisers in our various ports of entry. While you gentlemen are undoubtedly conversant with all other dutiable merchandise I am free to say that you can not determine the value of the lithographers' goods, or the correctness of any ad valorem duty thereon, while with a reasonable specific duty all parties would have clear sailing. The importations have increased to such an extent that we respectfully ask for it, as it is the only reliable protection to the \$30,000,000 capital and 30,000 people employed by American lithographers. It is said that this rate of duty will amount to 60 or 70 instead of 7 or 8. That is no criterion for the cases under debate. Those goods are pasted and they could just as well be imported and pasted here, which would give more work for us to do.

Mr. BRECKINRIDGE. What difference would it make?

Mr. TROUTMAN. The difference in weight.

The CHAIRMAN. Would they not be weighed when pasted?

Mr. TROUTMAN. They would not, under the law.

Mr. CHARLES KAUFFMAN. I made a statement that we imported these in five and ten thousand lot sheets, and if the gentleman understood me to say we imported them in lots of two or three hundred, he is wrong. We import them in certain quantities, generally in 5,000 sheets, and sometimes in 1,000 or 2,000.

Mr. TROUTMAN. This is the reason we want the specific duty, so they can not be imported that way.

Mr. CHARLES KAUFFMAN. We have imported some in four or five thousand lots. It makes no difference to the gentleman, but it makes a great deal of difference to us.

STATEMENT OF CASPAR FECHTELER.

Mr. CASPAR FECHTELER, of New York, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, we represent a certain line of lithographic work, which is known as transfer ornament or decalcomania. These goods are used to a great extent by American manufacturers for trade-marks, letters, and general decorative purposes. For instance, a number of sewing-machine manufact-

urers and manufacturers of safes, scales, agricultural implements, wagon-builders, carriage-builders, manufacturers of toys, pianos, and a good many others. I believe that about 85 per cent. of the whole amount is imported; the remainder are used for decorating such things as lamp-shades. Under the present tariff our goods are classified as printed and pay 25 per cent. ad valorem, and if the manufacturers should succeed in raising the duties to 62½ per cent. specific, that would be a raise of 25, 30, 50, 60, 70, and 80 per cent., according to the kind of goods. We claim the rate on these goods ought not to be raised. They ought to go on the free list for the reason that they do not come into competition with anything that is manufactured here. Of the amount used perhaps 75 per cent. are made in Muhlenburg, Germany. They have developed it and have brought it to the present state of perfection. Our firm may justly claim the merit of introducing these goods for the purpose of manufacture. Other manufacturers in Germany have tried to make goods similar to ours and have failed. It has been tried by several houses in New York, Philadelphia, Rochester, Chicago, and some other places, but they have all failed.

As I said before, this is a specialty and the manufacturer needs a certain class of trained workmen. The lithographer and printers who prepare this paper can not be taken from another establishment. They have to be trained to this work. Besides there is a special reason why the goods can not be made in this country. Our ornaments are printed on plain paper, while the others are printed on glued paper. Ours are printed on paper that must absorb the water and let it through. If you print on dry paper one color, next day the moisture of the atmosphere may rise 90 degrees, the paper will stretch and get larger with the amount of 8 inches, and the consequence will be that you can not have a good register and consequently not a good picture. There is a manufacturer in the city of New York who makes this work, but he does it in a smaller way. He does not come in competition with others. I am sorry the gentlemen who were here this morning have left. I am very sure they would agree with me. We ask the committee to put transfer ornaments on the free list. Perhaps you gentlemen do not know anything about it. I am sure you have seen it.

(Witness here exhibited specimens of his work used by the Singer Sewing Machine Company, ornaments used by manufacturers of pianos and organs and by wagon builders.)

VIEWS OF THE NATIONAL LITHOGRAPHERS' ASSOCIATION.

"Lithographic and photo-lithographic prints from either stone, zinc, glass, or gelatine, bound or unbound (except illustrations in printed books), and all articles produced either in whole or in part by lithographic or photo-lithographic process, wholly or partially manufactured, 62½ cents per pound."

We respectfully refer the Committee on Ways and Means of the Fifty-first Congress of the United States of America to the testimony taken before your committee on the 10th day of January, 1890, and we submit in connection and in addition to that testimony the following facts, which we are prepared to prove if any of them are disputed, and we also submit at the end of this brief certain tables referred to directly or indirectly at the time of the hearing.

Lithographs and photo-lithographs are not mentioned in the tariff bill of 1884 or any amendment thereof.

By virtue of a Treasury Department decision, affirmed by the Supreme Court of the United States, lithographs were classified in Schedule M under section 384, as it was in section 290 of the same schedule in the prior tariff bill of 1883, and is only subjected to the same duty as blank paper and ordinary printed matter.

Fine lithographs represent in value about 85 per cent. of labor and about 15, or not to exceed 20, per cent. of material, whereas paper boxes (in the same schedule), for instance, represent about 50 per cent. of labor as against 50 per cent. of material, and are subjected to a duty of 35 per cent. ad valorem.

Lithographs are luxuries and are in no sense necessities, and the lithographic manufacture in the United States is for the benefit of some thirty thousand workmen as against the alleged injury to less than twenty importers, who are in fact only agents of foreign manufacturers. This is leaving out of the question altogether the two hundred and eighty-four manufacturing lithographers that were practically represented before your committee and who have invested, for the welfare of this country, over \$30,000,000 in the business.

There can be no question about the fact of competition in the trade of lithographers in the United States, and there has never been any attempt to regulate prices in the trade.

The question was asked at the hearing afforded to us as to whether there had been any increase in the number of lithographers doing business in the United States, and

upon investigation we find that there have been practically no large houses established in the last five years and but very few small ones, and there have been large ones that went out of the business.

At this point also attention would be called to the fact that the class of work imported into this country, and the class of work that we are desirous to be protected against, is not the ordinary, every-day, cheap lithograph that is seen on news-stands and bill-boards, etc., for as to that work no question is raised; it is so cheap that there is no attempt to import; but when we come to the fine lithographic work, done usually on fine paper and done in from twelve to twenty-five colors and in gold, it requires good artists to make the drawings and the plates and requires skillful mechanics to execute the work and fine material to be applied on the paper, and the orders as a rule are executed for one particular customer.

American lithographers require more proportionate space and more proportionate valuable property to enable them to conduct business than perhaps any other class of manufacture.

Inquiry will prove that no man can go into the lithographic business in America with any reasonable chance of success without having at his command a very large amount of capital. As an example it is estimated that lithographers only turn their capital once and a half in a year at the utmost as against manufacturers in other business turning it from three to ten times a year.

Even this statement is made less favorable than it might be to the American lithographer, as \$700,000 is invested by Schumacher & Ettlinger in their business, and they only do an annual amount business of less than one-half of that amount.

The Associated Lithographers of the United States, which association was swallowed up in the National Association of Lithographers, appeared before the Committee on Ways and Means at the Fiftieth Congress, and also before the Finance Committee of the Senate of that Congress, and asked for an increase, at that time, in the ad valorem duty imposed on lithographs; and, in the bill submitted by the Finance Committee of the Senate of the United States, lithographic work was separately mentioned and the duty increased from 25 to 35 per cent. ad valorem.

The effort of the Associated Lithographers to obtain protection resulted in a further examination into the subject of imports, and it was ascertained that the importers were not paying duty on the cost of the merchandise at the place it was manufactured or exported by omitting from the cost the value of the designs and drawings on stone.

In the designing and drawing on stone it is difficult for the American lithographer to compete against his foreign competitor, as will more particularly and clearly appear by reference to the wage schedule annexed to this brief, showing the comparison between the small wages paid abroad and the large wages paid for the same class of work in America.

We then applied to the Secretary of the Treasury for relief against this manner of entering foreign invoices of lithographic work, and obtained from the Assistant Secretary of the Treasury, Mr. Tichenor, a decision of the Department, dated November 21, 1889 (No. 9727), addressed to the collector of customs, New York, by which decision the Department held that—

“No duty can be assessed upon engraved plates which do not arrive. The market value of lithographic work should not be reduced in consequence of the fact that such plates are itemized on the invoice, but if it is found that sheet music or other lithographic work is invoiced and entered at a value below its cost, or the price actually paid therefor in its finished condition in the foreign market or below its actual value in such market, proper additions to the entry value should be made by the appraiser.”

When we applied to the appraiser and to the collector of the port of New York for the benefit of this decision we were met with the statement that it was practically impossible to prove whether an invoice of lithographic work cost the price at which it was invoiced or not, in that the importer would claim that by an edition he had issued, for example of 20,000 sheets, the cost of the designs and engraving had been proportionately spread over the whole edition, and that as this importation, for instance, was only 1,000 sheets, he should only be charged one-twentieth of the cost, which statement taken by itself was reasonable and fair.

But the fact was, or usually is, that the other or larger proportion of this edition is not imported to this country, and is sold abroad; consequently the edition imported into this country only pays one-twentieth of the principal expense in producing it.

If the importer states in reply to this argument that it would be equally unfair to charge him with the whole cost of the plates on an edition imported into this country and charge him with the whole cost of the plates in the edition which he sells in his own country, we answer that the way to avoid the injustice to him and the injustice to us is by specific duty, leaving it to this committee to determine what is proper and right between the American lithographer and the foreign importer, as and for a specific duty. Or, as was suggested in the course of our investigations and inquiries as to what would meet the approval from the Treasury Department, perhaps

it would be more fair, equitable, and just to lay a specific duty of 50 cents and an ad valorem duty of, say, 15 per cent.

The figures 62½ cents per pound were arrived at by taking a number of invoices and figuring what the whole cost of the work would be in America on an edition of 5,000 sheets and on paper of 80 pounds to the ream; then deducting from that cost the price at which this particular article was invoiced by the foreign manufacturer to his agent here. Divide the remainder by the number of pounds to the edition (approximately 800) and taking the average, it figures 62½ cents per pound of specific duty necessary to be imposed on the invoice price of the foreign importation to protect the American lithographer.

We do not mean to state that we believe that the merchandise invoiced cost as little as it was entered in the custom-house at, but we state the figures of the importer as he has sworn to them, and we presume he must stand by his own figures, only we would not attempt to deceive this committee into a statement that the merchandise cost proportionately so little.

Referring to Mr. Breckinridge's question to Mr. Ettlinger, and Mr. Ettlinger's reply, which was taken up by the public press, it was evidently misunderstood by some of the members of your committee as to one particular lithographic card, where it was stated by Mr. Ettlinger the present duty was \$62.50, and the specific duty on that particular card would be \$400, the matter was not completed either by the inquiry or by the answer.

The reason that only \$62.50 is the present duty on that particular card is because the whole cost of the card was not included in the invoice, and that is the very thing the American lithographers complain about.

On the other hand, the specific duty on that card would not be the specific duty on a similar card if a specific duty is imposed on lithographic work, for the reason that as soon as the foreign lithographer ascertains that fine lithographic work is to pay more duty than common paper, he will print his lithographic work, on thinner paper, which he can do more cheaply and as nicely, and whenever it is necessary to have it on heavier paper that can be done in this country by our card-board manufacturers at a very trifling expense, and in most instances only makes the difference between doing it abroad and doing it in this country. An extreme illustration, as we concede ourselves, but as a fair example of the imposition on this committee by the gentleman speaking for the foreign importers, a card was produced with a lithographic picture upon it, and it was stated to your committee what the duty on that card would be if imported with a specific duty, whereas Mr. Trautman with his finger removed the lithographic print and showed how lightly it was mounted, on what light paper it was lithographed, and on what heavy paper it was mounted.

We will submit, attached to this brief, a picture with the weight as it is imported and the weight that it is necessary to import, as an illustration of this point.

The American lithographers call your attention to a point that they do not put forward as any material argument in favor of their claim, but only as a fact, and incident forming a part thereof, namely, that the duties that they have to pay on what they import to use in the production of their work, is larger than the protection they now obtain, as, for instance they pay 20 cents specific and 30 cents ad valorem on felts. They pay 30 per cent. on rubber blanketing, 45 per cent. on the machinery they import, and 40 per cent. on varnishes.

As an example as to what the American lithographers do import, Mr. Ettlinger states that of the twenty-three presses used in the establishment of Schumacher & Ettlinger, only eight are of American manufacture. We would also state at this point that American machinery costs us more than double what the same machinery costs the German lithographer.

Referring to Mr. Breckinridge's question to Mr. Ettlinger of the corporation of Schumacher & Ettlinger, as to the amount of his sales for the year 1889, he stated them to be about \$450,000. On referring to the books of the company he is prepared to prove that the sales were \$382,000 only for the year 1889; for the year 1884 they were \$344,329; for the year 1885 they were \$322,443; for the year 1886 they were \$333,218; for the year 1887 they were \$410,724; for the year 1888 they were \$298,908. showing by the above that the sales were decreasing each year.

The reason that the sales for 1889 are so largely increased, and the reason that the sales of Knapp & Co. were so large for 1889, was because of the unusual and remarkable amount of advertising done by the cigarette manufacturers in the United States; Schumacher & Ettlinger receiving \$109,000 of work from these cigarette manufacturers alone, and Knapp & Co. something like \$300,000 or more. But since the formation of the combination known as the Cigarette Trust, the lithographers have lost the benefits of this increased advertising.

Mr. Ettlinger further looked up on the books of the company facts in relation to the amount of capital which they had invested in their business alone, which amounts in round figures to \$700,000, and the lithographers draw attention to the comparison between the amounts of money invested by them in a business for the benefit of the

citizens of the United States as against practically nothing that the importers have invested in our country, and also show that it was stated to your honorable committee by the importers that the importation is only 2 per cent. of the business done in the United States, and is conducted by only seven or eight importers, and similar statements, while on the other hand, it is true what the National Lithographers' Association state, viz, that these seven or eight importers, carrying on only this small business, are nevertheless able to materially interfere with the conduct of the 98 per cent. of business done in the United States by its own citizens, and your honorable committee can do no great damage if you protect 284 American manufacturers and 30,000 workmen against the alleged frauds conducted by this handful of importers through the customs of the United States.

The foreign importer does not give the American public the benefit of the present low duty on lithographic importations, but merely makes his price a small percentage beneath the price that the American manufacturer can produce the same card for.

As an illustration of this point, we call attention to the cigarette label or card stamped with Kinney Brothers name upon it in one of the schedules (Etlinger) annexed to this brief.

Referring to the testimony of Charles Kauffman, one of the importers who asked your committee to reduce the tariff on lithographs to 15 per cent., and taking up his first illustration of a lithograph that he produced, which he stated weighed 180 pounds to the thousand, and which he said cost 170 marks, or, as he stated it, \$40, that if 62½ cents specific duty was charged, the cost, he states, would be \$111, and he then completes his statement that the goods are selling in New York for 7 cents a sheet.

All we have to say about this particular lithograph is, that the gentleman's estimate of its cost is not true, and that he admitted ignorance in relation to the editions issued, and what was included in the estimate cost of this particular edition, thereby demonstrating that he does not know what the edition cost, as undoubtedly it was invoiced from his principal in Germany to himself in America at 170 marks. But it is just that injustice and manner of doing business that we are asking protection against.

We are informed, in fact know, that there is a firm of Kauffman & Co. in Berlin, and we are informed and believe that this particular invoice was an exportation by Kauffman & Co. of Berlin to Kauffman & Co. of New York.

Furthermore, and without going into detail, we think the gentleman was wrong in his estimate as to the weight of the paper.

Referring to the illustration of Mr. Kauffman as to some lithograph only costing \$216 and weighing 425 pounds, that particular one is covered by the testimony of Mr. Troutmann, and is also referred to before in this brief. It was a very light photolithograph, with only one color, that was imported, on a heavy card-board back, and which, of course, was not a fair illustration to present to your committee.

Taking the strongest illustration against what the National Association ask, that can be or was introduced before your committee, is, according to our recollection, Mr. Kauffman's illustration of a picture that he numbered 9, which was an imitation engraving or photolithographic print in only one color, of something that little is imported into this country and is cheap work that nobody cares much about, but which we have taken into consideration in fixing the amount of specific duty we should ask for, and which is the extreme opposite illustration to where, as Mr. Kauffman states, lithographic work of thirty colors is imported into this country, in which instance the same argument would be equally strong against him.

As we stated, in that instance this cheap print, it will be found, only weighs, so far as the print is concerned, about 10 pounds; that the other 115 pounds is for the card-board on which it is only struck on; this print, weighing 10 pounds, would pay a duty of \$6.25, or equal to 50 per cent. ad valorem duty.

It can not be disputed that the proportion of this cheap stuff imported into this country is only about 5 per cent. of the total amount of lithographic work imported.

So far as Mr. Kauffman's statistics are concerned all we can state is, that at the Fiftieth Congress the Democratic majority of the Committee on Ways and Means made inquiry, as we are informed and believe, of the Treasury Department for these statistics, as also did the Republican majority in the Senate on the Finance Committee, and it was then stated, as we understood, that no reliable figures could be ascertained of the importation of lithographs because of the fact that they were included in the printed paper schedule; it might be imported in the form of either books, or albums, or cards, or sheets, or anything else.

And to show the mistake that the learned gentleman speaking on behalf of the importers made, we would refer to the consular report No. 91, of March, 1888, page 581, where it appears that the exportations from Berlin alone in the year ending September 30, 1887, amounted to \$1,116,500.55, which is in excess of what Mr. Kauffman states the whole importations in America amounted to (\$566,612.55), and this is only one city that we quote from.

Referring to Mr. Kauffman's criticism on the Treasury decision, we would call at-

tention that he is referring to some decision rendered two years ago ; we are referring to one rendered in November, 1889, to show that he is mistaken in his premises.

Mr. Hatch, in his statement about merchant appraisers, did not mean to state that there was not physical power to appoint a merchant appraiser or to go through the form of a re-appraisement, but to actually accomplish a re-appraisement is what we assert the Treasury Department can not obtain, for the reason that we can not obtain, without going to very unusual and great expense, any accurate figures as to the editions issued of the particular importation, consequently we can not tell what the cost of any one edition is or might be.

This last statement explains somewhat Mr. Kauffman's remark that only one importer has ever undervalued his goods ; and all we would do is call attention to any other line of business and the report made to the Senate of the United States of the Forty-ninth Congress, second session, No. 990, to show the amount of undervaluations in other goods imported and the houses that were hauled up for undervaluation without any reasonable likelihood of intentional undervaluation, as an illustration that it is no more probable that those worthy importing lithographers do not make mistakes in their invoices the same as other importers ; but the domestic manufacturers are wholly unable to tell not only whether there has been fraud committed, but whether there have been mistakes made, as it becomes, as we have stated, practically impossible to prove anything with an *ad valorem* duty.

The domestic manufacturers are prepared to contradict Mr. Kauffman's statement that only about \$40,000 or \$50,000 of cigar labels are imported, by proof to this committee, if it is material, that probably \$200,000 are imported annually of cigar labels alone.

The lithographic importations affected by this change in the tariff will not affect at all educational importations ; that argument is only made for the purpose of affecting outside interests ; the amount of educational lithographic matter imported is so infinitesimal that it is absurd to refer to it ; lithographs are used almost wholly, of the character that are affected by this change in the tariff, for advertising purposes, together possibly with Christmas and Easter cards.

Attention is called to the fact that this proposed change does not affect engravings or etchings.

So far as Mr. Kauffman's statement in answer to Mr. Breckinridge's questions that the only commercial goods, or goods designed for ordinary commercial purposes, such as trade labels, that he knew of, are these few cigar labels, the falsity of the statement is so patent and so clear to any person who knows anything at all in relation to lithographs or importations, that it is almost unnecessary even to call attention to its falsity.

There are thousands of what are called panel cards that are imported ; calendars, in which there is a large business being done at this time ; show cards, small advertising cards, spool-cotton advertisements and advertisements of that character, cigarettes and tobacco advertisements, pictures used for embellishing fancy boxes, also Christmas cards, New Year's cards, Easter cards, menus, to say nothing of particular trades like trunk manufacturers, where their pictures on the covers are all imported.

Where Mr. Maurice Kauffman supplements his brother's statement with the fact that he individually could not compete with certain American advertising cards, the lithographers would merely have it noted that although Mr. Kauffman may have refused some order in relation to a certain particular advertisement, that some of his competing importers have undertaken the job.

Kauffman & Co. confine their business, as we are informed, to what is called stock work, and of course there is less competition there than in any other of the imported work ; but the other importers, it will be noticed, did not appear before the Committee on Ways and Means, although we are informed they were in the city of Washington the day before the hearing, and, we are further informed, were advised to return to New York City, because their statements would not be of assistance to Mr. Kauffman's interests or argument. And it is further to be noted that Mr. Kauffman did not state that he represented anybody or any class of persons except his own particular firm. And in opposition to that situation of affairs we would state that at the Fiftieth Congress we presented a petition on this subject signed by thousands of workmen that was too bulky to handle, and another petition signed by manufacturing lithographers in almost every State in the Union, demonstrating how united the manufacturers are in favor of protection.

EDW. S. HATCH,

Counsel for the National Lithographers' Association of the United States.

JANUARY 25, 1890.

ADDITIONAL STATEMENT OF CHARLES KAUFMANN.

NEW YORK, February 1, 1890.

GENTLEMEN: We respectfully refer the Committee on Ways and Means of the Fifty-first Congress of the United States of America to the testimony taken before your committee on the 10th day of January, 1890, and we submit in connection and in addition to that testimony the following facts; and we also submit certain tables referred to directly or indirectly at the time of the hearing.

To prove the utter impossibility of establishing any equitable specific duty, we have prepared the following table, showing the difference between the present rate of duty, which is 25 per cent. ad valorem on printed matter, and a specific duty of 62½ cents per pound, as proposed by the National Lithographers' Association.

	Price per 1,000 marks.	Amount in dollars.	Duty.	Weight.	Proposed specific duty of 62½ cents per pound.	Per cent. of duty.
				<i>Pounds.</i>		
No. 1, 1,000 sheetsshow pictures	170	\$46.80	\$10.20	180	\$112.50	275
No. 2, 1,000 sheets show pictures	900	216.00	54.00	425	265.63	123
No. 4, 1,000 panels	100	32.00	8.00	103	64.38	268
No. 5, 1,000 cards	16	3.84	.96	12½	7.81	204
No. 7, 1,000 oleographs	250	60.00	15.00	135	84.37	140
No. 9, 1,000 imitation engravings	49	11.76	2.94	125	78.00	661

In the columns, "Proposed specific duty of 62½ cents per pound" and "Percentage of duty" the amounts are higher than as given by Mr. Charles Kaufmann before the honorable Committee on Ways and Means, as at that time he figured them while speaking to the committee.

This statement has been prepared by expert testimony, who have spared no trouble in making it correct in every particular, which can be proved by samples and stock which we will furnish to the committee. Samples of the above exhibits are now in possession of the committee.

The importations of printed matter do not alone consist of show cards, advertising cards, etc., as our opponents endeavor to show, but in most cases they are artistic Christmas and Easter cards, pictures for framing, art studies for painting, colored plate illustrations for books, artistic notions, and relief pictures which are not made by any firms in the United States. All in all, these do not greatly exceed in value the sum of \$600,000 per annum, as previously stated, and as proven by the annexed table, which is a statement of the importation of all printed matter into the port of New York, except books:

	1887.	1888.	1889.
January	\$35,794	\$42,156	\$38,893
February	52,547	42,879	46,336
March	31,908	58,205	63,087
April	43,951	34,554	43,319
May	29,477	35,428	64,693
June	41,345	50,775	34,170
July	41,857	45,250	46,205
August	36,959	57,351	46,661
September	57,262	50,757	50,260
October	58,111	49,298	46,225
November	58,063	60,122	68,134
December	62,614	47,248	*55,116
Total	549,888	574,023	603,099

* Up to December 20, 1889.

The importation of books amounted to \$1,781,106 in 1887; \$1,932,721 in 1888; and \$1,846,164 in 1889 (up to December 20). In 1879 the amount was \$1,345,824. In 1879 all printed matter was included under "books," and therefore can not be separated.

The above statement has been prepared with great care from the records of the custom-house, and is absolutely correct. It can be verified by official records.

It is possible that the exportations of printed matter from any one particular foreign port may have exceeded this sum, in which case they included books, German literature, etc.

PROGRESS OF LITHOGRAPHIC BUSINESS DURING THE YEARS 1880-1889.

The following table gives the number of employes, the capital invested, and the annual product of the five hundred and sixty-three lithographic establishments at present existing in the United States:

Year.	Number of establishments.	Number of employes.	Capital invested.	Annual product.
Business in the United States:				
1880.....	167	3,641	\$4,501,825	\$6,912,338
1889.....	563	18,000	*32,500,000	*40,000,000
Business in the city of New York:.				
1880.....	48	988	1,227,550	1,738,452
1889.....	179	5,500	*13,200,000	*18,000,000

* About.

The increase of production per annum for the year 1889 could not be ascertained accurately, but is calculated in the proportion of the production to the amount of capital invested, which prevailed in 1880.

The business of Knapp & Co., of New York, in 1880 was seven presses and seventy-five employes against, in 1889, thirty presses and two hundred and fifty employes, and an annual product of over \$750,000.

This table has been secured from one of the editorial staff of the American Lithographer, a paper published in the interests of the lithographers of America, who of course were not aware of the use we designed it for.

This will furnish ample proof that enormous sums of money are being earned annually in this branch, and that the business is continually increasing. We know for a fact that several houses in New York are now behind in deliveries by millions of cards, being unable to cope with the amount of business given them. Of course it is possible that among the many hundred houses there are one or two firms who are not continuing to treble their profits as in the past; this can easily be accounted for by old fogyism, as in every other line of business.

The American lithographers have taken great pains to charge the importers with fraud, and have cast other dishonorable insinuations upon their character as merchants. They have further subjected the importers to untold annoyances, insisting upon examining invoices and samples, delaying the merchandise at the appraiser's stores, and all for the purpose of discovering some clue to substantiate their insults. We are happy to say that up to the present time this has been without result.

It is clear to our mind that the entire movement for a specific duty on the part of the American lithographers gives proof that it is the result of jealousy on the part of American houses who thus seek to chastise the entire importation trade for the faults of one house which has recently trespassed upon their ground by importing a few cigar labels. It is most unjust that the entire importation of artistic lithography, embracing its manifold works of art, should be made to suffer on account of the insignificant importation of cigar labels.

The importers are not agents, as the lithographers endeavor to show, but are citizens of the United States, and like themselves, entitled to the protection of the American Congress. We believe it is immaterial whether our interests be represented by five or five hundred citizens; our claims are just, and are therefore entitled to your honorable consideration.

A very important point not heretofore laid before your body is that the European lithographer is unlike in every respect to the American manufacturer. Abroad the lithographer combines with his business that of publisher, jobber, and dealer; all goods purchased from him have a fixed market value, which we in America must pay; and the same prices are charged to all dealers in England, France, and elsewhere. It can not be supposed that these manufacturers and dealers would sell their goods without making proper charge for the plates and drawings, which the American lithographers have endeavored to show is invariably omitted.

To further prove the untruth of their statement we have but to re-examine invoices of three and four years ago, when we find goods imported at that time re-imported now, and at precisely the same figures. Can any lithographer deny that goods for which plates had been prepared four years ago can not now be reproduced at a much less figure?

Only one house in all of the United States combines the business of manufacturer and publisher, that being L. Prang, & Co., of Boston; and we are proud to say that this firm's wisdom advocates heart and soul the reduction of the tariff.

We repeat that on all goods brought to this country by the importers the proper proportion is added to the cost, covering designs and drawings. It can not of course be expected that the entire cost of expensive plates should be added to the percentage imported; as, for instance, the cost of a valuable painting and the plates can not be added to the price of a single engraving; nor, as for example, the cost of expensive patterns and looms for a single roll of carpet, or for dress patterns, wall paper, etc. But we must emphatically deny the unjust charges of the lithographers that the cost of plates is not justly added to our invoices.

To further prove the inconsistency of the lithographers, who so strongly urge upon your body a specific duty, irrespective of the quality of work, we have but to call your attention to the fact that an excellent piece of work of twenty-five or thirty colors would pay the identical duty with that of the most cheap work of but three or four printings. The duty in this case on the finer grade of goods would be less than now, under the 25 per cent. ad valorem system.

This would simply secure protection for cheap work, which the lithographers have stated they do not want, and would destroy all possibility of competing for the higher class of more artistic work.

In other words, the sheet alone upon which the work is done is to pay a specific duty, and no consideration is to be paid to the work thereon, whether that be 5 or 5,000 per cent. of the cost of the entirety.

In the above tables we have shown you that under the present rate of duty, 25 per cent. ad valorem, the American manufacturers have progressed inside of ten years in annual products from \$7,000,000 to \$40,000,000, while the importation at no time has been above \$600,000 in this class of goods.

They have endeavored, by statements which are not correct, to mislead you, and their only object is to drive out of business the importers; all in revenge for the importation of some few cigar labels.

Now more than ever, having been brought face to face with the facts enumerated above, are we convinced that an advance of duties would be an injustice to our line of goods—goods which have done much to elevate the taste for fine art in our country, and promote the appreciation of the beautiful. Furthermore, it would be an injustice, nay, outrage, upon us your citizens, who for years have followed the honest pursuit of importers of art goods, and who, to satisfy the avarice of corporations or rich firms, are thus to be deprived of our business and livelihood. Or, perhaps, we are to be made martyrs for the so-called "transgression" of one importer who dared to bring cigar labels into the United States. Is this in harmony with what we have a right to expect from the hands of our honorable Congress?

We have proven that the American industry of lithography, under the present system of protection, has flourished and prospered beyond a peradventure, while we importers have suffered a period of market retrogression.

It is our honest belief, therefore, that instead of an advance of duty, we should rather have a diminution of tax, and be allowed to pursue our trade in peace.

Respectfully submitted by,

CHARLES KAUFMANN.

MAURICE KAUFMANN, and others.

The COMMITTEE ON WAYS AND MEANS.

STATISTICS OF IMPORTATIONS.

A tabulated statement of the importation of all printed matter, such as chromo cards, scrap pictures, and various lithographic articles, etc., into the port of New York is as follows:

	1887.	1888.	1889.
January.....	\$35,794	\$42,156	\$38,893
February.....	52,547	42,879	46,336
March.....	31,908	58,205	63,087
April.....	43,951	34,554	43,319
May.....	29,477	35,428	64,693
June.....	41,345	50,775	34,170
July.....	41,857	45,250	46,205
August.....	36,959	57,351	46,661
September.....	57,262	50,757	50,260
October.....	58,111	49,298	46,225
November.....	58,063	60,122	68,134
December.....	62,614	47,248	*55,116
Total.....	549,888	574,023	603,099

*Up to December 20.

In 1887, \$1,781,106; in 1888, \$1,932,721; in 1889, \$1,846,164 up to December 20.

In 1879 the importation was \$1,345,824. In that year all printed matter was included under "books" and therefore can not be separated. The above report is from the statistical bureau of the custom-house of New York.

Table showing the difference between the present rate of duty on printed matter, which is 25 per cent. ad valorem with a specific duty of 62½ cents per pound, as proposed by the National Lithographers' Association.

	Price per 1,000 marks.	Amount in dollars.	Duty.	Weight.	Proposed specific duty of 62½ cents per pound.	Per cent. of duty.
				<i>Pounds.</i>		
No. 1, 1,000 sheets, show pictures.....	170	\$40.80	\$10.20	180	\$112.50	275
No. 2, 1,000 sheets, show pictures.....	900	216.00	54.00	425	265.63	123
No. 4, 1,000 panels.....	100	32.00	8.00	103	64.38	268
No. 5, 1,000 cards.....	16	3.84	.96	12½	7.81	204
No. 7, 1,000 oleographs.....	250	60.00	15.00	135	84.37	140
No. 9, 1,000 imitation engravings.....	40	11.76	2.94	125	78.00	661

The samples enumerated and described as above are in the possession of the honorable Committee on Ways and Means.

In the columns "Proposed specific duty of 62½ cents per pound" and "Per cent. of duty" the amounts are higher than as given by Mr. Charles Kaufmann before the Committee on Ways and Means, as at that time he figured them while speaking to the Committee.

Progress of lithographic business during the years 1880 and 1889.

Year.	No. of establishments.	No. of employes.	Capital invested.	Annual product.
Business in the United States:				
1880.....	167	3, 641	\$4, 501, 825	\$6, 912, 338
1889.....	563	18, 000	*32, 500, 000	*45, 000, 000
Business in the city of New York:				
1880.....	48	998	1, 227, 550	1, 738, 452
1889.....	179	5, 500	*13, 200, 000	*18, 000, 000

*About.

The increase of production per annum for the year 1889 could not be ascertained accurately, but is calculated in the proportion of the production to the amount of capital invested which prevailed in 1880.

The business of Knapp & Co., of New York, in 1880 was seven presses and seventy-five employes against, in 1889, thirty presses, two hundred and fifty employes and an annual product of over \$750,000.

Respectfully submitted.

CHAS. KAUFMANN.

ALBUMS AND SCRAP-BOOKS.

STATEMENT OF MR. GEORGE BLISS.

Mr. GEORGE BLISS, counsellor at law, of New York, appeared before the committee. He said:

Mr. Chairman and gentlemen, I represent some of the manufacturers and importers of autograph and photograph albums, and scrap-books, particularly in New York. They were to have been here by committee themselves; but the grip, I suppose, has interfered to prevent them. I say that I represent some of the manufacturers, and yet I think that all of the manufacturers but a single one has been driven out of the business. They want to have put into your bill the same clause that is in the Senate bill in the paper schedule, which reads, "photograph, autograph, and scrap albums, wholly or partially manufactured, 35 per cent ad valorem." They ask that on two grounds—on the ground of convenience and certainty, and on the ground of protection. I have appeared for those gentlemen in a variety of contests about it in connection with the Treasury Department and under Treasury regulations, and the existing tariff has finally simmered down to this. At one time in New York the importer paid 45 per cent. on his importation of albums, and at the same time the importer in Boston paid only 18 per cent., the ruling of the Treasury Department being that as these albums had some metal about them, they carried the same rate of duty as the metal. That, however, was abandoned after a time, and now it is ruled that they shall pay duty according to the material of chief value, and as a general thing the result is that albums covered with plush must pay 50 per cent. because the plush in them is the material of chief value. Then comes the question of those albums where metal is the material of chief value, and they pay 45 per cent.; where cotton is the material of chief value, the albums pay 35 per cent.; and where paper is the material of chief value, the albums pay 15 per cent. And then, again, by an anomaly, if the album is covered with leather, it pays 30 per cent. entirely without reference to the question of material of chief value.

The result, therefore, is that if an American manufacturer wants to make albums here, he must pay 50 per cent. on the plush which he puts on the outside of his albums; and he must pay 25 per cent. upon his paper; and the consequence is that the manufacture of albums has almost entirely ceased in this country, although these gentlemen have large plants and were at one time largely engaged in the business. That has not been the result of any change in the law, but has been the result of a change in the construction of the tariff, so that probably 95 per cent. of all the albums imported are imported at 15 per cent. duty, on the ground that paper is the material of chief value in them. Now, the desire of the importers is that you shall impose a uniform rate of 35 per cent. ad valorem on albums, photograph, autograph, and scrap-books—35 per cent. without reference to whether the material of chief value is plush, metal, leather, leatherette, or anything of the kind. That will be (I say frankly) a larger rate of duty than has been obtained for many years under the

construction of the tariff act. But, at the present time, 95 per cent of the albums imported pay only 15 per cent., on the ground that paper is the material of chief value in them. I am informed that at a recent meeting of appraisers in New York this matter was under discussion, and that they came to the conclusion that it was desirable to have a uniform rate of duty on albums, and that the rate of 35 per cent. ad valorem was a fair one. I do not need to say anything more than to add that the argument is to be found substantially in the testimony taken by the subcommittee of the Senate in 1888, and found at page 861. It is all substantially there and I do not need to take up any more of your time on this subject. Let me say, however, that in the Mills bill of last year there was put in a clause (I do not know whether it is in the Senate bill) that surface paper, pitted paper, must pay 25 per cent. If that were so, it should remain so, and if there be no specific duty on albums, still further confusion would come into it because ordinary paper albums pay 15 per cent., and surface quoted 25 per cent. That is all that I have to say on that subject.

Mr. George Bliss, having addressed the committee as above, on the subject of the duty on albums, said:

May I say another word on a subject which has occurred to me here? I say it only on the ground that I have had an experience of four years as district attorney for the southern district of New York in endeavoring to enforce the customs laws. One of the gentlemen who has appeared before this committee raised a question as to the administrative features of the bill, and I want to make a suggestion as to what (when I was in the public service) seemed to me ought, in fairness, to be in the law. You are seeking by your administrative bill to remedy an evil which is rather against the merchant and in favor of the Government. The merchant has no chance, practically, to contest the valuation of his goods. He can contest the rate of duty, but when the appraiser and the merchant appraiser settle the valuation, there is an end of it. That not infrequently works great hardship in this way—I will state an actual instance. An enterprising merchant in New York succeeded in procuring goods manufactured in such a way that he could prove the actual value of the goods at a certain price, which brought them under the rate of, say, 35 per cent. ad valorem and 5 cents per square yard. His competitors in the business could not get their goods manufactured abroad and introduced here at less than 8 cents per square yard and 40 per cent. ad valorem. They went on for a good while trying to find out how he accomplished it. All kinds of investigations were set on foot, and the result was that the valuation under which his goods were admitted was found to be entirely correct. Finally, it occurred to one of the importers to get himself appointed a merchant appraiser and to have himself assigned to a re-appraisement of this gentleman's goods. He thus obtained information of the whole process, and the result was that the process was thrown open to the world.

It seems desirable that there should be a system introduced, the same as that which they had to some extent in England before the English practically abolished their tariff, and that is to allow the merchant whose valuation of goods is put up at the custom-house (as he thinks unfairly) to elect to have a seizure; that is, to allow him to elect that the collector shall seize his goods, and then let him bond his goods and let the case go as a seizure case (with all the advantages of presumption in favor of the Government) to a court and jury to have that question settled. It seems to me that that would save a great deal of trouble. In the first place, it would not leave the whole question of valuation open, but would force a final settlement; and, on the other hand, the merchant would not be confined to the decision of a Government officer, but would have a right to go to a jury. But if merchants have to bond their goods, they will not do it except in cases where they believe they are suffering great hardship. And so I believe the Government should allow them to have a chance of contesting the matter in the courts.

Mr. FLOWER. Was there not another course in England under which the importer by paying 10 per cent. on the valuation could take his goods?

Mr. BLISS. There was a clause of that kind, but my experience as a Government officer is not such that I think I should advise its introduction.

VIEWS OF A. J. HOLMAN & CO.

PHILADELPHIA, January 9, 1890.

DEAR SIR: I had expected to be in Washington to-morrow, but owing to sickness I am unable to go. I will state our case in as short a way as possible.

Albums have not been classified heretofore, being admitted subject to the various decisions of the Department.

In the Senate bill, pages 165, 166, schedule M, a duty of 35 per cent. ad valorem is proposed. The duty should be 40 or 45 per cent., in order to give a fair protection.

The importation of albums amounts to about \$1,000,000 annually, imported almost

exclusively from Berlin and Germany. These people live and manufacture so cheaply that they have a monopoly of this trade for the whole world.

I visited Berlin last year and also a few years previous, and spent a month in the city visiting many of their album manufactories; consequently I am fully posted.

Twenty-five years ago there were some fifteen or twenty manufactories in this country engaged in making these goods.

Owing to the low rate of duty there are only six or eight firms engaged in the business at the present time; they are located in New York and Philadelphia.

The cost of making the usual size quarto album here is about \$1.15 each. From actual observation and knowledge the cost to make the same or similar album in Berlin is 75 to 77 cents. At a duty of 40 per cent. these goods could be imported from 5 to 10 per cent. less than they can be manufactured here.

The reasons for the German goods being made so much cheaper in Berlin than in this country are as follows:

First. Labor in Germany costs only one-half what it does here.

Second. Labor being so cheap, materials of all kinds can be had at greatly reduced prices; consequently these goods can be made so low in price that they can not be made in this country without protection.

I think, in view of the above statement, the duty should be at least 45 per cent.

Trusting that this will meet with your approval and assistance,

I remain yours, truly,

A. J. HOLMAN.

HON. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

LOWER DUTIES ON BOOKS.

NEW YORK, *January 23, 1890.*

DEAR SIR: I beg to call the attention of your committee to the duty on printed books, and to ask if it is not practicable to make some more liberal provision on this subject in the bill now under consideration.

It is our boast that education is the corner stone of our political system. It is with a view to educate the people that we carry free or at an insufficient charge newspapers through our mails.

I find by the Report of the Commissioner of Education that in the year ending 1887 the amount expended for common schools in the United States was \$115,103,886. The cost of private schools, seminaries, colleges, etc., added to this would probably carry the total beyond \$150,000,000. This sum is expended, not merely to teach our people to read and cipher, for these are small things. The object is to diffuse knowledge, and to this end books are indispensable. There is no branch of study that can be thoroughly pursued in the books of one nation alone. Unless we choose to be superficial, prejudiced, and narrow-minded, if we would keep abreast of the world, or at least not fall behind, we must have what other people are doing and thinking. And yet how can we do this if our access is hindered to the best books of the age.

Our present tariff admits free books over twenty years old, which is as much as to say that we are content to be twenty years behind the rest of the world in knowledge. But twenty years now is as much as a century was to our fathers. So active is thought at the present day, so rapid the work of chemists, physicians, engineers, machinists, etc., that in science five years is a generation.

The United States tariff on books is by far the highest in the known world. All the nations of Europe, even Russia, admit foreign books free, except Spain, which imposes a duty of eight-tenths of a cent per pound, and Italy, which admits them free unbound, but charges about the same rate as Spain when bound. Books are free in Peru, Honduras, Venezuela (unbound), and Colombia. In Mexico, Guatemala, and the Argentine Republic a small duty is charged of from 5 per cent. ad valorem to one-half a cent per pound. In our enlightened Republic we impose a duty of 25 per cent.

In the Mills bill, emanating from the Democratic House, and in the bill of the Republican Senate last year, books in foreign languages were free. The Mills bill also made free books printed by foreign governments or societies for gratuitous distribution. The Senate rejected this last clause, the reason for which it is difficult to understand. It would seem as if when a foreign scientific society prints scientific matter and offers to assist in our education by giving it to us for nothing we ought to be grateful. Such books are never reprinted, and no home industry can be affected by their importation. But our law-makers here evidently thought it would be better for our scientists to wait twenty years before learning what other scientists were doing.

Foreigners reproach the Americans with being so much absorbed in money-getting, so much given to the worship of the almighty dollar, that we are behind the rest of

mankind in literature, science, and art; that we alone of all the nations on earth levy exorbitant, unexampled, and needless duties on books and works of art is a partial justification of this censure.

Books by mail should be made free. I was once impelled by a vexatious experience to investigate this subject. I found that in 1884 there arrived from abroad 60,225 packages, estimated by the customs officials to contain two books each. The total amount of duties collected was \$110,479.15, being an average of 8½ cents per volume. There were very few large or valuable works, by far the larger proportion consisting of books on which the duties were only 5 cents per volume. To do this work a bureau was maintained, several hundred thousand letters written and received, and an elaborate system of printing and accounting kept up. The cost was greater than the amount received, and 60,000 persons were subjected to inconvenience and annoyance in order that a beggarly sum averaging only 17 cents each, might be turned into an overflowing treasury. Surely this was and is red tape run mad. No other government would think it wise to harass so many citizens to secure so insignificant a result.

All printed books should in my opinion be admitted free. At least books in other languages than English, publications of foreign governments and societies, and books not reprinted in the United States might be made free. Also books imported for use and not for sale.

I would call attention to the fact that the tariff commission appointed by President Arthur, in 1882, recommended as follows:

Books, periodicals, pamphlets bound or unbound, and all printed matter not separately enumerated or provided for, engravings bound or unbound, etchings, illustrated books, maps and charts, 15 per cent.

Books which shall have been printed and manufactured more than ten years at the date of importation, and books by foreign authors not published in the United States in single copies for use and not for sale, free.

Following that precedent I would recommend the following: Provided all books can not be placed on the free list. This would do away with the annoyance I have alluded to above attending the procuring of foreign books by mail.

"Books by foreign authors, not published in the United States, in single copies for use and not for sale, free."

Your obedient servant,

CHARLES B. CURTIS.

HON. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

ACTION OF MINNESOTA EDUCATIONAL ASSOCIATION.

WASECA, MINN., January 20, 1890.

DEAR SIR: At the last meeting of the Minnesota Educational Association, held at St. Paul, January 1, 2, and 3, the following resolution was unanimously adopted, and I was asked to transmit a copy of the same to you:

Whereas the cause of education and the spread of general intelligence is hindered by the high price of books, and other printed matter, published in foreign countries; and

Whereas the high price of such books and printed matter is to a great extent caused by the duty upon them; and

Whereas many scientific and philosophical subjects are more ably treated in books published in foreign countries than in those published in the United States: Therefore,

Resolved, That we desire that all books, periodicals, maps, charts, and other printed matter imported by and consigned directly to any college, university, high-school, or any other educational institution, or to any professional teacher, shall be admitted to the United States, in any quantity, free of duty.

Resolved, That we ask our Senators and Representatives in Congress to use their efforts to secure the desired change in the revenue laws.

Resolved, That a copy of these resolutions be forwarded to each Senator and Representative from Minnesota now in Congress.

Very respectfully,

F. V. HUBBARD,
Secretary Minnesota Educational Association.

HON. JOHN LIND, *Washington, D. C.*

TECHNICAL BOOKS.

DEAR SIR: According to a statement in the newspapers your committee will receive, up to a certain date, any matter in writing bearing upon the revision of the tariff. If so, permit me—a wood-carver by trade—to express my views upon this question, particularly in reference to the schedule under the head of art works.

"Art works," such as are necessary for educational purposes in the various branches of industrial art, should, instead of bearing a duty of 30 per cent. ad valorem, be admitted duty free. It ought to be apparent to every one that this change should be made when it is known that the prices of this class of books range from \$6.50 to \$175, and there is nothing below \$40 that workmen are content with, but must take the inferior article for want of the means to purchase the more desirable and higher-priced books.

There are to my knowledge but two firms in this country that publish cheap industrial art works. They are, generally, of a low grade of workmanship. Amateurs patronize this class of goods, while for the want of means to buy a better class of imported works the professional must be content with them also. Having no competition these few firms are not influenced to put good works upon the market when they can make you take an inferior article.

What is gained by the duty on art works? It will hardly be disputed that the fine arts and industrial art are ennobling in their nature and purposes. If so, what is the damage done to art in general by reason of the tariff? Can the extent of injury be computed in dollars and cents? To what degree has the tariff retarded the advancement of art?

It is true we have made some advancement in the standard, but would not even savages do the same with the help of time and in spite of obstacles? For this reason we should not deceive ourselves by thinking that it was the tariff that raised the standard, but that it was raised in spite of it, in harmony with the pulse of other industries. As art enters so largely into our industries, would it not be wise to make art works free of duty and thus hasten the education of both the public and the artisan? Our artisans would become originators while they now are largely imitators, and the progress of the fine arts would keep pace with the mechanic arts.

The education of the tastes of 60,000,000 people has been retarded for the benefit of a few factories that can not possibly employ more than five thousand persons. A nation that will make such sacrifices for the chosen few must surely be paternal in their sight.

But in the end, if persisted in, this method of paternity would reduce the standard of public taste to such an extent that there would be no demand for even their books.

Evidence of the degraded condition of the public taste is seen in the practice that our merchants have of bringing home from Europe foreign artists and samples of art, reproducing them in cheaper form. If the public taste was better cultivated there would be a demand for a better article; consequently a higher tone would prevail in art matters in general. This would be a benefit to manufacturers, as the better the class of goods the higher the margin of profit. We are still dependent upon Europe for our instruction in art matters, for it required centuries to acquire what we think we should get through on our hot-house principle in a few years; but no Italian sun shines here, and we must propagate art by engrafting the old upon the new.

As proof that those who need these foreign works can not afford to buy them, it may be mentioned that the carvers' unions have all made provisions for a library of this class of books because of their expensiveness and the inability of so many to buy them; in fact, those that do buy them are the exception. This is clear evidence that the tariff injures this branch of industry, and yet those employed in manufacturing art works may be unaware of it and attribute it to some other cause. Other evidence of the evil effects of the tariff on the public taste may be seen in the craze for trade and art schools, a fact which clearly points to past neglect, and that the tariff has struck its blight to the root of all industrial art.

The traveling propensities of our wealthy people are now the only means available for the cultivation of the public taste with the accumulation of the art of ages. What we have has come slowly and is of only partial benefit. Take off the tariff and let the whole people get the benefit. This may be said of many other articles. There may be a little sympathy for those employed in the industries affected, but they will suffer only temporarily, if at all, and in that event only because of having enjoyed the paternalism of the Government so long. They would be in the condition of the pauper who has been accepting charity and lost his self-reliance; but time will change this, and every one will have the manly courage to "hoe his own row."

There is no justice in a tariff imposed for the purpose of securing to less than half a dozen firms the trade of the "home market," or, to put it another way, to enable them to prey upon the people within the boundaries of the United States, and then

take from these plundered people a bounty to enable them to sell their surplus to foreigners at a loss. Thus we find our people in the act of assisting the plunderer to plunder them in the home market by keeping up prices, at the same time assisting the foreigner to cheaper prices on articles that should have remained to regulate the price at home.

As the witnesses who have been before you have suggested various methods and rates of duty necessary to the advancement of their particular interests, I would also like to suggest a method that would be more likely to give the workingman the benefit of protection, if such a thing is possible at all. After more than twenty-five years of experience upon a protective basis we have discovered that protection does not work practically. The hearing of the complaints of witnesses in reference to the unequal share of benefits they are receiving and consequent clashing of interests; the frequent and constant revision of the tariff without these hearings; the clamor of the workingman for his share of the benefits of the tariff, all suggest that it does not work practically. Indeed, it seems to be more like a lottery, where each one pays his share but very few draw the prizes.

To take the lottery character from protection the following is suggested as a more business-like method to insure the proper distribution of the benefits to those for whom they were intended. Place an income tax upon the output of all industries sufficient to cover the difference between the price of goods with and without a tariff, or the difference between the price of labor here and in Europe, and distribute the same among the people of the country in proportion to their wages or salaries.

Our already established pension system may be used as a means of distribution. This may appear like state socialism, but does not protection lead in that direction?

Absolute protectionists should go even farther as necessary to carry out the intention of "protection for protection's sake" as is demanded in the Republican platform, which should mean equal protection; that is, close all opportunity to revise the tariff, as some of our States have provided in reference to revising their constitutions.

This would prevent favoritism by Congress to certain individuals, which generally nullifies the advantages of a previous general revision, creates discontent and another demand for a general revision, and so on *ad infinitum*.

If it were necessary to find the wishes of all, a special census might be taken. Does not this agree with the importance of the subject?

If accuracy is desired this is the only way it can be done.

Yours, respectfully,

H. C. WIEDENMANN,
1327 Clarion street, Philadelphia, Pa.

HON. WILLIAM MCKINLEY, JR.,
Chairman Committee on Ways and Means.

REEDS AND RATTAN.

STATEMENT OF WILLIAM J. COLGAN.

Mr. WILLIAM J. COLGAN, of New York, made a statement on the subject of the duty on reeds and chair-cane. He said:

Mr. Chairman and gentlemen: I desire respectfully to oppose the effort to have reeds and chair-cane assessed as dutiable for the following reasons:

Those goods grow exclusively in East India and are imported to this country for the use of chair, carriage, whip, broom, basket, harness, hat, demijohn, furniture, and various other manufactures, reeds and chair-cane being wholly used in quite a number of those industries in which millions of capital are invested, giving employment to innumerable people. For about the past ten years the industry of splitting rattan into what is known as reeds and chair-cane has been controlled by virtually one firm—a combination of several—which has been enabled by good fortune, superinduced by a high tariff, to uphold their standing by buying up all available competition and controlling those goods, and even discriminating between manufacturers that might offer them competition in the goods they manufacture as to whether they will supply them at all or not, and exacting such prices as they may feel inclined to demand, irrespective of the cost of the goods.

I do not exaggerate in stating that over 90 per cent. of the manufacturers I mention are heartily in favor of abolishing the tariff on these goods, being, as they are, their raw material, and I would very respectfully urge your honorable committee in your wisdom to place them on the free list, as by assessing duty on them you protect a monopoly at the expense of the numerous other manufacturers, and I believe this is not the intention or spirit of your committee in revising the tariff.

Mr. Colgan added that he had with him copies of letters from prominent manufacturers in the United States urging the same views.

Mr. FLOWER. I have here a letter from a rattan and chair company in Toledo, which I desire to file.

The letter was read as follows:

GENDRON IRON WHEEL COMPANY,
TOLEDO, OHIO, *January 6, 1890.*

DEAR SIR: We beg to call your attention to the import duty on reeds and chair-cane. The present duty is 10 per cent. ad valorem. We learn that the Wakefield Rattan Company, Wakefield, Mass., is trying to have the rate of duty on these articles advanced with the Senate tariff bill now in preparation.

Reeds are skinned rattans. Chair-cane is the skin or outside part of rattan. Both reeds and chair-cane are crude material imported to be manufactured into articles here. Although reeds and chair-cane when imported are partly manufactured rattan, nevertheless they are crude material, not having been made into manufactured articles.

Reeds are used in the manufacture of reed chairs, children's carriages, whips, brooms, walking canes, and many other minor articles. Chair-cane is used in the manufacture of chair-seats. All these industries are separate and are carried on extensively in nearly every State of the Union. They give employment to a very large number of laborers. Our business is principally manufacturing children's carriages. We employ four hundred people the year round. There are also large manufacturers of children's carriages in Cincinnati, Springfield and Columbus, our State.

It has been a hardship with the industries above named to pay the present rate of duty of 10 per cent. ad valorem, and it will be certain ruin if the duty is advanced more. This would place these industries at the mercy of the Wakefield Rattan Company and a few others combined with them. Nothing would be more proper than that the present duty of 10 per cent. be wiped out, and that both reeds and chair-cane be placed on the free list.

Our industry (children's carriages) has been carried to greater perfection in the United States than any other part of the world. The margin of profit, however, in our home market, is cut very close, and manufacturers are looking for a market abroad. We are growing a trade in South America, and especially so in Australia. Our trade in the latter country was threatened by an attempt in the Victoria parliament at Melbourne to impose a duty of 25 per cent. on children's carriages. This,

however, failed to pass. Now, should our own Government advance the import duty to 35 per cent. on reeds it would be shutting us out of a foreign market and placing us at the mercy of a strong combination.

We beg of you that you give this matter your earnest attention.

Yours, very truly,

GENDRON IRON WHEEL COMPANY.

Hon. ROSWELL P. FLOWER,
House of Representatives, Washington, D. C.

Mr. LA FOLLETTE. I have received a telegram which I desire to file.
The telegram is as follows:

FORT ATKINSON, WIS., *January 8, 1890.*

To Hon. R. M. LA FOLLETTE,
House of Representatives, Washington, D. C.:

The factories in the West are unanimously opposed to raising the duty on manufactured cane for chair seating. Have written.

L. B. CASWELL.

Mr. GEAR (to the witness). Is this cane business controlled by a trust?

Mr. COLGAN. Yes, for the last few years.

Mr. GEAR. Has it not within the last ninety days increased prices 30 per cent.?

Mr. COLGAN. Yes, since the first of January.

Mr. GEAR. I have a letter here from one of my constituents, which I want to have printed.

The letter is as follows:

FORT MADISON, IOWA,
January 5, 1890.

DEAR SIR: We understand that the chair-cane combination are going to appear again on the 9th instant to press their claims for an advance in the tariff. They have recently cut their prices down about one-third, as shown by inclosed circular, their previous price being \$63 per bale (100,000 feet) for the No. 1 grade, and \$48 per 100,000 feet for No. 2 grade, subject to the same cash discounts as they now offer. The reduction of these prices by the pool may be to prevent opposition from chair manufacturers over the country while they are before Congress asking an advance in duty. They have grown rich by monopolizing the cane business and their rapacity knows no bounds, and as soon as they get matters in their own hands by an advance in the tariff they will, no doubt, squeeze the dear public again.

W. E. HARRISON,
Fort Madison, Iowa.

Hon. JNO. H. GEAR,
Washington, D. C.

[Circular inclosed.]

DECEMBER 27, 1889.

M ——— ——— :

We are pleased to inform you that from and after this date, and until further notice, our prices and terms for chair-cane are as follows:

All Long Selected, per bale of 100,000 feet.....	\$45.00
Extra, No. 1, per bale of 100,000 feet	40.00
No. 1, per bale of 100,000 feet	35.00
No. 2, per bale of 100,000 feet	30.00
No. 3, per bale of 100,000 feet	25.00
Binding, per bale of 50,000 feet.....	22.00
No 2, Binding, per bale of 50,000 feet.....	18.00

Terms: Four months, approved credit. Five per cent. discount for cash in thirty days. Six per cent. discount for cash in ten days.

Yours truly,

WAKEFIELD RATTAN COMPANY, Boston.
HEYWOOD BROS. & Co., Gardner.
UNION RATTAN MANUFACTURING COMPANY, New York.
E. NEWTON'S SONS, New York.

Mr. GEAR (to the witness). Are not these people protected by patents?

Mr. COLGAN. No; the patents expired years ago.

Mr. GEAR. The rattan is a natural growth?

Mr. COLGAN. Yes.

Mr. LA FOLLETTE. Then there is but one manufactory out of the trust; the others have consolidated?

Mr. COLGAN. Yes. There were four firms before the 1st of January. They have removed all their machinery to Wakefield, Mass., and are manufacturing there all the cane that is used.

Mr. GEAR. This rattan is not a product of labor, but is a natural growth?

Mr. COLGAN. Yes; it is grown in Borneo and India, I think.

Mr. GEAR. And it is simply shipped to this country?

Mr. COLGAN. Yes. This reed [exhibiting] is the rattan with the enamel taken off. It is the article which, we claim, ought to come in free. I have got a short petition here from the Sanford Whip Company, of Westfield, Mass.

Mr. Colgan read the petition as follows:

WESTFIELD, MASS., January 6, 1890.

The Committee on the Revision of Tariff:

GENTLEMEN: We understand that an effort is being made by the Central Rattan Company of Wakefield, Mass.,—a combination of the four firms recently consolidated—to have a tariff placed upon whip reeds in the proposed tariff bill.

We, as whip manufacturers, wish to strenuously oppose this effort, being almost entirely dependent on these goods—which are our raw material—for the production of our manufactures, and we urgently solicit your committee that you recognize the equity of our demand, and place them on the free list, where they rightfully belong.

Such a tariff as proposed would place us entirely at the mercy of a monopoly.

Very respectfully submitted.

Sanford Whip Company, Massasoit Whip Company, Lay Whip Company, Bay State Whip Company, Frank Grant, treasurer; A. C. Barnes & Co., Searle Whip Company, Cook & Parker, Steimer & Moore Manufacturing Company, L. H. Beals and Sons, Peck & Whipple Company, Pomeroy & Van Densen, E. Cooper, S. Ensign, Standard Whip Company.

Mr. McMILLIN. Is this Central Rattan Company of Wakefield, Mass., the combination that is wanting to have the duty raised?

Mr. COLGAN. Yes.

Mr. McMILLIN. And the Senate did raise it?

Mr. COLGAN. The Senate raised the duty 5 per cent. on this cane, but allowed the duty on reeds to stand as before.

The following letters were presented and ordered to be printed in the record:

RATTAN AND CANE COMPANY,
20 Vesey Street, New York:

Your favor of the 3d received. We are in favor of a protection tariff on articles that can be grown to advantage on American territory. Cane and rattan can not therefore we are in favor of such a tariff.

Only a few firms are interested in manufacturing cane and rattan in the United States, and we do not think it would be a good thing for the people of the United States to give the few protection at the expense of the many.

Very truly, yours,

WILKINSON & EASTWOOD,
Binghamton, N. Y.

GENTLEMEN: Yours of the 2d received. We want to enter our protest against any advance in the duty on chair-cane.

The cane combination have reduced their prices, December 17, about one-third. This shows what extortion they were practicing before, and it is done, doubtless, to disarm opposition to their scheme of having the tariff on chair-cane advanced. After the tariff is advanced the trust will doubtless put up their prices on cane again, and, as there can then be no foreign cane imported to check them, they will put prices where they please. There are four firms in the combination asking the advance, and they do not employ 100 men each in making cane, while if the tariff is advanced it will affect the raw material of the thousands of chair-makers all over the country.

I am a good, stiff Republican and never voted any other ticket, but will say that we have a bigger surprise in store here in the West for the next general election if these tariff questions are neglected than we had last fall at our State election, when we had a Democratic governor put over us.

The Western people are getting very tired of the manipulation of our tariff laws wholly in the interests of the rings, trusts, and combinations, which are daily appearing before our Congressional committees asking still further protection.

These rings are very active in appearing in their own behalf now, but the general public is watching the matter and will be very apt to voice its opinion at the polls. It is about the only chance they have.

Yours, respectfully,

PORT MADISON CHAIR COMPANY,
By W. E. H., *Superintendent.*

RATTAN AND CANE COMPANY, 20 *Fesey street, New York.*

P. S.—Some of the cane combination try to make out that we employ few free hands. We employ over one hundred of them.

KEENE, CHESHIRE COUNTY, N. H., *January 6, 1890.*

GENTLEMEN: I learn the "new rattan combination" are doing everything in their power to increase the tariff on reeds and chair-cane imported into this country, and have had a special day set apart for a hearing before the Tariff Committee in Washington. I trust you will also appear at the same time before that committee and protest against, and do everything possible to prevent, such a thing being done, as it is like all these monopolies to help make the rich richer and the poor poorer.

At the last session of Congress I wrote Hon. H. W. Blair, one of the Senators from this State, asking him to use his influence in protecting the manufacturers of New Hampshire that will be injured by such an increase of tariff, instead of combinations outside of this State whose sole purpose is to prevent competition and thereby enrich themselves at the expense of the people and established home industries. I hope you will see the other members of Congress from this State and, if possible, get them to unite with Mr. Blair to do what they can to forever put an end to such combinations.

Very respectfully,

L. J. COLONY,
Manufacturer of Reed Chairs.

RATTAN AND CANE COMPANY, 20 *Fesey street, New York.*

LEOMINSTER, MASS., *January 4, 1890.*

GENTLEMEN: Being a large consumer of reeds and winding cane, we hereby protest against the proposed advance in the duty on this stock.

Such an advance would prove very detrimental to our business for the benefit of a monopoly and we trust you will use your influence to prevent any such advance in the duty being made.

Very respectfully,

F. A. WHITNEY CARRIAGE COMPANY,
W. C. BURDETT, *Secretary.*

RATTAN CANE COMPANY.

LEOMINSTER, MASS., *January 4, 1890.*

GENTLEMEN: We hope you may succeed in preventing the increase of duty on reeds and chair-cane. We must have no duty on these, as they are about wholly all we use in our factory. We would like to live as well as Wakefield or Haywood and we mean to. We shall write our Congressman regarding the matter.

Very respectfully,

A. A. TISDALE & Co.

RATTAN CANE COMPANY.

BEAVER MILLS, KEENE, N. H., *January 4, 1890.*

GENTLEMEN: In answer to yours of the 3d, say we are very much opposed to any tariff on material where it will help to continue in the hands of any party the exclusive control of any commodity, and we know of no article that would be so completely put into the hands of a few persons by a tariff as cane and rattan used in the manufacturing of chairs and some few other articles.

Yours, etc.,

CHESHIRE CHAIR COMPANY.

RATTAN CANE COMPANY.

WAKEFIELD, MASS., *January 3, 1890.*

GENTLEMEN: In reply to your inquiry we would state that we are heartily in favor of reeds and chair-cane coming in free of duty. Tariff on these goods is certainly an imposition. As we are depending on a supply of those goods entirely to enable us to continue in business, we do not propose to depend on a trust for our supplies.

NEW ENGLAND RATTAN COMPANY.
W. E. RYAN.

RATTAN AND CANE COMPANY, *New York.*

ROCHESTER, N. Y., *January 3, 1890.*

GENTLEMEN: We desire to enter our most earnest protest against the scheme of the Central Rattan Company, proposing a high tariff on reeds. Every last cent added to the cost of this material would come out of the pockets of the producers of whips, as reeds are practically raw material in the manufacture of these goods. Trusting that some move will be made which will nip this scheme in the bud,

We are, yours truly,

WOODBURY & COMPANY,
Whip Manufacturers.

RATTAN CANE COMPANY.

CHICAGO, *January 6, 1890.*

GENTLEMEN: Your letter informing us that a new rattan combination is attempting to induce the tariff committee to place a higher tariff on imported reed, received. It is evident that their object in this is to compel us and all other manufacturers in our line to buy reed of them, and if their efforts are successful in placing this prohibitory tariff on imported reed, we shall be compelled to buy of them and pay whatever price they might see fit to charge us. It would also be optional with them whether or not they would sell us at all.

This, as you well know, would tend to a monopoly more harmful to the welfare of the working classes of our country than that of the notorious Standard Oil Company, and we think you need have no fear that so intelligent body of men as our tariff committee is will ever be induced to sanction such a scheme. You may rest assured they have studied the results of monopolies on all kinds of business, and we do not think a few interested people belonging to this combination can ever find words to induce such a committee to do injustice to the business of our people in order to favor a few selfish ones.

We do not think it necessary to take any action in this matter, as we feel confident this committee will be influenced by justice and permit the tariff on this reed to remain as it is. If, however, at a later day you should consider our assistance necessary in this matter, we shall be pleased to do all we can to defeat such an injustice.

Yours, truly,

A. FEATHERSTONE.

RATTAN AND CANE COMPANY,
20 Vesey street, New York City.

Mr. McKENNA. How does this Wakefield Rattan Company control the market?

Mr. COLGAN. They bought up all competition.

Mr. McKENNA. Could they not do that without or with a tariff?

Mr. COLGAN. I presume that the foreign cane coming into the market would prevent them exacting high prices.

Mr. McKENNA. Would not the conditions be the same to you now as then, so far as competition is concerned?

Mr. COLGAN. No, sir.

Mr. McKENNA. You can buy cane abroad?

Mr. COLGAN. There is a tariff on cane; but they split the cane here and make the chair-cane out of it.

Mr. McKENNA. How many men does this combination employ?

Mr. COLGAN. They employ a very large number of men in manufacturing chairs; but the splitting of cane is all done automatically.

Mr. McKENNA. They import the raw material and split the cane by machinery?

Mr. COLGAN. Yes; they split it with their machinery.

Mr. McKENNA. And thereby control the market?

Mr. COLGAN. Yes.

Mr. GEAR. They utilize the pith as well as the cuticle?

Mr. COLGAN. Yes.

Mr. FLOWER. And the higher the rate of duty the greater their profits?

Mr. COLGAN. Yes.

Mr. GEAR. The pith of the cane is but a small part of the profit connected with the cane?

Mr. COLGAN. A very small one.

Mr. McKENNA. Are there any cane factories abroad?

Mr. COLGAN. There are a great many.

Mr. McKENNA. Where?

Mr. COLGAN. Principally in Germany. There are some in Hamburg, Bremen, Brussels, and some small ones in England. The principal factories abroad are in Germany. I understand that this rattan comes in large quantities from the East Indies to Holland. I think that the Holland Government has some controlling interests in the islands that the rattan comes from. It is shipped to Holland and is sold by the Government at auction. That is the reason why so much of it comes here from that country.

Mr. McKENNA. Would not some of the reduction of the duty do you instead of its total abolition?

Mr. COLGAN. No, sir; we could not stand a duty of even 10 per cent.

Mr. McKENNA. If cane and rattan were put on the free list would not the industry be transferred to Holland?

Mr. COLGAN. No, sir. The duty on split cane does not protect anybody except the trust.

Mr. McKENNA. You do not wish to destroy that industry if it is properly carried on.

Mr. COLGAN. That industry has been carried on here for a hundred years.

Mr. BRECKINRIDGE. What industry do you mean?

Mr. COLGAN. Splitting the rattan; it was formerly done by knife. I understand that even yet there are some few chair-makers in this country who make their own chair-cane in that way—splitting it with a jack-knife.

Mr. GEAR. Have not these people combined at all times when anybody else started this industry? Have they not combined to reduce the price of rattan?

Mr. COLGAN. They have combined to increase the price.

Mr. GEAR. They have combined to put down the price first, so as to reduce competition; and then they have combined to put up the price?

Mr. COLGAN. Yes; that is their object now. We have had very hard fights during the last eight or ten years, but we have held our own.

Mr. LA FOLLETTE. What percentage of the cane used in this country does this Wakefield Rattan Company manufacture, and what percentage is imported?

Mr. COLGAN. I was before the Senate Finance Committee last summer, and I heard a gentleman say there that only about \$100,000 worth was imported the previous year, and I think that this combination does a business of not less than \$1,000,000 a year. I have one other letter which I would like to read to the committee.

The letter is as follows:

WAKEFIELD REED CHAIR COMPANY,
Wakefield, Mass., January 6, 1890.

DEAR SIR: I indorse most emphatically your efforts in preventing the advance in the tariff which the rattan combination is endeavoring to have put on reed winding, reeds, and chair-cane.

It is but another effort of this powerful trust or combination, which they themselves style as the Central Rattan Company, to grasp into their control the market for these goods and then ruin the large number of smaller manufacturers who are competing against them.

At present prices everybody is getting a fair show and are apparently satisfied, with the one exception of this aforesaid monopoly.

Hon. George F. Hoar has my letter of some time since protesting against this advance and explaining the true situation.

Again, I wish to say that I protest, and shall in the future protest, so far as I can, against this barefaced attempt of the combination to shut out and ruin competitors or manufacturers by putting up the duty so high that we can not get our supply.

I am, very respectfully,

W. C. JORDAN.

Mr. W. J. COLGAN.

Mr. BRECKINRIDGE. You say that the whole work of splitting this rattan and peeling it is done now in one factory at Wakefield, Mass.?

Mr. COLGAN. Yes.

Mr. BRECKINRIDGE. How many hands do they employ in that particular business?

Mr. COLGAN. I venture the opinion that they do not employ fifty hands.

Mr. BRECKINRIDGE. I have seen it stated in a newspaper that they did not employ exceeding fifty hands.

Mr. COLGAN. I think they do not—not so many as that, I think. Here is another letter from the same concern, the Wakefield Reed Chair Company.
The letter is as follows:

WAKEFIELD REED CHAIR COMPANY,
Wakefield, Mass., January 7, 1890.

DEAR SIR: I intended to say in my letter of yesterday that one of the new rules of this new combination is, that they will sell no reeds or reed winding, so you see that as far as reeds and reed winding is concerned, their only idea is to keep all other manufacturers from getting any. It is not that they wish to supply the country at fair prices.

I do not understand, or rather do not know, just the terms of that agreement or rule, but I do know that the effect of it is that nobody gets, or will get, any reeds or winding.

Very respectfully,

W. C. JORDAN.

Mr. W. J. COLGAN.

The following letters were also presented and ordered to be printed in the record

RICHMOND CHAIR COMPANY,
Richmond, Ind., January 6, 1890.

GENTLEMEN: Any increase of tariff on imported cane would simply be ruinous to our line of business, as the prices on our goods are such that it would take but another feather to break the camel's back. We are all Republicans here, but we are opposed to building up the few and wrecking the many.

Respectfully,

RICHMOND CHAIR COMPANY.

RATTAN AND CANE COMPANY.

DETROIT HOUSE OF CORRECTION,
Detroit, January 6, 1890.

GENTLEMEN: It was quite evident when the Union Rattan Company moved their cutters to Wakefield, some hellish scheme was being hatched. The efforts of that cane combine to control the trade is the most arrogant of any ever heard of. I have written our member of Congress, J. Logan Chipman, to see to it. I can not believe that Congress will ever raise the duty on cane. But I know that unscrupulous efforts will be made, so you must fight to a finish. Call on Mr. Chipman and post him. I have written many others, so there will soon be a hornet's nest opened up.

Yours, truly,

JOS. NICHOLSON,
Superintendent.

RATTAN AND CANE COMPANY, 20 Vesey street, New York.

MICHIGAN CITY REED CHAIR COMPANY,
Michigan City, Ind., January 6, 1889.

GENTLEMEN: Yours of the 3d instant to hand. We are with you in this matter and trust that committee at Washington will report in favor of removing the duty on reed and rattan. We feel that if the duty is advanced it will wipe the small manufacturers out of business and enrich the large. We are fully aware that this combination is doing all in their power to drive the small manufacturers out of business and have taken this step to fully accomplish it.

Respectfully yours,

MICHIGAN CITY REED CHAIR COMPANY,
G. S. VAN DEUSEN,
Secretary.

RATTAN AND CANE COMPANY, New York.

STATEMENT OF OTTO GERDAU.

Mr. OTTO GERDAU, of New York, having addressed the committee on the subject of ivory and piano keys, said :

Another article to which I desire to call the attention of the committee is the article of rattan and reeds. Under the present tariff rattan and reeds unmanufactured are free, and on rattan and reeds partially manufactured there is a duty of 10 per cent. There is a very strong combination in that business, and I have been told that that combination will make an effort to kill all competition by trying to get the rates of duty increased.

Mr. FLOWER. That combination, I suppose, is the Wakefield Rattan Company, of Boston?

Mr. GERDAU. Yes. I need only present to the committee this circular of the combination :

DECEMBER 27, 1889.

M ——— :

We are pleased to inform you that from and after this date, and until further notice, our prices and terms for chair cane are as follows:

All long selected, per bale of 100,000 feet.....	\$45.00
Extra, No. 1, per bale of 100,000 feet.....	40.00
No. 1, per bale of 100,000 feet.....	35.00
No. 2, per bale of 100,000 feet.....	30.00
No. 3, per bale of 100,000 feet.....	25.00
Binding, per bale of 50,000 feet.....	22.00
No. 2, binding, per bale of 50,000 feet.....	17.00

Terms: Four months, approved credit; 5 per cent. discount for cash in thirty days; 6 per cent. discount for cash in ten days.

Yours truly,

WAKEFIELD RATTAN COMPANY, *Boston.*

HEYWOOD BROS. & COMPANY, *Gardner.*

UNION RATTAN MANUFACTURING COMPANY, *New York.*

E. NEWTON'S SONS, *New York.*

These four companies have formed a combination with \$1,000,000 capital, and the idea is to crowd out all competition.

STATEMENT OF CHARLES H. LANG, JR.

Mr. CHARLES H. LANG, Jr., treasurer of the Wakefield Rattan Company, addressed the committee. He said :

Mr. Chairman and gentlemen of the committee, as I understand you have under consideration the Senate tariff bill.

Mr. BURROWS. No, sir.

Mr. LANG. The reason why I alluded to that was because I appeared before the Senate committee about a year ago, I think it was. Now, the first matter I want to speak about is rattan, the raw material from which chair-cane is manufactured, and reeds. I want to explain that from the middle of this rattan this raw material is taken as a reed or pith, and the strands are taken from the outside. Now, prior to 1883 this reed and these strands paid an ad valorem duty of 25 per cent. In 1883 it was reduced to 10 per cent. Prior to that time we had not much difficulty from foreign competition. I appeared before the Senate committee, and in their bill they put chair-cane; this article of reeds or pith had 10 per cent. for the reeds and 15 per cent. for the chair-cane. Now, the competition to which we are subjected, and which is getting to be a serious matter, comes from Germany and China. The Chinese use large quantities of this outside of the rattan, using cheap grades of the rattan, and that outside, which they take off by hand into strands, is used in bailing nearly every article of merchandise leaving China, such as chests of tea, packages of silk, packages of fire-crackers, etc. The result is that this pith or reed, which we have developed into a large industry, they have no use for there, and it is sent here by them in large quantities to bring whatever it will. That deprives us of an important part of our business. In the manufacture of this chair-cane and reeds we obtain a large quantity of waste material, which previous to a few years ago had never been utilized. We have developed the industry for that, and manufacture it into mats of that character [exhibiting same], which are used largely for public buildings and a large number of purposes of that kind. We manufacture it into matting of that description [exhibiting same], and make it from a half yard up to a yard and a half in width, of a great many different styles.

Mr. McKENNA. And how long?

Mr. LANG. In 50-yard rolls. Now, this is entirely a new industry in this country. It is an industry in which, perhaps, \$100,000 has been spent experimenting, not less than that, in order to produce the materials. I would like to have you look at these and the materials from which we manufacture these mats and matting. Of course we have to manufacture the chair-cane and reed, and consequently in order to be protected in that manufacture a duty should be imposed upon reeds and chair-canes, as the Senate bill proposed, say 10 per cent.

Mr. BURROWS. What is the duty now?

Mr. LANG. It is 10 per cent. both for chair-canes and reeds; but there is an ambiguity in reference to that in the tariff bill of 1883. The tariff bill of 1883 reads, "rattans and reeds unmanufactured"—that is not it exactly; I would like to refer to that because it is important—"rattans and reeds unmanufactured, free. Rattans and reeds manufactured and not made up into completed articles, 10 per cent. ad valorem."

Now, there is no such thing as an unmanufactured reed. The reed has to be manufactured from the rattans. Duties have been paid in some cases on reeds imported from China and Germany in the last few years, and in some cases they have not been paid. Certain parties have paid under protest and their cases are now in court, and the court in New York decided last week, or the week before, that the square reed was manufactured and that the round reed was unmanufactured, which is absolutely incomprehensible to anybody in the business that I have ever talked with.

Mr. McKENNA. The reed itself is a pith.

Mr. LANG. Yes, sir. Now, that reed has got to go through a process; it has to have the materials taken from the outside, and if one is a manufactured article, the other certainly is.

Mr. McKENNA. Is that a reed [referring to sample]?

Mr. LANG. Yes, sir; that is a reed and here is the rattan. Now, we pass this rattan through a machine. This has been partially through so that I can exhibit it here and show how it is done. Now, here is the reed taken from the center. Now, we want a duty put on that as the Senate bill provides. The Senate bill calls for a duty of 10 per cent. on the reed, and that is not a proper method of levying the duty. It should be specific and not ad valorem.

Mr. McKENNA. You mean it is a different composition from the other.

Mr. LANG. It has not this hard, enameled surface which the outside of the rattan has.

Mr. McKENNA. After the enamel is taken off this is all reed?

Mr. LANG. Yes, sir. We only take off what we are obliged to take off to get this material. These several strands have to go through another process. I brought along one that I might show you. We take off from the outside what you might call shavings, and that leaves the finished article for splitting the reed for chairs, like the chair you are now sitting on.

Mr. McKENNA. It has been asserted here by gentlemen who have appeared before us advocating the putting of these things on the free list or to reduce the duty, that your company, in combination with a New York importing house, have put up the price and will not sell to anybody at all.

Mr. LANG. That is entirely incorrect. If any man had gone to our store, No. 8 Park Place, we would have quoted prices of all sizes of those reeds; and if he had chosen to stand on the sidewalk he could have seen people having goods shipped from our store every day in the year. There is no truth in that assertion whatever.

Mr. McKENNA. Has any combination existed between you and a New York importing house?

Mr. LANG. On this kind of chair cane we have an arrangement with three of our competitors, who manufactured an article equally as good as ours, to charge a uniform price on that cane. That was at one time \$60, and we have reduced the price on that cane 33½ per cent.

Mr. McKENNA. Does that make it as it was before you agreed to fix the price, or is that 33½ per cent. more than it has been?

Mr. LANG. That is higher than it has been at some time along in 1880, when I think it was lower than at the present prices, but the raw material could be had at that time at half the figures it can be had for to-day. Our raw material all comes from Singapore, and the price there is 100 per cent. higher than it was ten years ago.

Mr. GEAR. Does this cane grow wild in Singapore and around there? It is not cultivated?

Mr. LANG. It is not. Our rattans come from the islands of Java, Sumatra, and Borneo. They are gathered by the natives in the interior and brought to the coast in their crude vessels to Singapore, where it goes into the hands of the Chinese, and it is assorted and graded by the Chinese there through agents.

Mr. BURROWS. Does it grow in this country?

Mr. LANG. Not at all. We are seeking to find another market, and are thinking now of sending to where Stanley says there are rattans to be had; but until we get

facilities for transporting it from the interior we can do nothing. Now I am here, I want to exhaust this subject if you will give me a patient hearing, so that you may fully understand the business, and see that we are warranted in asking that a duty be levied on this article. There is no question you can ask which I do not think I can answer to your satisfaction. This party who appeared before you, W. J. Colgman, represented a commission house in New York, who in turn represent a German manufacturing concern located in Hamburg. They manufacture these chair canes and reeds there and send them here, and are paying a very much less duty in my opinion than they ought to under the ad valorem system.

Mr. McKENNA. You say he is connected with an importing house?

Mr. LANG. He represents a reed and cane company in New York, who represent a manufacturing concern located in Hamburg, Germany. Their goods are sent to them for sale on commission by this Hamburg factory. He is not connected in any shape or manner with the manufacturing industry of this country.

Mr. McKENNA. I was going to say I think there was a letter produced here from the State of Iowa protesting against these rattans. Am I right, Governor Gear?

Mr. GEAR. Yes, sir.

Mr. McKENNA. We only bring this matter before you so as to have your statement in regard to it, as it is not a matter of controversy.

Mr. GEAR. Are you engaged in the manufacture of this cane?

Mr. LANG. Yes, sir; I intended to bring a bunch of that article. These strands there show it half through the process of manufacturing. There are four shavings which come from that before it is a complete article. It only passes through the machine, which removes these four shavings by one operation.

Mr. GEAR. You import this in the crude state?

Mr. LANG. We import it as a rattan.

Mr. GEAR. You utilize the pith of the rattan for making chairs?

Mr. LANG. We do that, sir, and we sell it for that purpose.

Mr. GEAR. These are used for chair bottoms?

Mr. LANG. Yes, sir.

Mr. GEAR. There is no duty on the crude article?

Mr. LANG. No, sir. Nothing of the kind is grown on the continent.

Mr. GEAR. Of course not. Is not your firm engaged in the manufacture of that article?

Mr. LANG. We are.

Mr. GEAR. How many members compose that firm?

Mr. LANG. There are four different firms, and I would like to explain right here that there are fifteen outside of our arrangement. The reason why we are connected with three other concerns is that the firms we associate with, in common with ourselves, manufacturing the best article of that kind, combined together to get a fair price for the article without coming in contact with these other people; without making it necessary for us to make a lower price in order to sell goods.

Mr. McKENNA. Why could you not get a fair price without a combination?

Mr. LANG. Now, I will answer this by saying that if we had not this arrangement with these other concerns we could go out and make prices, and they would follow us and make still lower prices, and the first thing we would know we would be selling our goods for less than cost, as we have in the past under precisely those circumstances, and have to make it up on something else or be out of money at the end of the year. I want to elaborate that a little. Men would say, "Why would you sell? Why would the other concerns sell goods for less than cost?" Because there is not one of the twenty-five different concerns that will sit down and figure the cost on cane at the same price, and I will tell you why that is. Take ourselves, for instance. We are bringing and landing on the wharves at Boston twenty-five grades of rattans. These rattans run from one-eighteenth of an inch in diameter up to nearly an inch, costing twenty-five different prices, and every one of those different diameters of the rattans being a different yield for cane. Now, we have got to cut those rattans into six or eight different widths of cane, and it is not possible for any concern to figure the cost on cane under those circumstances.

Mr. McKENNA. The only reason you combined to make the prices is what you state?

Mr. LANG. The only reason we combined was to make our prices agree with three other concerns, and to sell our goods at a uniform price, in order to make a reasonable profit. That is all we ask for.

Mr. McKENNA. What was the price before you combined?

Mr. LANG. The lowest price I recollect averaged about \$32.

Mr. McKENNA. What was the average price before you combined?

Mr. LANG. Perhaps \$38 to \$40.

Mr. McKENNA. What was it after you combined?

Mr. LANG. \$53.

Mr. McKENNA. What is it now?

Mr. LANG. At that time we made virtually but one grade; now we make five, and I should say it will average \$40.

Mr. McKENNA. You aggregate all the grades?

Mr. LANG. Now we sell grades from \$25 a bale, whereas our lowest price at that time you speak of was \$38 to \$40.

Mr. McKENNA. How far back?

Mr. LANG. Nine years; in 1881 was the time when we first did anything of the kind.

Mr. McKENNA. When you first combined; and you have been in combination ever since and raised the price to \$52. How long did it prevail at \$52?

Mr. LANG. It has been as high as \$60 in that time.

Mr. McKENNA. But it did not fall below \$53?

Mr. LANG. Yes, sir; at one time it was \$48.

Mr. McKENNA. Why did you reduce the price?

Mr. LANG. Because rattans were costing less.

Mr. McKENNA. Was it not from competition outside?

Mr. LANG. No, sir; a competition would necessitate more reduction than that. I think there was no competition at that time; but I am not sure about it.

Mr. McKENNA. How long did it prevail at a price of from \$53 to \$60 with that exception?

Mr. LANG. Four or five years.

Mr. McKENNA. When did you reduce it 33 per cent.?

Mr. LANG. On the 1st day of January.

Mr. McKENNA. Last?

Mr. LANG. This very month.

Mr. McKENNA. Why did you reduce it?

Mr. LANG. On account of certain improvements in our ability to manufacture, which enables us to reduce it. Another reason why we have been able to reduce it was the economy in manufacturing from the fact that we have concentrated the manufacture of these four establishments into one at Wakefield. The Wakefield Rattan Company made a contract with the other three to manufacture their cane for them. We had all the facilities to manufacture the cane used in the market, because we had done it in the past when we had the business ourselves. The result of that was an economy which enabled us to do so.

Mr. McKENNA. It has taken you a long time to discover that economic management.

Mr. LANG. That is true. People are growing all the time. It would not have been possible even for us to suggest such a thing to our competitors at one time until they were better acquainted with us and believed in our integrity, and that it was safe to intrust to us the manufacture of their goods in that way.

Mr. GEAR. When you say January you mean this month?

Mr. LANG. This very month, sir.

Mr. McKENNA. How many men are employed in this manufacture?

Mr. LANG. Do you mean by our establishment?

Mr. McKENNA. By the combination; how many by this combination?

Mr. LANG. In making chair-cane?

Mr. McKENNA. In making rattan cane?

Mr. LANG. There may be employed one hundred. These other three have gone out and we are now doing this business for them, as I have explained.

Mr. BURROWS. Have they stopped business?

Mr. LANG. They have stopped the manufacture of that article.

Mr. McKENNA. How do you divide with them?

Mr. LANG. Those four concerns take a certain amount of the product and dispose of it.

Mr. GEAR. There is now one concern manufacturing this rattan?

Mr. LANG. There is one concern manufacturing for these four concerns that I have been talking about, but I want you to distinctly understand that there are half a dozen concerns outside of this arrangement.

Mr. GEAR. How many are there in your combination?

Mr. LANG. Four.

Mr. GEAR. You manufacture for these other concerns and they take a certain percentage of the manufacture, which they manufacture into chairs and other things?

Mr. LANG. Yes, sir.

Mr. GEAR. That combination went into effect when?

Mr. LANG. Eighteen hundred and eighty-one.

Mr. GEAR. The price of chair cane then was \$35 and \$38?

Mr. LANG. Thirty-five dollars.

Mr. GEAR. When did you put it up to \$60?

Mr. LANG. I think it was some time about a year ago this month, if I am not mistaken.

Mr. GEAR. Why did you have to put it up to that price?

Mr. LANG. On account of an advance in the material.

Mr. GEAR. Why have you reduced it this year?

Mr. LANG. I have just explained that we did so for one reason because of economy in manufacture, which we managed to bring about by this concentration.

Mr. GEAR. When you put up the price, did you increase the price of the labor engaged in making it?

Mr. LANG. I would not want to say that we did at that time, but we did afterwards.

Mr. GEAR. How much?

Mr. LANG. I think 10 per cent.

Mr. GEAR. In other words you put the price of rattan up 80 per cent. and increased the price of labor 10 per cent?

Mr. LANG. Because the material was higher and we would not sell for less than cost when we started.

Mr. GEAR. These machines were covered by patents?

Mr. LANG. Yes sir.

Mr. GEAR. And those patents have expired.

Mr. LANG. In 1877, I think.

Mr. GEAR. And you control them all in your business?

Mr. LANG. There have been patents on some parts of those machines secured since, but they are not at all vital.

Mr. GEAR. You have contracts to control the accruing patents that may be gotten out in the future on those machines which you use?

Mr. LANG. We have not.

Mr. GEAR. You have had them up to a certain date?

Mr. LANG. We had with some men when we were employing them as an experiment.

Mr. GEAR. Do you agree to pay them for these patents?

Mr. LANG. I do not know that I quite understand the question.

Mr. GEAR. If one of your employes patented one of these rattan-splitting machines, did you pay him for that patent?

Mr. LANG. To be sure, or we would not have gotten it.

Mr. BURROWS. You say three firms have gone out of business, and now one firm does all that business for them?

Mr. LANG. Yes, sir.

Mr. BURROWS. What has become of the labor employed by those three firms?

Mr. LANG. Perhaps I can tell you that Heywood Brothers & Company—

Mr. BURROWS. I did not ask that.

Mr. LANG. One of those concerns, Heywood Brothers & Co., manufactures those chair canes, was located at Garduer, which was a bad point at which to manufacture chair cane. They perhaps employed fifty men in that business, machinists and others. When they turned that business over to us at Wakefield, where it is less expensive, they changed the buildings which they used for chair cane purposes into a manufacturing establishment of different grades of chairs from what they had been heretofore manufacturing, and I do not think there was a man employed in this business who could not have remained in their employ if he wanted to. If there is one we will take him.

Mr. BURROWS. Do you mean to say that no men have been turned off from any one of these three establishments by reason of their combination?

Mr. LANG. There is one small one in New York, and it might possibly be possible that half a dozen or a dozen men were turned off. There have been some girls, and those very girls we were anxious to get at Wakefield in our business, as they understood the thing, but they have gone into other employment, into factories, and no one has been done out of a job through this if they had wanted it.

Mr. McKENNA. Have they been out since 1881?

Mr. LANG. They have been out only since late last year.

Mr. McKENNA. You agreed among yourselves not to manufacture more than so much?

Mr. LANG. We manufacture all we can sell. No, we did not agree to anything of the kind.

Mr. McKENNA. You were manufacturing all the capacity of your manufactories right straight along?

Mr. LANG. Yes sir; and we are increasing all the buildings to-day.

Mr. McKENNA. I mean before you made this arrangement, before these people went out. In 1881 you made this combination. How long did you manufacture independently of each other?

Mr. LANG. Until last November.

Mr. McKENNA. Up to last November, was any agreement made among yourselves as to how much cane you should turn out?

Mr. LANG. Not at all.

Mr. McKENNA. Each turned out the capacity of the factory?

Mr. LANG. Yes sir.

Mr. McKENNA. That was before the combination?

Mr. LANG. Each turned out what he could sell, and we sold it for a uniform price without cutting each others' throats.

Mr. GEAR. Did you divide profits?

Mr. LANG. No sir.

Mr. GEAR. It was just an agreement as to price?

Mr. LANG. That is all.

Mr. GEAR. What kind of reed comes in conflict with you? Where are the importations from that come in conflict with you?

Mr. LANG. Rattans are free.

Mr. GEAR. I mean chair cane?

Mr. LANG. It comes from Germany principally, but there has been some brought over from China.

Mr. GEAR. Do they make as good rattans in Germany as you make?

Mr. LANG. I do not think their cane is quite as well cut as ours is.

Mr. GEAR. Have you not exported to Germany yourselves and come in competition with them?

Mr. LANG. We did for a year or two, but found that we were losing money faster than we could make it.

Mr. GEAR. But you did it to export it?

Mr. LANG. Yes, sir; but it was only an experiment.

Mr. McKENNA. Without the 10 per cent. duty could you not compete in this country with the Germans?

Mr. LANG. Possibly.

Mr. McKENNA. I mean with the usual profit on business capital required here.

Mr. LANG. Without the 10 per cent. I am free to say they would send a very large quantity of cane here.

Mr. McKENNA. But you could compete with them and make a fair profit.

Mr. LANG. I would like to make this point clear. The manufacture of what chair-cane is used in this country has made Wakefield, Mass., 10 miles from Boston and built by the rattan industry, a place of 7,000 inhabitants, giving employment to 500 people outside of those manufacturing chairs and reed.

Mr. McKENNA. I mean taking the whole business together. Of course you do not mean to say the purpose of the factory is to employ these people. That is only incidental to the other.

Mr. LANG. It is to-day; it was not originally. Now, we are in competition to-day with a class of goods which is made by 1,500 convicts at Brussels, Belgium, who are obtaining this waste material from this factory at Hamburg, and it is sent over here.

Mr. McKENNA. Then the duty you spoke of is not for this main business?

Mr. LANG. I say if we can control the manufacture of this chair-cane, or a large part of it, we would get sufficient material for this other product.

Mr. McKENNA. This is only a process to get at the other.

Mr. LANG. I have said—

Mr. McKENNA. You have said that the principal object of your business was the making of this stuff and converting it into these mats. I do not know whether you meant to say that or not.

Mr. LANG. I did not mean to say that. If I did, I want to correct that.

Mr. McKENNA. I want you to explain this about it. Do not understand me entering into any controversy whatever.

Mr. LANG. I am quite anxious to explain it.

Mr. McKENNA. You said you could not compete in this market with the Germans on this cane, and in connection with that you said that you could not compete with them on this stuff made from the cane, and that was your object. Now, I say would not the duty on that be all the duty you desire?

Mr. LANG. There is none of it imported.

Mr. McKENNA. Then how are you hurt?

Mr. LANG. What I was trying to explain was that our competitors in Hamburg, if they have the cane in this country to produce, will manufacture that material.

Mr. BURROWS. What do you call that?

Mr. LANG. Shavings.

Mr. GEAR. Is not that the refuse that accrues from the strippings?

Mr. LANG. Yes, sir.

Mr. GEAR. That costs you nothing?

Mr. LANG. It does not, except the labor of 400 or 500 people combined to do this especial thing.

Mr. GEAR. That is not an answer that is germane at all.

Mr. LANG. What I say is that if this cane is manufactured in Germany and sent

here we will be deprived of the ability to manufacture it, and we shall not have that material to employ 500 people in the construction of this class of goods.

Mr. McKENNA. That is clear enough; but I will ask my question again. Can you compete with Germany in the manufacture of chair-cane and reeds if you do not have a duty?

Mr. LANG. I think not; how much I should not want to say; their labor is very much cheaper than ours here. We gain to some extent in freight, but goods as compact as chair-cane take very little space.

Mr. McKENNA. You must expect to take the chances as in any business.

Mr. LANG. I say we could not compete with them if they should undertake to sell the goods at cost, because their cost is always lower than ours.

Mr. McKENNA. You could compete at the present prices?

Mr. LANG. Yes, sir.

Mr. McKENNA. Passing beyond that, are any of those articles imported—what do you call them?

Mr. LANG. These are mats and mattings. These are made in continuous lengths of 50 yards of various widths, from one-half a yard to 1½ yards.

Mr. McKENNA. Are they now imported?

Mr. LANG. Yes, sir.

Mr. McKENNA. What duty do you suggest on this?

Mr. LANG. We were satisfied with the recommendation in this bill. Just what it was I have forgotten. Now these goods are imported not only in cocoa, but rattan and cocoa bear a very close resemblance to the manufactured article.

Mr. McKENNA. Who are your chief competitors in the cocoa mats and rattan mats?

Mr. LANG. Joseph Wyld & Co., Danaugh & Smaid, and one or two others.

Mr. GEAR. You get that raw material incidentally.

Mr. LANG. It is incidental to the manufacture of these goods.

Mr. GEAR. Then if you have a duty on these manufactured articles, that should satisfy you, being on a par with the German manufacturers with the raw material. The duty you think would be right on that?

Mr. LANG. Yes, sir.

Mr. GEAR. Will you tell me when that syndicate was formed—what month of 1880?

Mr. LANG. November, I think it was.

Mr. GEAR. Who composed that syndicate?

Mr. LANG. The Wakefield Rattan Company, the Haywood Company, E. Newton & Sons, and the Union Rattan Manufacturing Company.

Mr. GEAR. Now, you have said rattan was worth \$35 to \$38 prior to that combination?

Mr. LANG. That was the price at which we were selling.

Mr. GEAR. I have a bill here from the Wakefield Rattan Company which I wish to put in evidence. It gives the cost in August, 1888, at \$35. That is No. 1, fine, medium fine, etc., cane.

[Cane bought just before the combination or trust went into effect from a member of the present trust.]

BOSTON, August 2, 1880.

Fort Madison Chair Company, Fort Madison, Iowa, bought of Wakefield Rattan Company.

25,000 feet No. 1 medium cane, at \$35.....	\$875. 00
2,000 feet No. 1 fine cane, at \$35	700. 00
5,000 feet No. 1 common cane, at \$35.....	175. 00
50 bales sacking, at 30 cents.....	15. 00
Carting.....	2. 50
	<hr/>
	1,767. 50

Received August 16.

Freight, \$43.09.

Mr. GEAR. How soon after that was the combination effected?

Mr. LANG. I think it was that very August.

Mr. GEAR. August, 1880?

Mr. LANG. I think it was 1881. The price was put up in November, 1881, I think.

Mr. GEAR. I think you are mistaken about that; but that is a matter of opinion.

Mr. LANG. I know I am correct.

Mr. GEAR. Why was it necessary to put up the price of rattan right after that, and how much was it put up to?

Mr. LANG. It was put up from that price to \$53, I think.

Mr. GEAR. No; was it not from thirty to ninety days after that? I have a bill here which I am going to put in as part of this evidence.

[Cane bought from a member of the trust shortly after trust was formed.]

GARDNER, MASS., December 14, 1880.

Fort Madison Chair Company, Fort Madison, Iowa, bought of Haywood Brothers & Co.

10,000 feet common cane, at \$53.....	\$530
Matting	3
	<hr/> 533

Five per cent. 30 days.

Natl. Desp. via C. B. & Q. R. R.

Received January 2.

Mr. McKENNA. He stated that.

Mr. GEAR. The price was \$35, and ninety days after that the price was put up to \$53, was it not?

Mr. LANG. I think so.

Mr. GEAR. That is a difference of \$17, 51 per cent. and a fraction. What was the necessity of that?

Mr. LANG. The necessity of that was this; that those four concerns at that time were striving each to see how large a proportion of the trade they could get, and the result of that was that the prices were given out of all proportion to its cost. They were selling the goods for less than cost at that time.

Mr. GEAR. What is the present price?

Mr. LANG. It ranges from \$25.

Mr. GEAR. No. 1 cane sells for what?

Mr. LANG. \$35 per bale.

Mr. GEAR. How long has that price been established?

Mr. LANG. Since the 27th day of December last.

Mr. GEAR. What was the price prior to that time?

Mr. LANG. It was \$60.

Mr. GEAR. You claim that American-made cane is superior to the German?

Mr. LANG. I think it is shaved a little better. It is cleaner.

Mr. GEAR. Does it not bring a little more in the market?

Mr. LANG. No, sir. Certain kinds—

Mr. GEAR. Does not your cane bring more than the German?

Mr. LANG. Yes, sir. I think it has the preference.

Mr. GEAR. By its quality alone?

Mr. LANG. Yes, sir.

Mr. GEAR. You stated that you supplied the other three concerns engaged in the manufacture of this kind of goods and baskets?

Mr. LANG. I stated that the Wakefield Rattan Company manufactured for these other concerns under contract.

Mr. GEAR. Do you charge the Wakefield Rattan Company the same as if I wanted to buy 100 bales?

Mr. LANG. The Wakefield Company manufacture these themselves.

Mr. GEAR. Are you with this Wakefield Company?

Mr. LANG. Yes, sir.

Mr. GEAR. Do you charge in your manufactory the same price to your manufacturing department—I think you keep these accounts separate.

Mr. LANG. We do not manufacture anything into which chair-cane goes. We do not manufacture this kind of chairs; but I see what you are after. You mean do we charge Heywood Bros. & Co., who use this largely, at the market price with their competitors in the chair business? I will state that we do do it, and I have talked with them a great many times in regard to it.

Mr. McKENNA. The proposition involved was this: Do you charge these firms, for whom you say you are manufacturing, the same price that you charge an outsider?

Mr. LANG. They have it at cost after paying us a certain percentage for wear and tear and incidental expenses.

Mr. GEAR. They have the preference at 10 or 20 per cent. below what you sell at to an outsider?

Mr. LANG. They have the same right to have the goods at cost that the Wakefield Company has. The Wakefield Company undertakes to manufacture that cane for them, and it is allowed a certain percentage for incidental expenses and wear and tear.

Mr. GEAR. If it costs \$30 a bale to make, you charge them \$30 a bale, and charge the outside world at a certain profit.

Mr. LANG. Certainly. There is no disadvantage to the outside men in doing that any more than if they manufactured their own cane at Gardner instead of at Wakefield.

Mr. Gear submitted the following bills:

NEW YORK, June 25, 1888.

Fort Madison Chair Company, Fort Madison, Iowa, bought of Rattan and Cane Company.

300,000 feet narrow medium chair-cane, at \$37	\$111.00
Sacking .....	.90
Total	111.90

[This is German cane, made in Germany and imported. This concern is, of course, not in the trust.]

NEW YORK, February 24, 1888.

Fort Madison Chair Company bought of Union Rattan Manufacturing Company.

10 bales B wide binding, at \$30 per 100,000 feet.	\$150.00
5 bales No. 1 fine mdm. cane,* at \$53	265.00
	415.00
Less 6 per cent.	24.90
	390.10
Sacking	4.50
	394.60

[This bill shows cane bought in 1888 at the combination price, the item marked * being the one controlled by the trust. The other item, wide binding, is a cheaper, rough kind, used only in cheap chairs. And as German cane can be used for cheap, rough work the combination have not advanced the price on that kind. But it shows what they can make cane for if they want to. Most of the cane sold is the kind controlled by the trust.]

FROM THE WINONA WILLOW WORKS.

WINONA, MINN., January 31, 1890.

DEAR SIR: Understanding that a combination of wealthy reed manufacturers, headed by the Wakefield Rattan Company, are endeavoring to have the duty on reeds and chair-cane advanced in the tariff bill now in preparation, and believing that the proposed advances if made the established tariff on the materials mentioned would not only be detrimental but ruinous to the many factories throughout the country dependent for their supply solely on imported reeds and chair-cane, we desire, as one firm interested in the defeat of this proposition, to earnestly protest against any action looking toward further advance of duties on the commodities above mentioned.

The motive for asking an advance can have been inspired only by greed and selfishness, and we are very positive in our declaration that the combination seeking this unjust legislation for their own personal ends can find no reasons plausible before competent observers of the situation.

The primary object of tariff legislation was understood to be for revenue. It has been demonstrated that this can easily be supplied by duties on imported commodities quite directly competitive with our native productions and manufactures. The secondary object has been the protection of home industries. That the manufacturers of reeds and chair-cane in the United States have any just claim for protection we deny; that the Wakefield Rattan Company and its allies are in position to compete with the world in the primary cost of their rattan an investigation of their ample facilities will readily confirm. We are informed that the ocean rates on reeds and chair-cane are higher than that charged for the carrying of natural rattan, which must, as a matter of course, result beneficially for our own manufacturers. We fail to see the faintest glimmer of justice in the advance asked for. On the other hand the conditions of affairs plead for a complete abolition of the existing tariff. A glance at the business which employs so many thousands of reed-workers all over the United States shows how directly the people are interested in this matter and how vitally the result of your deliberation will affect those who have staked their fortunes in these various reed industries. From the buyer of the ornamental reed chairs and other furniture to the purchaser of the commonest articles of furniture, from the

butchers, the bakers, and the coal dealers to the washer-woman and her basket, every line of trade, in fact every household finds some use for reed and chair-cane in one shape or another. An advance either means that so much additional tax must be indirectly levied on every consumer to make good this proposed exorbitant tariff, or it means the annihilation of the numerous factories throughout the country forced by the existing reed monopolists of our country to import material in order to live. It means the triumph of monopoly against weakness and the success of concentrated capital over justice.

We most earnestly hope that the matter of duty on reeds and chair-cane may have the closest investigation before any action is taken, and we beg to ask your aid in defense of the weak against the strong.

We are, very respectfully,

Per. H. J. CALL,
WINONA WILLOW WORKS.

Hon. ROSWELL P. FLOWER,
House of Representatives, Washington, D. C.

VIEWS OF OTTO GERDAU.

NEW YORK, *January 27, 1890.*

SIR: My attention has been called to a device of the rattan combination, composed of the following firms: Wakefield Rattan Company, Boston; Heywood Bros. & Co., Gardner; Union Rattan Manufacturing Company, New York; and E. Newton's Sons, New York.

Rattan and reeds have in the different tariffs always been named together, but I am told that in the last Senate bill the phraseology was changed upon the instigation of the combination to "Bamboo and rattan unmanufactured, bamboo, reeds, and sticks of partridge, etc., free," with the hidden object that they would then claim that by reeds you did not mean rattan reeds at all.

I inclose two samples of reeds. The round one is that upon which all the chair, baby carriage, whip manufacturers, etc., of the States are depending for their raw material, and as it is the rattan with only the bark off and not manufactured at all, it has always been admitted free of duty under the classification, "Rattan and reeds, unmanufactured, free."

These reeds when split like the other sample have been imported at 10 per cent. as rattan and reeds partially manufactured, and my petition is that the wording, "Rattan and reeds unmanufactured, free, rattan and reeds manufactured but not made up into completed articles, 10 per cent.," will be adhered to, so as to make the matter clear and leave no room for such controversy as is intended by the combination, with the object to make all manufacturers of chairs, baby carriages, and whips in the States dependent upon their monopoly.

Yours, truly,

OTTO GERDAU.

Hon. WILLIAM MCKINLEY, Jr.
Chairman Ways and Means Committee.

VIEWS OF H. WITTE.

NEW YORK, *January 4, 1890.*

DEAR SIR: I beg to call your attention to the import duty on reeds and chair cane. The present duty is 10 per cent. ad valorem. I hear that a combination of three or four concerns, of which the Wakefield Rattan Company, of Wakefield, Mass., is the head, is trying hard to have the rate of duty on these articles advanced with the tariff bill now in preparation.

Reeds are peeled or skinned rattans.

Chair-cane is the outside part or peeling or the skin of rattans.

Both reeds and chair-cane are crude materials imported to be manufactured into articles here in the country.

Though both reeds and chair-cane as imported are partly manufactured rattans, they are nevertheless crude materials, not being made into manufactured articles.

Reeds are used here in the manufactory of reed chairs, children's carriages, whips, street and stable brooms, walking canes, umbrellas, saddles, carriages, harness, etc.

Chair-cane is used in the manufactory of chair-seats.

The above-named industries are all separate ones, and are carried on extensively in every or almost every State of our Union, and in each State give employment to a very large number of laborers day for day throughout the year.

Now, while it is a hardship for the industries who use in their manufacture reeds and chair-cane to pay the so far levied duty of 10 per cent. ad valorem, it will be sure and certain ruin to them if the duty should be advanced to more, which would place the industries mentioned at the mercy of the Wakefield Rattan Company and a few other establishments in union with the latter.

In fact there could be nothing more correct than to wipe out the present duty of 10 per cent., and to place both reeds and chair-cane on the free list.

Begging you to give this matter your liberal and earnest attention,

I am yours, respectfully,

H. WITTE.

Hon. ROSWELL P. FLOWER,

House of Representatives, Washington, D. C.

LUMBER.

STATEMENT OF HON. H. C. McCORMICK.

Hon. H. C. McCORMICK, a Representative from the Sixteenth Pennsylvania district, addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I will not detain you but a very few minutes in the remarks I wish to make upon the subject of a duty upon lumber. I am not advised by any member of the committee or by any action of the committee that it is contemplated to reduce the tariff on lumber from that which now exists under the law, but I desire to call the attention of the committee more particularly, as embodying our views in the lumber country upon this subject, to the testimony which was taken and the arguments which were had before the Senate Finance Committee when the Mills bill was under consideration in the Senate. At that time the lumber interests of Pennsylvania were invited to present their arguments in favor of the retention of the duty, which was done, and the testimony taken and the arguments made before that committee were stenographically reported and appear in part 2 of the report, on page 386. The report of that committee reduced the duty upon pine lumber from \$2 per thousand feet to \$1.50 per thousand feet, and left the duty upon cheaper grades of lumber, such as hemlock, spruce, etc., as the law now fixes it and as the law has fixed it since 1872, at \$1 per thousand feet. The duty of \$1 per thousand feet upon spruce and hemlock lumber, when reduced to an ad valorem standard, amounts to 11.70 per cent. and the duty upon white pine lumber at \$2 per thousand feet, when reduced to an ad valorem standard, is 16 and a fraction per cent.

The average fixed by the act of 1872 was about 8 per cent. lower than it ever was since the act of 1842; so we have under the existing law to-day a lower duty upon lumber by a very considerable per cent. than we have ever had since we first had a tariff upon lumber at all. If the gentlemen of the committee will refer to the testimony of the president of the West Branch Lumbermen's Exchange, contained in this report, a man who has been in the lumber business for over thirty years and is thoroughly familiar with it—and he has given his testimony in a most intelligent manner—you will find that it amounts to a demonstration of the fact that the difference in the price between the labor paid in the hemlock and pine woods in Pennsylvania and to the laborers in like employment in Canada is greater than \$1 per thousand feet. So it would seem if there is to be any protection at all, if the protection principle is to be applied to lumber at all, it should at least remain where it is in the face of the incontrovertible fact that the labor in the lumber region of Pennsylvania receives more additional from the lumber manufacturers there over the Canadian lumbermen than the tariff amounts to. I speak advisedly on this subject, not only from information but from my own knowledge of that business.

Mr. McKENNA. Let me understand you. The price they receive from the manufacturer is greater than the foreign lumber plus the duty?

Mr. McCORMICK. What I mean to say is this, and if this does not answer your inquiry I will be very glad to have you repeat it: The price of the labor that enters into the lumber in Pennsylvania exceeds the price of the same labor in Canada by \$1 per thousand.

Mr. LA FOLLETTE. You speak now of hemlock?

Mr. McCORMICK. Yes sir; and what I say of the hemlock, so far as the labor is concerned, is equally true of the pine.

Mr. LA FOLLETTE. Having in mind the duty of \$2 per thousand and the duty of \$1.50 per thousand?

Mr. McCORMICK. Having in mind the duty of \$2 per thousand. It has been demonstrated by the testimony to which I have referred that the difference is certainly \$2 per thousand; that is to say, the wages in the woods of the men who cut down the trees and cut them into logs and drift them through the streams to the booms where they are held for the purpose of manufacture is in many cases more than 50 per cent. more in Pennsylvania than it is in Canada. The man who receives \$30 a month in Pennsylvania would be willing to do the same thing in Canada at \$20 to \$25 a month. All these matters appear in the testimony to which I refer and which I would ask you to examine.

My purpose in coming before you this morning is to say that if it should be the opinion of this committee that this tariff schedule upon lumber should be changed,

representing as I do the principal lumber district east of Michigan, I would like to have the privilege of calling before you such experts in this business as will be able to give you correct and reliable information upon the subject. All the profit to-day which hemlock and spruce lumber in Pennsylvania yields is barely a living to the manufacturer. One dollar per thousand feet net would be regarded as a fair profit to the manufacturer.

Mr. GEAR. Is not the great body of spruce and hemlock lumber of this country outside of the Rocky Mountains confined mostly to your State.

Mr. McCORMICK. Hemlock is confined mostly to my State and very largely to my district. The southern portion of New York and these counties in Pennsylvania constitute almost the entire hemlock region of the United States outside of the Rockies.

Mr. GEAR. There is no lumber that can come in competition with you except Nova Scotia and Newf undland lumber?

Mr. McCORMICK. Yes, sir; the cheaper grades of pine in Canada come in competition with hemlock in Pennsylvania because they are used for the same purpose.

Mr. McKENNA. Would it be a great inconvenience for you to furnish the testimony before the bill is taken up? I am not familiar with it and I want their testimony.

Mr. LaFOLLETTE. Can you not prepare a statement incorporating a part of the testimony which you refer to as giving information upon this subject, and furnish it to the stenographer?

Mr. McCORMICK. I will be glad to do that.

Mr. La FOLLETTE. It would be substantially the same testimony we would get if we listened directly to those gentlemen?

Mr. McCORMICK. I may say in answer to Mr. McKenna that it would be difficult for me to add anything to the facts that were presented before the Senate committee.

The CHAIRMAN. If there is anything you desire to submit you may do so, and if in any case we may desire to refer to that testimony we will be satisfied to refer to it and consider it.

Mr. McCORMICK. I may say this, however, that this testimony was taken some two years ago, and the conditions are constantly changing. And I may also say they have not changed for the better in our section of the country and the reasons given by those gentlemen before the Senate committee are as applicable now as they were then. Indeed I think they would apply with more force to-day to the lumber business in our section than ever before. In that view, and in that view only, I desire to call from the different parts of my district the men engaged in this business, who might submit their views to you, if you should permit it.

Mr. McKENNA. You know the facts yourself?

Mr. McCORMICK. Certainly.

Mr. La FOLLETTE. Would you incorporate such statements as you have yourself, and by reference to the testimony taken at that time, and submit those statements to the stenographer?

Mr. McCORMICK. Certainly; I will be very glad to do so. I will not detain the committee longer, and I would express my thanks to them for their courtesy.

In addition to the foregoing remarks Mr. McCormick said he could do no better than refer to the testimony and memorials published in the proceedings had before the Senate Finance Committee, referred to in his remarks above given, and the attention of the Ways and Means Committee is respectfully called thereto.

FOREIGN HARD-WOODS.

Mr. H. W. COMBS, of New York, addressed the committee. He said:

Mr. Chairman and gentlemen of the committee: I appear here to-day to represent the mill-owners of New York and, incidentally, of the country, in the manufacture of saved foreign hardwoods, such as mahogany, grenadillo, rose-wood, satin-wood, etc. I do not wish to ask this committee in the preparation of its tariff act for an increase of duty, inasmuch as we have had the same rate of duty ever since, I believe, the hard-woods have been on the tariff list, or until by a construction of the Treasury Department in 1887, our protection was practically wiped out, and we were left without even a resort to the courts. We want simply to ask a change in the phraseology of the tariff act respecting the manufactures of mahogany and cedar.

I might premise my remarks by saying that we wish to avoid complication. These woods, or the products of these woods, have been protected, as we believe, up to 1887; and under that protection our manufactures have grown up, not only in New York, but in other portions of the country as well; and mahogany and cedar logs have been imported in large quantities in the log, which has been free, and has been sawed in our mills in this country, giving employment to many thousands of men, both skilled and unskilled. There has been invested in this business under this protection, I believe, some ten millions of capital in New York alone, but under the

Treasury decision in 1887, by the classification of sawed mahogany at \$2 a thousand, this industry has been very greatly crippled.

Mr. BRECKINRIDGE. The question you are talking about is mahogany in a sawed state?

Mr. COOMBS. Yes, sir; we desire to ask this committee to make a provision covering all sawed products of mahogany and cedar wood, granadilla, and other hard cabinet woods.

Mr. BRECKINRIDGE. You are not going beyond the fact of their simply being sawed?

Mr. COOMBS. Perfected manufactures of woods are provided for elsewhere?

Mr. BRECKINRIDGE. Are they sufficiently provided for?

Mr. COOMBS. I am not convinced as to that.

Mr. BRECKINRIDGE. You are speaking of there being \$10,000,000 employed in this business in this country?

Mr. COOMBS. Yes, sir.

Mr. BRECKINRIDGE. Do you mean to say there is \$10,000,000 of capital employed in sawing mahogany and other hard woods?

Mr. COOMBS. Yes, sir; in the mills, in the sawing of mahogany and other hard woods.

Mr. BRECKINRIDGE. You are not speaking of the working up of mahogany and rosewood into its finished product; but simply of the sawing?

Mr. COOMBS. Simply for the purpose of sawing the logs into different dimensions.

Mr. BRECKINRIDGE. It takes a capital of \$10,000,000 to supply the cabinet-makers with dimension material in this country, does it?

Mr. COOMBS. Yes, sir.

Mr. BAYNE. Do you mean in New York?

Mr. COOMBS. I mean in the industry.

Mr. BAYNE. What do we understand by the "industry"?

Mr. COOMBS. The importation of logs, and the sawing of them.

Mr. BAYNE. Does that cover transportation to the mills?

Mr. COOMBS. We desire it to.

Mr. BAYNE. How do ships bring those in?

Mr. COOMBS. All logs that have been imported have been brought on American sailing vessels, while the sawed product is brought upon foreign steamships. Those vessels are, as I understand it, principally engaged in the importation of hard woods.

Mr. BAYNE. Do I understand you to say that under a fair estimate the capital employed in sawing the logs into dimension timber would amount to \$10,000,000?

Mr. COOMBS. The amount invested in this industry is about \$10,000,000.

Mr. BRECKINRIDGE. Does it include anything else?

Mr. COOMBS. I mean the bulk of the investment is in the mills fine machinery, and skilled labor for the production of this product.

Mr. BRECKINRIDGE. What do you mean by investment in labor? I want to know where that \$10,000,000 reposes.

Mr. COOMBS. The principal portion of it is in the mills, the establishments for the sawing of the logs.

The CHAIRMAN. It is invested in mills in the United States, in machinery, and capital used, in the plant and the capital required for the purpose of importing?

Mr. COOMBS. Yes, sir.

Mr. FLOWER. How much duty do you want on it?

Mr. COOMBS. We want the same duty which was collected prior to 1887. I desire to call your attention to the tariff act of 1883. In that act mahogany and cedar wood and the products of such as we are now seeking to have protected, unmanufactured wood was free, and manufactured was 35 per cent. ad valorem. This has been the provision, I think, through different tariff acts for a period of years prior to 1883; and the Department has always collected 35 per cent. upon manufactured mahogany; and it made the log free. In 1887 the then Secretary of the Treasury, Mr. Fairchild, on the application of importers, decided that sawed mahogany came within the provisions of paragraph 219, of the act of March 3, 1883, which provides: "That all lumber shall be \$1 per thousand; and all other articles of sawed lumber, \$2 per thousand."

The Secretary of the Treasury decided that they came within that provision of the law—"all other articles of sawed lumber"—at \$2 per thousand feet. Two dollars per thousand is the rate now on these foreign, sawed hard woods. Two dollars per thousand on boards, planks, etc., of hemlock, etc., is the equivalent of 20 to 25 per cent. ad valorem, on hard woods about 3½ per cent. We have contended that mahogany, not being a necessary of life, ought not to be at a less rate of duty than the actual necessities of house builders. We ask this committee to repeal paragraph 232 of the act of March 3, 1883, which provides for manufacturers of mahogany, etc., wood, etc., at 35, and enact in lieu thereof such a paragraph as this:

"Sawed boards, planks, and other forms of sawed mahogany, cedar, rosewood, and satin wood, and all other foreign cabinet woods, 35 per cent. ad valorem."

That would avoid misconstruction upon the part of the administrative officers of the Government.

The CHAIRMAN. Did the decision increase the duty on any other kinds of sawed wood?

Mr. COOMBS. No, sir. That only provides for a department classification at the rate at which we have always had these goods.

Mr. CARLISLE. What would it do with the manufactures of these goods?

Mr. COOMBS. They are provided for in another section.

Mr. CARLISLE. You propose to repeal paragraph 232?

Mr. COOMBS. But you will find that prior to that provision the manufactures of wood had 35 per cent. Perfected manufactures of these hard woods are not imported, as the statistics of the Treasury and the Census will show.

The CHAIRMAN. Do you propose now to make sawed mahogany pay the same duty as the wood entering into other kinds of furniture?

Mr. COOMBS. We propose to ask this committee to give us 35 per cent. ad valorem on sawed mahogany. Whether this is sufficient for other manufactures of sawed lumber, we can not say.

The CHAIRMAN. Unless this is changed, the result would be to establish them upon the same rate of duty?

Mr. COOMBS. Yes, sir; I do not think that would militate against or have any effect upon the importation of wood, or the revenues, for the reason that perfected manufactures of these hard woods are not imported. That is very easily ascertained from statistics.

Then I would suggest that paragraph 818 of the free list be amended by striking out the word "unmanufactured," and inserting in lieu thereof "in the log, rough or hewn;" so that there may be no misconstruction or misconception of its meaning. Under the protection which was given prior to 1887 there had grown up an importation of logs of foreign hard woods to the extent of 50,000,000 feet per annum, all of which was sawed upon the mills of this country. It would be well to state to the committee that in the sawing of mahogany in the country from whence it comes the labor is performed by peons at 18 to 50 cents per day.

Mr. CARLISLE. How do they saw it?

Mr. COOMBS. They have erected mills since this decision of Mr. Fairchild.

Mr. CARLISLE. Is it American capital?

Mr. COOMBS. I think Mr. I. T. Williams has some investment there.

Mr. CARLISLE. The principal work is done by hand, is it not?

Mr. COOMBS. No; formerly it might have been.

Mr. CARLISLE. How long have they been doing mill work there?

Mr. COOMBS. (To Mr. Constantine.) Can you state?

Mr. CONSTANTINE. About four years.

Mr. CARLISLE. Do they export largely to this country?

Mr. COOMBS. They have, since 1887.

Mr. CARLISLE. Are the imports principally mahogany?

Mr. COOMBS. Principally mahogany and cedar.

Mr. CARLISLE. Do you buy these furniture woods by the linear foot or by the cubic foot?

Mr. CONSTANTINE. By the foot.

Mr. CARLISLE. What do you have to pay per foot for mahogany?

Mr. CONSTANTINE. About \$60 a ton, board measure.

Mr. BRECKINRIDGE. Mr. Constantine, I thought you bought by the cubic foot?

Mr. CONSTANTINE. We buy by the superficial foot.

Mr. BRECKINRIDGE. Do you make any allowance for sawdust?

Mr. CONSTANTINE. No, sir.

Mr. BRECKINRIDGE. What is a fair price in foreign countries for rosewood?

Mr. COOMBS. It is sold by the ton. It is about \$50 a ton.

Mr. BRECKINRIDGE. About how many tons do you bring in?

Mr. CONSTANTINE. I could not say.

Mr. COOMBS. I want to file a statement on this subject.

The CHAIRMAN. We will grant you the opportunity.

Mr. FLOWER. The manufacturers have been calling for "more, more." Mr. Moore is here.

The CHAIRMAN. The only reason that we have not called Mr. Moore is that I thought we ought to have a full committee. In the afternoon we will hear Mr. Moore.

VIEWS OF A. B. WILLIAMS.

TONAWANDA, N. Y., *January 31, 1890.*

SIR: There are at Tonawanda, Buffalo, Lockport, and Rochester a number of mills entirely dependent for their supply of pine upon rafts towed down the lakes from Michigan and Ontario. It is becoming difficult to obtain an adequate supply from Michigan, and we must depend largely upon the Canadian pineries.

The design of the Canadian export duty is to prevent the export of logs to American mills. The measure is conceived and carried out in a spirit of hostility to the American saw-mill interest on the northern frontier. Besides the points I have mentioned above, Canadian logs are wanted for saw-mills at Erie, Cleveland, Toledo, Detroit, Port Huron, Bay City, Saginaw, Alpena, and Sheboygan.

The export of logs from the United States to Canada, especially to New Brunswick, is very large and is not interfered with by an export duty, and, under the circumstances, the Canadian export duty is not only an unfriendly act, but also an impertinence. It was imposed in 1866, being then \$1; in 1886 was increased to \$2; in November, 1888, it was increased to \$3, and in July, 1889, put back to \$2. The duty has been imposed at the instigation of the Canadian saw-mill interest, and will be removed when that interest desires it. Congress can secure its immediate repeal by making sawn lumber the hostage and imposing an extra duty on it equal to the Canadian duty on logs, to be collected as long as the export duty on logs is continued.

This will leave the Canadian government to elect whether the export duty on sawn lumber shall be collected or not, and they will elect not to pay it and repeal the export duty. The export of sawn lumber from Canada to the United States last year was seven times greater than the entire log export from Canada to the United States from 1867 to 1889, and the interest of the larger trade will not be allowed to suffer for the sake of preventing us from getting Canada logs.

Do not retaliate by putting a duty on logs. That would simply play into Canadian hands by making importation of Canadian logs impossible. Put a duty on sawn lumber as a punishment for the export duty on logs, and to be collected while the export duty is continued, and then let the Canadian pay the extra duty or not, as his government may elect.

A clause or resolution, in substance as follows, will effectually remedy the exaction we complain of:

"In case any foreign country shall impose an export duty on logs designed for American mills, there shall be imposed upon the sawn lumber imported into the United States from such country an additional duty equal to the amount of such export duty."

If the duty on sawn lumber is reduced, do not allow the reduction to apply to any country imposing an export duty on logs.

I beg most respectfully to urge these views upon your attention. They will be indorsed by every saw-mill owner, I think, on the northern frontier. We are now at the mercy of the Canadian government. It can make the export duty so high as to be an absolute prohibition, and will only be deterred by fear of consequences from doing it.

Your obedient servant,

A. B. WILLIAMS.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

EXPORT DUTY ON CANADIAN TIMBER AND LOGS.

The Committee on Ways and Means of the House of Representatives:

This statement is submitted specially in behalf of the manufacturers of lumber in northern Michigan who have memorialized the committee; but the same facts apply, in a greater or less degree, to all States bordering upon the Canadian provinces and which draw from thence for supply of logs or timber.

Sawn lumber.—The tariff upon sawn pine lumber, imposed by the United States under the present schedule, is \$2 per thousand feet.

The import duty levied by the Dominion Government on the same class of lumber is 20 per cent. ad valorem, so that the two governments now stand upon an equality so far as relates to the duty on sawn lumber.

Logs and timber.—But when logs and unmanufactured timber are reached, the legislation is all confined to Canada, and, while her interests are zealously guarded, no provision looking toward a like protection of American interests has been adopted.

For a great number of years persons and corporations located at Quebec, Montreal, Toronto, and other points in Canada, have been engaged in cutting and removing, in the log, large quantities of oak, cedar, pine, spruce, walnut, and other valuable timber from Michigan and all the other border States, without charge or restriction.

The value of the raw material thus removed, from 1880 to 1890, aggregated, by their own admissions, upwards of \$12,000,000, and the limit of loss to our resources has not been reached.

Upon these logs and timber no export ever has been or can be lawfully levied.

Dominion legislation.—The Dominion Government, however, with a view to confine the manufacture of lumber within its own borders, passed at an early date a statute authorizing the levy of a duty on all logs exported from Canada, and which, in its present form, delegates to the privy council the power to fix and regulate the amount of the duty at will; and this power has been heretofore exercised in the most arbitrary and irregular fashion and to the purposed injury or destruction of large interests held by citizens of the United States.

From 1881 to 1885 the export duty remained fixed at \$1 per 1,000 feet and nothing to indicate a purpose on the part of the Government to change the same.

American purchases.—As the supplies of timber available for manufacture at Saginaw, Alpena, Cheboygan, and other points in Michigan decreased, the Michigan lumbermen naturally commenced to purchase Canadian timber, which could be made tributary to their present milling districts; and from 2,000,000,000 to 3,000,000,000 feet of standing timber, situated on the streams flowing into Georgian Bay, have been acquired and are now held for manufacture at Saginaw, Tawas, Alpena, Cheboygan, and other Michigan cities, and large quantities have already been safely and successfully towed across Lake Huron in booms at small expense, and manufactured at the points named more cheaply than could be done by investing the capital required to erect new plants in Canada.

No sooner were these purchases made and logs commenced to be exported in considerable quantities by the American owners than the Dominion Government raised the export duty to \$2, and subsequently, without any hearing of the parties to be affected, raised the duty to \$3, and then reduced it to \$2, where it now remains and will until the privy council shall, by another star-chamber edict, raise the same to some different amount.

The result of this arbitrary action is, that no man can with safety lumber his timber or rely upon that source of supply to stock a Michigan mill. And while the \$2 per thousand levied may not absolutely prohibit the exportation of the logs, if it remained settled, the certainty that the privy council may without warning raise that duty to \$3 or \$4 or \$5 per thousand at any time is calculated to work a complete prohibition against the manufacture of the same in Michigan.

A perfectly apparent result of the policy is that the Michigan manufacturer, unable to bring the logs to him, must withdraw his capital from the district where it is now invested and establish his mills, planing mills, and other factories in Canada where the log is to be got. But this is not all. In dealing with the question it must be borne in view that the supply of logs for the existing mills in Michigan is rapidly diminishing, and unless new producing tributary territory is opened up, the immense capital now invested in both lumber and salt plants in Michigan is threatened with great loss.

Saginaw Valley.—Briefly stated, there are in the Saginaw Valley alone, approximately, one hundred milling establishments, having an annual capacity of 800,000,000 to 900,000,000 feet.

There are connected with the mills, and absolutely dependent upon them for fuel supply, salt manufactories having an annual output of over 2,000,000 barrels, and sorting yards, planing mills, and other wood-working factories, representing \$20,000,000 in capital, and employing 10,000 to 15,000 operatives, all dependent in the last resort for their operation and continuance upon the supply of logs for the mills.

The most careful estimates of the total quantity of Michigan logs which can reach these mills by river or rail will not furnish a supply this year of more than two-thirds the cutting capacity, the next year not over one-half, and subsequently a supply constantly diminishing, both in quantity and quality, until the end is rapidly reached, meaning great loss in values, production, and workmen. The fresh supply from Canadian sources, if it can be obtained, is ample in connection with the resources still remaining in Michigan to continue these great manufactories without serious impairment until other industries shall take their place.

Relief asked.—We insist, under these facts, that this Government, in the interest of Michigan and of the people at large, has a plain duty to perform; that some appropriate legislation should be adopted to compel the Dominion Government to recede from its present unjust and arbitrary export duty on logs and place the two countries and their citizens upon an exact equality, so far as the exportation of logs and unmanufactured timber is concerned. This can not be wholly equalized, because it is

conceded that Canada has always heretofore received vastly more timber from the United States than has ever been or is likely to be brought from the Dominion to the States; but the citizens of each who deal in the same class of products can be put on an equal footing. These memorialists submit as the true and effectual measure of relief that in any revision made of the tariff it be provided in substance that to the amount of the duty imposed by this Government upon sawn or manufactured lumber, imported into the States from Canada, there be added the full amount of the export duty which the Dominion Government may lay upon logs exported from Canada for manufacture at American mills. This is a proper retaliation against the system of arbitrary exaction which the Dominion of Canada has set up to the destruction of the property of our citizens. It will not have the effect to increase the tariff upon imported lumber. It will have the immediate effect, on the contrary, to compel the Dominion Government to recede from its hostile legislation respecting logs and to be content with meeting the United States on the duties on manufactured lumber alone.

We say this because the interest of the entire lumber producers of Canada will then be on the side of the United States. And the same industries at whose demand this hostile legislation of the Dominion originated will clamor for and compel its immediate repeal.

Speaking in round numbers, less than one-half of the Canada lumber product is required for home consumption, and more than one-half is marketed in the United States, the value of such lumber so imported into the States in 1889 aggregating over \$6,000,000.

The addition to the existing duty on this imported lumber of the amounts charged by the Dominion Government on the exported logs would cost the producer of Canada lumber upwards of \$1,000,000 the first year, while the retention by their own Government of the export duty on logs would be of no possible advantage to them, nor any source of revenue to the Dominion. The lumbermen of Canada, indeed, have foreseen the disasters to their own industries which must certainly ensue from provoking retaliatory legislation on our part, and with a view to anticipate and avoid the same the Quebec Board of Trade, Toronto Board of Trade, and Lumbermen's Association of Ontario, and other bodies representing the entire lumber interest, petitioned Government a year since for a complete repeal of the export duty.

And the privy council has by act of parliament been authorized, in case of the adoption of such retaliatory measures by this Government, to abrogate the duty altogether immediately on the passage of any such measure.

Hon. John Charlton, M. P., addressed the Dominion Parliament in behalf of the Canadian lumbermen on this very question, April 23, 1889, in a speech a copy of which is now filed with this committee, and he makes very emphatic and conclusive argument as to the necessary action of the Dominion Government.

"MR. CHARLTON. It is only a year ago that the minister of finance asked for power to abrogate the duty by order in council, the reason given being that the Mills bill, which had then been introduced in Congress and was likely to become a law, might affect a country which had an export duty and had not the power of removing the duty, and he asked for power to remove the duty if it was found to be necessary. It is owing to that request made by Sir Charles Tupper that the Government may, if they choose, abolish this duty to-day. If the threat of a duty of \$2 a thousand would lead the Government to ask for that power, would not a duty of \$3 a thousand on lumber have the same effect upon the Government? Certainly it would. It is absurd to imagine that if the Americans enact in their next tariff bill that they will retaliate by imposing a duty on lumber from Canada equal to the export duty which we place on logs this Government would be so blind as to subject the country to such inconveniences and such loss rather than abrogate the export duty on logs. Congress has clearly shown what its action would be. The Mills bill would have made it to our advantage to abrogate the duty to the extent of \$2 a thousand feet on all the lumber we exported to the United States. The Senate bill would have made it to our advantage to the extent of 50 cents a thousand feet. The universal prayer of the lumber trade to the Government in view of the fact that the import of logs from the United States to Canada is four times greater than the export of logs from Canada to the United States is that the duty should be repealed, as the result otherwise will be to imperil our interests in this matter."

We confidently submit therefore that this legislation proposed by us is eminently prudent and safe as well as just.

It is demonstrable that it will not in any degree increase the existing lumber tariff, but will afford speedy and complete relief to our citizens by compelling the abrogation of this arbitrary and hostile export duty.

We do not consider the repeal or reduction of the existing tariff on imports of sawn lumber a proper remedy. That tariff, if continued in force, will make it possible to cut the log, tow to Michigan, and there manufacture the lumber and place it upon the American market and realize more for the manufactured products than could be

realized by manufacturing in Canada and then buying the right of way into the same market by payment of the import duty.

Now, repeal or unreasonably reduce this import duty on sawn lumber and the immediate effect would be to carry the manufacture of the lumber itself over to Canada, where the log or raw material was to be got, thereby avoiding the risk and expense of towing and securing the lower wages of Canadian workmen for production.

Such a course of legislation, instead of furnishing a supply to the Michigan mills, might effectually cut off all relief.

Finally, therefore, we say, for the reasons stated, we favor the maintenance of the import duty on sawn lumber, but if the Congress shall in the proposed revision of the tariff make any changes in the lumber schedule looking toward its reduction, we submit that any reduction made therein should be coupled with the express proviso that it should not apply to any country which continued to impose an export duty on logs and timber in the rough.

WASHINGTON, D. C., *February 19, 1890.*

VIEWS OF MANUFACTURERS OF MAHOGANY.

WASHINGTON, D. C., *January 10, 1890.*

GENTLEMEN: In the formation of a new tariff bill, the undersigned, representing the manufacturers of mahogany in this country, would respectfully show that, in our judgment, the phraseology of the tariff bill reported should be such as to prevent misconstruction and afford a stable and reliable rate which will protect this great industry from competition with the cheap labor of Cuba and Mexico.

Mahogany has been imported into this country for more than fifty years as raw material, free of duty, when brought in the shape of logs. The logs are, by expensive machinery and by skillful labor, reduced to a different form by a process of manufacture, which at the present time employs several thousand skilled laborers and a capital invested in plants to the extent of many millions of dollars. The amount of wages paid to skilled mechanics in this particular line of industry averages from \$2.50 to \$5 per day. The machinery necessary for the manufacture of this peculiar wood is of a very expensive character.

Until recently this industry has been protected by the rate of 35 per cent. ad valorem, which was assessed upon all forms of mahogany other than the logs, the same being rated under paragraph 232, Tariff Index, New. Recently, by a decision of Secretary Fairchild, rendered in January, 1887, the products of mahogany have been classed under paragraph 219, Tariff Index, New, as lumber, and assessed at a duty of \$2 per thousand feet, board measure, which amounts to a tax of less than 3 per cent. ad valorem, while the \$2 per thousand feet, board measure, on common lumber, yields a protective rate of over 25 per cent.; thus no protection is afforded to the labor employed in manufacturing the same in this country. This brings into disastrous and fatal competition with the labor of this country the cheap and peon labor of Cuba and Mexico, which averages from 18 to 50 cents a day, and will result in the absolute extinction of the manufacture of mahogany in the United States. Mahogany and other woods referred to are practically imported in but two forms: first, logs, free; second, sawed into various forms, 35 per cent. ad valorem. There has been, in fact, but little or no perfected manufacture of these woods imported for many years.

Our suggestion is, therefore, to repeal paragraph 232, act of March 3, 1883, and enact in lieu thereof as follows:

"Sawed boards, planks, deals, and other forms of sawed mahogany, cedar, rose-wood, satin-wood, and all other foreign cabinet woods, 35 per centum ad valorem."

Amend paragraph 818 of the free list of act of March 3, 1883, as follows, viz: Strike out "unmanufactured" and insert "in the log, rough or hewn," so that it will read:

"Woods, namely, cedar, lignum-vitæ, lance-wood, ebony, box, grenadillo, mahogany, rose-wood, satin-wood, and all foreign cabinet woods in the log, rough or hewn, free."

Respectfully submitted,

THOS. S. CONSTANTINE,
H. WHEELER COMBS,
WM. W. DUNBES,

Of Counsel for Manufacturers of Mahogany.

The COMMITTEE ON WAYS AND MEANS.

WORK-BOXES AND WRITING-DESKS.

VIEWS OF H. C. WHITE.

NORTH BENNINGTON, VT., *January 11, 1890.*

GENTLEMEN: I wish you would look into the duty on writing-desks and work-boxes imported into this country. My business was nearly paralyzed last year by cheap goods imported from Germany. My sales fell off over one-half, and one manufacturer failed and gave up making them. I formerly had a good trade in them, but the importers flooded this country last year.

Prior to the year 1888 I did a large and prosperous business manufacturing these goods. My trade extended all over the United States. Last year imported desks were sold my customers so much below my prices that my trade was about ruined. I carried over a large stock of unsold desks, and was obliged to stop manufacturing them entirely and have not made any this year. German desks are imported into this country at a cost of \$6 per dozen, on which there is a duty of 35 per cent., which makes the net cost \$8.10. I can't make a desk like it for less than \$10 per dozen.

The cost of labor to me to make these goods is from \$9 to \$12 per week. The Germans I am told work for \$3 to \$5 per week. The duties should be increased to 65 per cent. to enable American manufacturers to compete with the Germans. Everything I use in the manufacture of desks is made in this country. The increased cost of the American desk is in the extra cost of labor, and labor is the principal cost of manufacture. My machinery and tools for the manufacture of desks is now idle, and can't be started up with the duties as they are. The desk trade opens in May. I hope something can be done to enable us to recover our lost trade and start our machinery again and give steady employment to American workmen.

Yours, respectfully,

H. C. WHITE.

LUMBER FROM CANADA.

DEAR SIR: Doubtless you are perfectly conversant with the following facts, to which we beg to call your attention:

The Canadian Government imposes an export duty on logs. Upon pine it is \$2 per thousand, and may at any time be raised by order in council to \$3 per thousand.

The movement of logs from the United States to Canada—something over one-half the amount being from Maine to New Brunswick—has, in the last ten years, been over four times as great as the export of logs during the same period from Canada to the United States.

The United States imposes no export duty and the Constitution forbids it.

The Canadian Government imposes a duty of 20 per cent. upon lumber, which is a higher rate than the American duty on lumber.

Ability to secure a supply of logs from the forests of Canada would be a great boon to saw-mill owners on the northern portion of the United States, and every year the importance of having access to this source of supply is becoming greater.

All of us urge upon you the importance of securing a free and abundant supply of logs for American mills.

The remedy for the export duty imposition is in the hands of Congress. The imposition of the export duty is an unfriendly act, and nothing in the conduct of the United States towards Canada furnishes a parallel case. We ask that it be treated as an unfriendly act. A prompt and effectual remedy can be applied. Let the tariff provide that in case any foreign country imposes an export duty upon logs exported to the United States the lumber of like kind (not logs) when imported from such country into the United States shall pay an additional duty equivalent to such export duty.

Or in case the lumber duties are to be reduced, provide that no part or item of the reductions upon the wood list shall apply in the case of any country imposing an export duty on logs, bolts, or wood of any kind.

In view of such a contingency as the latter, the governor in council of Canada obtained power to repeal the export duty without consulting Parliament, when the Mills bill was introduced.

Hoping that with your many duties you will find time to give this matter your attention and consideration,

We remain, yours respectfully,

THE MITCHELL AND ROWLAND LUMBER COMPANY,
KELSEY & FREEMAN.
BARBOUR & STARR.

Hon. WILLIAM MCKINLEY,
Chairman Committee Ways and Means.

TONAWANDA, N. Y., January 9, 1889.

SIR: We are interested in the importation of logs from Canada for the use of American saw-mills. We find the Canadian export duty on logs a serious tax, and we believe it to be an indefensible one. If we wish to export lumber to Canada we are met by a duty of 20 per cent., or in the case of planed lumber, sash, doors, blinds, trim, etc., by a duty of 35 per cent. While importation of logs into Canada from the United States is said to be much greater than the export of logs from Canada to the United States, no American export duty interferes with Canadian mills procuring logs from the United States.

We believe that a simple and obviously just provision in our tariff would secure the speedy repeal of the log export duty by the Canadian Government.

We therefore pray that your honorable committee will include in the revised tariff bill a clause providing that in case any country imposes an export duty on logs, sawn lumber from the same kind of logs (pine or spruce, as the case may be), when imported from such country into the United States, shall pay in excess to the regular duty a sum equal to the amount of such export duty. Or if the duty on lumber is reduced, we pray that no reduction on the wood list shall apply in the case of any country imposing an export duty on logs designed for export to the United States; and your petitioners as in duty bound will ever pray.

[Here follow numerous signatures.]

Hon. WILLIAM MCKINLEY,
Chairman Committee Ways and Means.

SIR: We, your memorialists, lumbermen of East Tanas, Tanas City, Au Sable, and Oscoda, in the State of Michigan, beg to call the attention of your honorable committee to the fact that the Canadian export duty on logs is prejudicial to the interests of saw-mill owners at Cheboygan, Alpena, Bay City, Saginaw, Port Huron, Toledo, Cleveland, and many other points on the northern frontier of the United States.

Many American lumbermen have acquired timber limits in Canada for the purpose of supplying American saw-mills, and the advance in the rate of export duty in 1886, together with the uncertain character of the policy of the Canadian Government on the question, and its unmistakable hostility to American interests in Canadian timber, has rendered such investments nearly valueless for the purposes intended. The United States imposes no export duty, though the export of logs to Canada largely exceeds the importation of logs from that country, and no good reason exists for the imposition of such a duty by the Canadian Government. It is well understood that any retaliation upon the saw-mill interest of Canada, to be continued while the export duty continues, will secure its immediate repeal. We therefore pray that your honorable committee will insert a clause in the tariff providing that if any country imposes an export duty on pine and spruce logs exported to the United States that the pine or spruce lumber imported into the United States from such country shall pay an additional duty equal to the amount of such export duty. Or in case the duty upon pine and spruce lumber is reduced, we pray that such reduction shall not apply to any lumber imported from a country imposing an export duty so long as such duty is continued.

And your memorialists will ever pray.

[Here follow numerous signatures.]

Hon. WILLIAM MCKINLEY,
Chairman Committee Ways and Means.

BAY CITY, January 27, 1890.

SIR: We, your memorialists, lumbermen of Bay City, in the State of Michigan, beg to call the attention of your honorable committee to the fact that the Canadian export duty on logs is prejudicial to the interests of saw-mill owners at Cheboygan, Alpena, Bay City, Saginaw, Port Huron, Toledo, Cleveland, and many other points on the northern frontier of the United States.

Many American lumbermen have acquired timber limits in Canada for the purpose of supplying American saw-mills, and the advance in the rate of export duty in 1886, together with the uncertain character of the policy of the Canadian Government on the question, and its unmistakable hostility to American interests in Canadian timber, has rendered such investments nearly valueless for the purposes intended. The United States imposes no export duty, though the export of logs to Canada largely exceeds the importation of logs from that country, and no good reason exists for the imposition of such a duty by the Canadian Government.

It is well understood that any retaliation upon the saw-mill interest of Canada, to be continued while the export duty continues, will secure its immediate repeal.

We therefore pray that your honorable committee will insert a clause in the tariff providing that if any country impose an export duty on pine and spruce logs exported to the United States, that the pine or spruce sawn lumber imported into the United States from such country shall pay an additional duty equal to the amount of such export duty. Or in case the duty upon pine and spruce lumber is reduced, we pray that such reduction shall not apply to any lumber imported from a country imposing an export duty on logs so long as such duty is continued.

And your memorialists will ever pray.

[Here follow memorialists' signatures.]

Hon. WILLIAM MCKINLEY,

Chairman Committee on Ways and Means.

MEMORIAL OF MICHIGAN LUMBERMEN.

Hon. WILLIAM MCKINLEY, Jr.,

Chairman Committee on Ways and Means.

SIR: We, your memorialists, lumbermen of Cheboygan, in the State of Michigan, beg to call the attention of your honorable committee to the fact that the Canadian export duty on logs is prejudicial to the interests of saw-mill owners at Cheboygan, Alpena, Bay City, Saginaw, Port Huron, Toledo, Cleveland, and many other points on the northern frontier of the United States.

Many American lumbermen have acquired timber limits in Canada for the purpose of supplying American saw-mills, and the advance in the rate of export duty in 1886, together with the uncertain character of the policy of the Canadian Government on the question, and its unmistakable hostility to American interests in Canadian timber, has rendered such investments nearly valueless for the purposes intended.

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It is well understood that any retaliation upon the saw-mill interests of Canada, to be continued while the export duty continues, will secure its immediate repeal. We, therefore, pray that your honorable committee will insert a clause in the tariff, providing that if any country imposes an export duty on pine and spruce logs exported to the United States, that the pine or spruce sawn lumber imported into the United States from such country, shall pay an additional duty equal to the amount of such export duty.

Or in case the duty upon pine and spruce lumber is reduced, we pray that such reduction shall not apply to any lumber imported from a country imposing an export duty on logs, so long as such duty is continued.

And your memorialists will ever pray—

[Here follow numerous signatures.]

The following is a copy of a letter addressed to Hon. George F. Hoar and signed by numerous lumbermen of Bay City, Mich.:

BAY CITY, MICH., January 27, 1890.

Hon. GEORGE F. HOAR,

Senate Chamber, Washington, D. C.:

DEAR SIR: We notice the report of your resolution introduced into the Senate regarding export duty. Our interests as saw-mill owners in the Saginaw Valley lead us to venture most respectfully to make some statements and suggestions.

The design of the Canadian export duty on logs is to prevent their export to American mills and to compel their conversion into lumber in Canada. Our interests as saw-mill owners is to secure Canadian logs for our mills.

To impose an American duty on Canadian logs would second the effort of the Canadian Government to prevent American mills getting them.

The Canadian Government imposes no export duty except upon logs. The effect of your motion as it is reported would be to impose an additional duty only upon logs and prevent their importation into the United States, while sawn lumber, having no export duty imposed upon it in Canada, would come in as before.

The American saw-mill interest does not care how much the duty is increased upon sawn lumber, but does not desire to aid the Canadian policy of preventing the importation of logs for American mills.

What we pray for is to add the amount of the Canada export duty to the American duty on sawn lumber, leaving logs on the free list. This would retaliate upon the

Canadian saw-mill interest, at whose suggestion the export duty was imposed, and would secure its speedy repeal by the Canadian Government.

We beg most respectfully to suggest the form of a resolution or clause which will meet the case justly and protect our interests.

"In case any foreign country shall impose an export duty on pine, spruce, or hemlock saw-logs, when exported to the United States, then the pine, spruce, or hemlock sawn lumber imported from such country into the United States shall pay an additional duty equal to the amount of such export duty."

This provision would force the repeal of the log-export duty without delay.

If lumber duties are reduced, which we hope will not be the case, it should be provided that the reduction shall not apply in the case of any country imposing an export duty on logs.

Our interests in this matter are identical, we believe, with those of the entire saw-mill interest of the northern portion of the United States.

With great respect we submit our views and beg to subscribe ourselves,

Your obedient servants.

WINES AND LIQUORS.

STATEMENT OF GEORGE T. STAGG.

Mr. GEORGE T. STAGG, of Louisville, Ky., representing the Kentucky distillers, addressed the committee. He said:

Mr. Chairman and gentlemen of the Ways and Means Committee, I appear before you as one of a committee representing Kentucky distillers. There are in Kentucky about three hundred and fifty registered distilleries. Two hundred and ninety-seven were operated last year, making spirits from grain, of which number one hundred and forty-five produced less than 30 gallons each per day. Nearly all of these distilleries are now being operated, consuming daily about 40,000 bushels of grain and producing about 160,000 gallons of whisky, the market value of which, I estimate, is \$64,000.

I estimate the value of the distillery plants, their trade-marks, and good-will to be at least \$20,000,000. The product during the fiscal year ending June 30, 1889, was in round numbers 25,000,000 gallons, worth at the market price about \$10,000,000, using 4,460,186 bushels of corn, brought from Kansas, Nebraska, and Iowa; 933,528 bushels of rye, from Nebraska, Iowa, and Wisconsin; 651,580 bushels of barley-malt, from Minnesota and Wisconsin, besides wheat, etc., between 8,000 and 9,000 bushels. Total, 6,053,661 bushels of grain, a very small proportion of which was grown in Kentucky; 555,000 barrels contain the product. To make the barrels, 11,100,000 staves, the product of Kentucky, Indiana, Missouri and West Virginia forests, were used; bound by 8,880,000 pounds of hoop-iron, the product of Ohio and Pennsylvania rolling mills, and about 9,000,000 rivets, also the product of Pennsylvania iron mills, were used; about 5,006,000 bushels of coal from Pennsylvania, West Virginia, and Kentucky mines furnishes power. The number of animals fed from the slops were as follows, viz: Cattle, 20,394 head, increased weight, 4,339,890 pounds; hogs, 15,237 head, increased weight 648,363 pounds.

The amount of wages paid I can not state with any degree of certainty, but will say they are quite liberal, ranging from \$1 to \$1.25 per day for common laborers, to \$10 for skilled labor, the latter and in some cases even higher wages being paid for distillers, or as they are sometimes termed, yeast-makers. In some instances as much as \$5,000 per annum is paid. Good engineers get from \$1,000 to \$1,200 per annum and millers and beer runners from \$2.50 to \$3 per day. Mash hands and laborers from \$1 to \$1.50 per day according to their intelligence and experience. Coopers make from \$2 to \$3.50 per day, being paid by piece-work.

These figures show that we pay as liberal wages as any industry requiring the same class of labor. We paid during the last fiscal year the sum of \$16,000,000 into the Treasury of the United States on spirits withdrawn from our bonded warehouses.

We are not dissatisfied and will not complain with the rate of taxation, 90 cents per proof gallon, but would gladly see it reduced to 50 cents, and believe it ought to be reduced, not repealed, as we regard that spirits manufactured in this country are used principally as a beverage, and being so used may be regarded as a luxury which should bear a fair share of the burdens of taxation.

We believe that a repeal of the internal revenue laws would very largely increase our business and would for a time increase our profits, but in the end would result in overproduction and possibly disaster. We do not therefore ask for a repeal and are not clamoring for a reduction, but would welcome it. What we do ask for is intelligent, enlightened legislation, such as a free people should have the right to expect from intelligent, well-informed, and unbiased legislators.

Special taxes, we think, might be repealed. The amount collected is not large, and is not necessary, and we can see no good purpose to be subserved by continuing them.

If they are not repealed, we suggest an amendment, to prevent a dealer from being taxed for sending a package C. O. D. at the point of delivery.

Under the ruling now in force, I, being a distiller or a wholesale dealer in Kentucky, am liable for a special tax of \$100 if I draw a draft on a party in Chicago, with a bill of lading or the warehouse receipts for whiskey attached to the draft, or if I send a box or barrel by express to collect before delivery of goods.

Mr. CARLISLE. Suppose a dealer in Chicago writes or telegraphs you to send him so much whisky by freight or express and you send it in obedience to that order, do the internal-revenue authorities hold that you must pay the taxes in Chicago?

Mr. STAGG. Yes, if I ship it to my own order and attach bill of lading to the draft Mr. CARLISLE. Take the case I put. What I am trying to get at is, do they hold the common carrier as your agent or as the agent of the purchasers.

Mr. STAGG. They hold he is my agent. I may not know the party at all. He may be an entire stranger to me and I may not know he is responsible, but if I, to protect myself, put in the bill of lading to my own order, I am assessed there as a wholesale liquor dealer with 50 per cent. penalty, and if it is not paid I am indicted and brought there for trial.

In January, 1889, the collector of the first district of Missouri assessed my company for special taxes, amounting, with the penalties, to about \$400, for shipping to a firm in St. Louis four lots of 5 barrels each of whisky, on which the taxes had been paid at request of the owners, the whisky having been shipped to order and the bill of lading attached to the draft. In this case I appealed to the Commissioner for abatement, and the amount was remitted as an erroneous assessment, but had the drafts been made for purchase money I would have had to pay the amount.

Great hardship might result in a case of this kind, as had I not received the notice from the collector of the first Missouri district, I would have been indicted for selling without having paid the special tax, and would have been hauled to St. Louis by some deputy United States marshal to answer the indictment, when I had violated no law. But the bills of lading had been laid before the collector and he presumed the drafts drawn and attached were for the purchase-money.

We are required to give bonds annually May 1, in amounts ranging from \$1,000 to \$100,000 according to the capacity of the distillery—this is called a distiller's bond—with good and sufficient sureties, qualifying on a form in which they describe their property; no distillery property or bonded whisky on which the Government has a lien will be accepted; all must be free and unencumbered. This we do not complain of, but in addition to this we have by the 6th day of each month to give a bond with two sureties satisfactory to the collector for the amount of the tax on the spirits produced during the preceding month; which spirits have been placed in a warehouse, approved by the Government, usually a first-class brick or stone house with metal roof and iron doors and shutters, and usually barred windows, the key to which is carried by an officer appointed by the Secretary of the Treasury and under bond to the United States for the faithful performance of his duties, which are to safely hold and keep the contents of the warehouse in his possession, admitting the distiller or his employes only in his presence and allowing nothing to be removed except on the order of the collector of the district in which he is located.

This has been the law since July 20, 1868, over twenty-one years, and during that time we have only occasionally been oppressed by it, and then only temporarily. Hence we have not come to you before this time in regard to this matter. There has not been a single cent lost to the Government in the State of Kentucky, as far as I have been able to find out on a warehousing bond. We have been giving what we deemed good security, certainly such as was satisfactory to our collectors, and when the tax was due and demanded we paid it and all the bonds that have matured have been satisfied.

Now we are informed that Commissioner Mason has instructed our collectors that he thinks the law requires them to exact bonds from us in which we furnish sureties qualifying to a sufficient amount of property to cover the amount of all the tax on all the spirits contained in our warehouses, and informing them that the Government will hold them and their bondsmen pecuniarily liable for all loss that may arise from any deviation from his interpretation of the law.

This requirement is being enforced in some of our districts and may be in all. If so it will shut up a large number of prominent distilleries, the largest ones first, as the bonds are more difficult to give for the large amounts.

A distillery mashing 1,000 bushels per day would produce, say, 117,000 gallons per month, requiring a bond of \$105,300, and \$342,400 during a season of eight months. Distillers and whisky dealers who know from experience that the liability or danger of loss by reason of signing these bonds amounts to nothing, and who would willingly sign for each other, are largely prevented by reason of their means being invested in distillery property and bonded whisky.

It is very difficult to get any one not interested in the business to sign distillers' or warehousing bonds.

The result of the enforcement of the Commissioner's views will be to close eventually every distillery of any importance and reputation in Kentucky, for the reason that sufficient bondsmen can not be obtained.

Look at it. The product of Kentucky distilleries last year was, say, 25,000,000 gallons. The tax amounted to \$22,500,000—for three years would be \$67,500,000, and in addition to this the distillers' annual bonds would in three years amount to \$6,500,000; so in round figures we would have to furnish \$74,000,000 property qualification. We can't do it, and should not be asked to do it. For this tax the Government holds our distillery property of every kind, worth \$20,000,000. It holds the whisky,

the annual product being, say, \$10,000,000, which for three years with the increase in value of the goods would amount to over \$40,000,000, making a security of \$60,000,000, on which the Government holds a first lien which can not be alienated or removed except by payment of the tax, besides holding actual possession of the \$40,000,000 value.

I have in the above calculation given the market value as whisky, some of which is 25 to 35 cents new, and 40 to 50 cents at three years old; others 60 cents new, and as much as \$1.25 per gallon original gauge before they are three years old. I hold in one of my warehouses now 1,000 barrels of whisky made in April and May, 1887. The tax on a regauge will amount to about \$38 per barrel—\$38,000; the whisky will sell for \$60 per barrel, or \$60,000 in bond. This 1,000 barrels is held absolutely by the United States. I can't see it without the consent and presence of the United States storekeeper, appointed by Secretary Windom; but in addition to the Whisky, the United States has a lien upon the plant, valued at about \$1,000,000, and has my bonds with good sureties for at least \$43,000, being 90 cents on the original gauge.

The alcoholic value of the whisky, leaving out the fact that it is made in Kentucky, and that it bears the brands and trade-marks of famous distillers, is at least 12 cents per gallon, or \$3,000,000 for one year's production, and the cooerage will add another million to this, making it \$4,000,000 in excess of the tax. So without bonds the Government could not lose a cent.

The banks in Kentucky are not managed by novices. The Farmers' Bank and Bank of Kentucky are old-time banks, which, owing to conservative management, have passed through panics without lowering their banners. Would they, knowing that the United States has a first lien of \$40 on each barrel of whisky, make loans, on none less than \$8 and on some \$10, \$12, and even \$15, per barrel, without other security, if they thought the United States in danger of losing the tax? They do make these loans, and experience teaches them they are safe ones.

There is no possible way for a distiller to avoid paying the tax on the product of his distillery. He might, with the knowledge of the storekeeper, steal small quantities from packages, but when he came to remove the packages he would have the tax to pay even though they were entirely empty.

Whole packages cannot be safely taken from warehouses without being stamped. The wagon or vehicle conveying it is liable to forfeiture, the driver and all participating to fine and imprisonment, and the whisky to seizure and forfeiture; also the distillery is liable and all the whisky on the premises. No sane man would attempt such a thing.

Brewers are required to give a bond of \$50,000, I think, for the largest plants. These have been annual. I am not quite sure but Congress has passed an act relieving them from the annoyance and trouble of giving such onerous bonds by making them perpetual. That is, they file one bond and run under that until the collector thinks they might reasonably be asked to give a new one. Some breweries pay \$1,000,000 or over taxes a year, and possibly carry in their cellars beer on which the tax would amount to \$250,000 to \$400,000 without having a Government officer in charge or it being locked up. On the contrary, he and his employes have constant access to it, and are by law allowed to drink as much as they wish on the premises untaxed. The tobacco manufacturer gives a bond of \$20,000, I believe, and carries any amount of unstamped tobacco he pleases, and as long as he pleases, without let or hindrance from the Government.

We claim that the distiller is as honest as the brewer and the tobacco manufacturer, and come now to you for relief. We want to be relieved from giving so much bond and so many bonds, and suggest that one annual bond could be made to answer every purpose, and more than safely secure the United States in the collection of the taxes due on the whisky manufactured by us. This bond should be graded according to the capacity of the distillery, limiting the amount to, say, \$200,000, or any reasonable amount. We believe we are entitled to this, and that we have uncomplainingly stood the oppression of the most severe and arbitrary revenue law enforced by any government on earth.

The brewer, tobacco manufacturer, and distiller are citizens of the same Government. Equal under the Constitution, they ought to be equal under the law.

The United States is the only government collecting a tax on distilled spirits; that enforces the payment before the goods are wanted for consumption, and in an amount above that withdrawn for consumption, except in cases where the evidence of fraud exists.

A majority of Kentucky distillers are in favor of and earnestly ask for an extension of the bonded period, and believe that justice and right demand that it be indefinite, and the tax collected only on withdrawal and on the amounts withdrawn, and that the tax be collected on the proof gallon alone, and not as now on the wine gallon when below proof, limiting the entry into bond to 90 or 100 per cent. proof spirits.

Proof sometimes decreases from dampness, and the distiller should not be made to pay a penalty for something he could not guard against. We think the unlimited

bonded period should be applied to customs as well as internal revenue bonded warehouses.

I have said no other country limits the bonded period. I believe this is true; but our neighbor the Dominion of Canada does not allow spirits withdrawn from her distillery warehouses before they are one year old, and after July 1, 1890, none can be withdrawn until two years old. This is done to prevent the use of unmaturing goods, and we believe is sound legislation as applied to spirits for consumption as a beverage.

The Ways and Means Committee of the Forty-seventh Congress, first session, unanimously reported a bill indefinitely extending the bonded period and providing for annual instead of monthly bonds, limiting the amount, I believe, to \$200,000. This bill passed the House under suspension of the rules, on Monday, April 3, 1882, by a vote of 123 to 29. The Senate adopted a substitute which failed to pass the House and the measure failed to become a law.

The bill I refer to was prepared in the Internal-Revenue Office, and was indorsed and recommended by the Commissioner, General Raum:

Since that time there has only been an occasional request made for some limited extension of the bonded period, and may be one bill was reported for an indefinite extension without any result. There are even some distillers who say they do not want anything done so far as taxes are concerned; others again want a reduction, and some do not want an extension of the bonded period.

Mr. CARLISLE. Have you a copy of the order issued by the Commissioner of Revenue?

Mr. STAGG. I have not; but I have seen it. It is to the effect that he interprets the law to mean that no bondsmen should be accepted for an amount beyond his qualification on Form 33b, in which he describes his personal and real property, and states their values and any liens that may exist thereon. No distillery property nor bonded whisky can be embraced in the schedule, because the Government has a lien on both to their full value. When the tax on the whisky deposited in the warehouse amounts to as much as the sureties have qualified for, they can be accepted no longer, and new bondsmen must be obtained. It will require, as I say here, about \$75,000,000, in addition to the value of the spirits which the Government holds now as a first lien, of which the Government has absolute possession. Not only that, but they have a first lien on all the other property, which amounts to \$20,000,000.

Mr. CARLISLE. How long has this same law which he thus interprets been in force?

Mr. STAGG. Since July 20, 1864—twenty-one and one-half years.

Mr. CARLISLE. Had such requirement been made by any previous Commissioner? If so, what was the result?

Mr. STAGG. Yes, twice before; once while Judge Folger was Secretary of the Treasury, and once under Mr. Manning's administration, but the orders were withdrawn in each case after the matter was canvassed and the Secretaries fully informed of the situation. These are the only two occasions in which I think this interpretation of the law has been given.

Mr. CARLISLE. It was the order of the Secretary of the Treasury in both cases?

Mr. STAGG. Yes, sir.

The CHAIRMAN. Has this matter been called to the attention of Secretary Windom?

Mr. STAGG. I do not know. I have not been there. We were to be heard yesterday, but we have been in attendance upon the committee. We want to wait upon the Commissioner and the Secretary and see if we can not get this matter withdrawn, but at the same time we thought it was well to appear before you, as you are getting up an administrative bill, and it is a very good item to get in that bill. We ought to be relieved from giving this enormous bond. Men who are not connected with the distilling and wholesale liquor business know very little about the business. They know the Government has liens upon all the property, and not knowing the extent and character of the liability, will not, without other consideration, incur the obligation; consequently, it is very difficult to get any one not engaged in the business as distiller or dealer, to go on distillers' and warehousing bonds, as the Government has a first lien on all of the distilleries and the whisky in the bonded warehouses. You can readily see that a large portion of our property is not available for purposes of suretyship. We are not afraid to go on each others' bond—I do not care to what extent, as far as I can go—because I know there is no danger. We have given millions and millions of dollars of bonds, and there has never been a forfeiture of one bond, nor one single foreclosure by the Government; not one.

Mr. CARLISLE. Is there any trust in that business in Kentucky?

Mr. STAGG. No, sir.

Mr. CARLISLE. Is there any whisky trust now at all?

Mr. STAGG. I have no personal knowledge of any.

Mr. CARLISLE. Has there been any kind of a trust at any time?

Mr. STAGG. There has been none.

The CHAIRMAN. Never?

Mr. STAGG. No, never. There was a combination among the distillers in 1888 not to run, which was done at the request of the wholesale trade of the United States, in order to give them a chance to be relieved of an excess of production. With the large amount they were carrying they wanted a market at a better price. The price was very low; in fact less than cost. Most of us joined in that combination, and we did not run in 1888. But the market has been restored to its usual position, and they all make money by it, and nobody suffers.

The CHAIRMAN. Is there anything further?

Mr. STAGG. I have nothing further.

VIEWS OF THE WINE AND SPIRIT TRADERS.

OFFICE OF THE WINE AND SPIRIT TRADERS' SOCIETY,
New York, January 21, 1890.

Hon. WILLIAM MCKINLEY,

Chairman Ways and Means Committee, House of Representatives:

SIR: We, the undersigned members of the Wine and Spirit Traders' Society, have the honor to recommend the following rates of duty for the consideration of your committee:

1. STILL WINES.—In bulk, 40 cents per gallon. In glass, \$1.60 per dozen of so-called quart bottles. *Sparkling wines*—\$6 per dozen so-called quart bottles; and in the same proportion for bottles of different sizes.

The present duty is 50 cents per gallon in bulk and \$1.60 per dozen of so-called quarts, and for sparkling wines \$7 per dozen of so-called quarts. The rates we recommend were adopted at our suggestion in the act of February 8, 1875, having been agreed upon by importers and domestic producers. These rates continued in force until 1883, when they were changed in the Senate at the suggestion of Mr. Brown, of Georgia, who increased them 25 per cent., on the ground that as luxuries they should pay the highest rate Congress could be induced to impose. This, however, was done entirely on his own motion, and without any suggestion from the domestic producers, who were perfectly satisfied with the rate of 40 cents and \$1.60 and \$6, as agreed upon between them and the importers of foreign wines. This action was taken at the end of the session, during a period of great confusion, and was, we consider, an in advertence on the part of the Senate, as a reference to the record of that date will, we think, sufficiently show. The average duty on still wines before the tariff of 1875 was 33 cents per gallon, and we see no reason why it should be fixed at any higher rate now than that agreed upon at that time between the domestic and importing interests.

2. ALLOWANCE FOR LEAKAGE WHILE IN BOND.—We recommend that the same allowance be granted to foreign wines and spirits as is granted to domestic spirits in bond under the provisions of the present law, viz: For a cask of 40 gallons capacity, not to exceed 1 proof gallon for two months or part thereof; not to exceed $1\frac{1}{2}$ gallons for more than two months and not more than four months; not to exceed 2 gallons for more than four months and not more than six months; not to exceed $2\frac{1}{2}$ gallons for more than six months and not more than eight months; not to exceed 3 gallons for more than eight months and not more than ten months; not to exceed $3\frac{1}{2}$ gallons for more than ten months and not more than twelve months; not to exceed 4 gallons for more than twelve months and not more than fifteen months; not to exceed $4\frac{1}{2}$ gallons for more than fifteen months and not more than eighteen months; not to exceed 5 gallons for more than eighteen months and not more than twenty-one months; not to exceed $5\frac{1}{2}$ gallons for more than twenty-one months and not more than twenty-four months; not to exceed 6 gallons for more than twenty-four months and not more than twenty-seven months; not to exceed $6\frac{1}{2}$ gallons for more than twenty-seven months and not more than thirty months; not to exceed 7 gallons for more than thirty months and not more than thirty-three months; not to exceed $7\frac{1}{2}$ gallons for more than thirty-three months and not more than thirty-six months; and for larger and smaller casks in proportion. There is no objection to this on the part of domestic producers.

3. STAMPS.—We recommend the abolition of the stamps now affixed to foreign wines on the ground that they are of no utility and are an aid to fraud. These stamps were originally intended for spirits only, and wines and malt liquors were included in the act, much to the detriment of these interests.

4. MALT LIQUORS.—The act of February 8, 1875, imposed a duty of 20 cents per gallon in bulk and 35 cents per gallon in glass. The latter rate it is claimed by us was in lieu of any extra duty on the bottles or packages. By a ruling of the Secretary of the Treasury the duty of 30 per cent ad valorem was assessed upon the value of the bottles, and this is now collected. We ask to be relieved from this, as we consider it oppressive and unjust, and unnecessary for the protection of American glass manufacturers.

5. **GINGER ALE.**—We recommend that the duty on ginger ale be made specific and fixed at 10 cents per dozen of so-called pints, and that no additional duty be levied on the bottles. This is an increase on the present duty of about 45 per cent.

6. **SPIRITS.**—We recommend that the duty on foreign spirits be fixed at \$1.50 per proof gallon, in bulk, and at a proportional rate for spirits in glass or in jugs. In consultation with domestic distillers they have expressed their willingness to have this reduction made, on the ground that it will do no harm to their business.

7. **SAMPLES.**—We recommend a provision permitting the importation free of duty of samples of wines, spirits, ginger ale, and beer, providing that such samples do not exceed in quantity eleven quart bottles and provided that the collector of the port of entry shall be satisfied that they are bona fide samples.

The object of this recommendation is not to avoid payment of duty on such samples, as that is of no moment, but to avoid the delay necessary in making the entries, etc., for such payment. It is often of the utmost importance to have such samples delivered at the earliest possible moment after landing.

8. **ALLOWANCE FOR BREAKAGE.**—We recommend that an allowance of 5 per cent. for breakage be granted on all foreign wines, spirits, beer, and ginger ale imported in bottles and jugs. There is always more or less breakage in case goods, and this has to be borne by the importer without any compensation.

9. **SALES OF WINES, ETC., FOR USE AT SEA.**—The shipping act of June 16, 1884, provided that merchandise in bond could be sold to American vessels trading with foreign ports, for use at sea, without the payment of duty. We ask to have this privilege extended to foreign vessels, as it will enable us to compete for an important trade which at present is controlled by foreign ports.

10. **TEN PER CENT. PENALTY.**—We recommend the abolition of the penalty now imposed on all merchandise that does not pay duty at the expiration of one year from the date of importation.

11. **SPECIFIC DUTIES.**—We earnestly recommend that specific rates of duty be imposed in all cases on all merchandise covered by Schedule H of the present tariff. In those cases in which such rates were adopted at the suggestion of this society in 1875, the system has worked to the perfect satisfaction of the Government, the trade, and the consumer. There has been a manifest and marked improvement in the average quality and purity of the wines and spirits imported. There has been no necessity for bringing suits for under-valuation and none have been brought, and the cost of collection has been much reduced.

Very respectfully,

RENAULD & NIEDERSTADT.
GOURD & TOURNADE.
JOHN OSBORN, SON & CO.
CHAS. GRAEF & CO.
DU VIVIER & CO.
E. LA MONTAGNE & SONS.
G. AMISINCK & CO.
EDW. BLACKBURN & CO.

E. & J. BURKE.
G. S. NICHOLAS.
PETER MCQUADE.
A. D. SHAW & CO.
NICHOLAS RATH & CO.
H. A. BATJER & CO.
GALWEY & FELDMMANN.
CHARLES MCK. LEOSER.

VIEWS OF WHOLESALE DEALERS' ASSOCIATION.

NEW YORK, *February 5, 1890.*

The Committee on Ways and Means of the House of Representatives:

The Wholesale Liquor Dealers' Association has the honor to submit to your honorable committee the following points bearing on certain features of the proposed change in our revenue laws which is contemplated by your committee, praying that due consideration be given to the facts as presented here:

TAX ON WHISKY.

Under the present law the tax of 90 cents per proof gallon represents a tax of from 200 to 300 per cent. of the actual cost of the goods on all fine grades of bourbons and ryes. On spirits and what is termed "continuous distillation spirit goods" this tax of 90 cents amounts to 750 per cent. of the actual value of the articles so taxed. Fine bourbons are at present contracted for to be made at the distillery warehouse at an average price of 30 cents per gallon and fine ryes at an average price of 45 cents per gallon. Spirit goods are at present sold at 12 cents per proof gallon, including barrels and all fixed charges paid. Even at so low a price these latter goods yield a small percentage of profit to the distiller.

As a practical illustration of the ratio of tax to the cost of spirits, we append a copy of an invoice of high proof spirits.

PEORIA, ILL., *January 31, 1890.*

Sixty-five barrels No. 1 spirits, 5,647.75 proof gallons, at 13½ cents..... \$762.45
Tax on 5,647.75 proof gallons at 90 cents..... 5,082.97

5,845.42

Or, cost of goods, including barrels, profit to distiller, etc..... 762.45
Tax exacted by the Government, or about 700 per cent..... 5,082.97

It will be seen that—the tax being the largest factor in the production of spirits and whisky—the government becomes virtually a special partner, without risk, of the distiller, in the production of these goods. The argument that the high tax on liquors is a powerful agent in the cause of temperance is fallacious. People addicted to the intemperate use of liquor will gratify their appetites at any price, and the high tax offers a strong temptation to unscrupulous dealers to substitute drugs and other noxious chemicals for pure fine grades of whiskies, to imitate the genuine article. The reduction of the tax would benefit rather than redound to the injury of the families of the unfortunate victims of an intemperate use of liquor. A man addicted to over-indulgence in liquor will buy the intoxicating fluid at any price. Under the present tax he may have to spend \$2 to gratify his appetite, while if the tax were reduced he could do so for 50 cents and leave \$1.50 for his family to buy bread with.

The history of our country shows that the internal-revenue tax is an emergency tax imposed for the purpose of raising sufficient revenues for the maintenance of the Government to meet unusual demands which were made upon it by reason of our late civil war. It is now twenty-five years since that war was closed, and yet the tax still remains and is exacted, as if the conditions to which it owed its origin still existed.

The internal-revenue tax is a tax levied entirely on American citizens. The burdens which it imposes are borne wholly by our own people, which, other things being equal, should be considered a powerful argument in favor of its modification.

If the tax on distilled spirits were entirely taken off, there can be no doubt that the use of alcohol would be enhanced probably twenty-fold in the arts, sciences, and manufactures, which increased demand would surely stimulate the production of the material which is principally used in the manufacture of whisky, viz, corn. The farmers would derive an immediate benefit from the abolition of the tax by a more extensive home market for the products of their farms.

The proposition to have the tax taken off from spirits used in the arts and sciences and from fruit brandies is not considered favorably by the trade. A change of our laws to that effect would simply open the door to innumerable frauds. It would be much better to abolish the tax entirely than to have the experience of the years 1865, 1866, 1867, and 1868 renewed, when the Government was cheated on every side, and nearly every revenue officer was a blackmailer. We predict that if the tax be taken off fruit brandies, ears of corn will be grown, so to speak, on every grapevine in this country and the establishment of special warehouses will only call into existence a fresh brood of official parasites and blackmailers. Statistics show that under the 50-cent tax the largest amount of revenue was collected by the Government from distilled spirits.

THE ADMINISTRATION OF THE INTERNAL REVENUE LAW.

Under the provisions of the internal revenue laws, as at present in force, spirits are bonded for three years. At the expiration of that period the goods are forced out of the Government bonded warehouses. The tax has then to be paid or the goods are confiscated by the Government. Merchants are compelled to then pay to the Government 200 to 300 per cent. of the actual first cost of the goods they deal in, even if the market is glutted with these goods and there is no immediate demand for them. This is unlike the practice as in force in other enlightened civilized countries where taxes are never levied on goods until they go into actual consumption. Yet here is an industry which contributes more toward the support of the Government than any other industry of the country, compelled to pay to the Government two or three times the actual value of the goods and to overload the market with them at a time when they are not yet quite fit to be consumed, and when there may be no demand for them at all. We think that considerations of justice and equity demand that the payment of the tax should be exacted only at the time when the goods go into actual consumption, under a proper allowance by the Government for the loss by evaporation on a graduated scale for, say, to the limit of ten years, by which time the goods will have become very valuable and be eagerly sought by the rectifiers and compounders. We

admit that the change in the law here proposed may in the beginning stimulate over-production, but this feature of our industry will soon cure itself and disappear of its own accord.

A radical change in the mode of collecting the tax on spirits is, in our view, imperatively demanded in the interest of a pure and honest administration of our Government. The tax should be collected of the distiller when the goods contracted for go out of bond. It is at that point where all the safeguards under which this tax is collected should be concentrated. After they have passed out of the bonded warehouse by payment of the tax, spirits should be allowed to go free and be dealt with as any other merchandise, as then all liens which the Government may hold upon it would have been discharged. We think that a reduction of the tax to 25 cents per gallon would still represent a very large ad valorem tax on the actual value of the article produced. A reduction of the tax to 25 cents would remove one of the strongest incentives to fraud and dishonesty by illicit distillation which now exist. It would abolish the occupation of the moonshiner and illicit distiller and save the lives of a number of revenue officials which are now annually sacrificed in the efforts to root out this evil.

We especially recommend the advisability of collecting the tax from the distiller and making that a finality as likely to work a decided administrative reform. Under the present system of the internal revenue administration, American citizens who deal in spirits are at every stage of their business subjected to a most odious system of espionage. The goods, from the time they leave the warehouse of the distillers until they pass into the mouth of the consumer, are under constant surveillance, which is in marked contrast to the treatment that foreign goods receive. As soon as foreign spirits leave the custom-house they become comparatively free and are not subjected to the same odious watch and inspection by the internal revenue officials as that with which the traffic in domestic goods is surrounded, yet the Government has an interest of \$2 per proof gallon in imported spirit goods, while the present internal-revenue tax on domestic goods is less than half that amount. In spite of this disparity in the pecuniary interest of the Government, the official surveillance is concentrated on the domestic 90-cent article, while the foreign \$2 article is left comparatively unguarded.

SPECIAL TAXES.

We also ask respectfully the abolition of the so-called special taxes, under which a dealer in wine and spirits is placed at a very unfair disadvantage as compared with other trades. Under these special taxes, which are levied under the name of license fees, wholesale liquor dealers and rectifiers are compelled to pay a premium for the privilege of risking their capital and devoting their time and energy in the pursuit of an industry which gives employment to thousands of our fellow-citizens and contributes not a little to the wealth of the country. If the tax has been imposed solely for the purpose of keeping the wholesale liquor dealers and rectifiers under the watchful care of the collector of internal revenue, we hold that a simple registration fee of a nominal amount would accomplish the same purpose.

Under the present system rectifiers and wholesale liquor dealers are compelled to keep a Government book (Form No. 52), giving in detail the number of packages received every day, from whom received, the name and collection district, where originally made, the serial number of each package, and the net contents of each package. On the delivery side of the book full details of the party to whom the goods have been delivered have to be given, together with the address of the latter, if in a city, and also a repetition of the statements already entered in the book on the receipt page. The dealer must also state, in case the goods sold should be of his own rectification, the number of packages used in compounding or rectifying, and the balance must be carried forward to the next day, which involves a mass of details often calling for the employment of an additional clerk, all of which does not yield a cent of profit either to the Government or to the wholesale liquor dealer.

Under the intricate system of stamping packages and resultant book-keeping, it is made impossible for the rectifier to receive anything but tax-paid goods, as he would have no means of disposing of goods unstamped. A copy of the book here referred to, and known as Form No. 52, has to be made out in triplicate with all these details and forwarded to the collector of the district on or before the 10th of the succeeding month. The unlawful use to which these transcripts may be put is illustrated by a case which has recently come under our observation, in which it was alleged that a copy of the transcript, giving the full addresses of the customers of a rectifier, was furnished by one of the Government officials for a money consideration to one of the competitors of the rectifier to the great injury of the business of the latter.

In addition to all this red tape, special gaugers are assigned to the place of business of the rectifier, whose duty it is to supervise the emptying of the packages and the stamping out of the result of the rectification of the packages emptied. In houses

which do a large business sometimes as many as four of these gaugers are stationed, at an expense to the Government of \$5 per day for each gauger, making an average expense to the Government of \$1,500 per annum for each gauger, while the rectifier and wholesale liquor dealer's license fee is \$325 per year. It will be seen that in such cases the Government is a loser to the amount of the difference between the figures given.

We respectfully call the attention of your honorable committee to the fact that this whole matter might be very much simplified by intrusting the wholesale dealer and rectifier, who as stated before can only deal with tax-paid goods, with the necessary revenue stamps for the purpose of stamping his own goods, the Government reserving to itself merely the right of supervision of the emptying of the packages and thereby securing that no other but tax-paid goods can be used. The rectifier should receive credit only for the number of proof gallons thus emptied under Government supervision, and permitted to stamp out against such credit.

Special Deputy Brooks, a man who has been in the internal-revenue service for the last twenty-five years, has already recommended to the Department the method of supervision as here described. We fully concur in that recommendation as entirely meeting the case. Under the change proposed the rectifier would have to make the return to the collector, which is now required to be made by the gauger. The change here proposed would enable the Government to dispense with the service of a number of gaugers who under the present system have an easy opportunity to administer their offices for revenue to themselves only, by playing the role of obstructionists when the rectifier fails to make terms on a cash basis with them. That this statement portrays the situation correctly is evidenced by the testimony brought out at the trial of gaugers now in progress in this city. The state of affairs here described was first publicly disclosed some months ago in the United States criminal courts of Cincinnati, Ohio.

The system of espionage to which the wholesale liquor dealer and rectifier is exposed at every stage of his business is most onerous. Under the present system the gaugers and "specials" can at any time it may suit their sovereign pleasure walk into the place of business of the rectifier, order all operations suspended, and call off all employes for the purpose of taking stock or supervising the work of the local gaugers.

The distiller who produces the goods is exempt from the payment of these special taxes. He pays no license fee for the privilege of selling the goods of his own production: why should the wholesale dealer and rectifier be compelled to do so? It can surely not be the policy of the Government to treat the distillers as a preferred class in this respect.

The distiller, in addition to being not subjected to a special tax or license fee, also receives the benefit of what is termed the fractional gallon. By paying strict attention to the selection of packages and by properly regulating the proof of the liquor he can save about 44 cents on each package, which is equal to nearly 1 cent per gallon. The dealer or rectifier, however, does not get the benefit of the fractional gallon. It would seem to be but a demand of plain justice that the Government should tax impartially the entire product, the fractional gallon included.

The abuse of authority which is rendered possible and frequently exercised for unlawful purposes by the Government officials under cover of the internal revenue laws is at times unbearable. A man's property in the branch of trade in which the wholesale liquor dealers and rectifiers are engaged is at no time under his own control, but is at all times subject to the whims and good will of a lot of officials who but too frequently use the power thus conferred upon them for selfish purposes. It is useless to expect relief by an appeal to higher authority. Complaint will only draw upon the unlucky victim the wrath of the whole force of leeches. After extorting fees for a neglect of duties imposed upon them by law, the internal revenue officials expect the dealer whom they have thus victimized to go on the witness stand and swear to a perversion of the truth in order to help them out of any difficulty into which they may have fallen with the officers of the law department of the Government by reason of the unlawful use of their authority.

Relief would be given to the trade by putting the rectifier under bond for a limited time, say ten days' business, and retaining the system of Government supervision only as far as the dumping of packages is concerned, as being the only part of a wholesale liquor dealer's or rectifier's business in which the use of illicit goods is possible, and therefore the only part of the whole transaction in which the interests of the Government should of right be guarded.

We also beg to call your attention to the arbitrary rule which the Department has made in regard to the collection of taxes on liquor according to its proof. Where goods are found to be underproof, they are called proof by the Government and the full tax is collected; but if they are overproof, the tax is collected to the uttermost point possible. Yet in all cases the goods have been under Government keeping. The treatment which distillers and merchants engaged in the other branches of our trade receive at the hands of the Government is characterized everywhere by hos-

tility to our business. We are treated as if we were only ticket-of-leave men, out on good behavior, and only subjects for oppressive taxation. We state a simple truth by saying that at every turn in our business we are confronted by the tax gatherer.

All of which is respectfully submitted.

THE WHOLESALE LIQUOR DEALERS' ASSOCIATION.

W. G. ROSS,
President.

W. A. TYLER,
Treasurer.

J. BAETLER,
Secretary.

SACCHARINE BEVERAGES.

VIEWS OF W. B. KELLER.

Mr. Chairman and gentlemen of the Ways and Means Committee, the following propositions I submit to you and ask your consideration of them as herein stated, and respectfully request that it be made a part of the printed record of the hearings before the committee:

First: That all fancy or saccharine beverages, such as ginger-ale, ginger-beer, sarsaparilla, lemon soda, soda-water, and all other carbonated (aerated) beverages, shall be held dutiable at the following specific rates:

In bottles containing more than one-half pint, 50 cents per dozen; in bottles containing one-half pint or less, 25 cents per dozen.

Second: That beer known as "Weiss" beer, containing less than 2½ per cent. alcoholic strength, shall not be subject to any internal revenue tax or regulation.

The first proposition, I ask your indulgence to point out a few facts concerning the specific duty which we ask you to place on ginger-ale, ginger-beer, soda-water, etc., and all carbonated (aerated) beverages, in addition to the glass bottles in which they are imported.

There are in the United States close on to seven thousand bottling establishments, which are mostly engaged in manufacturing and bottling such beverages. Many of them are extensive, employ hundreds of men, and have a large capital invested. They, too, suffer from the unequal tariff on full and empty bottles, from which they ask to be relieved. In fact, as the law now stands and has been interpreted by the courts, ginger-ale bottles come in free of duty, the contents paying only 20 per cent. ad valorem. A specific duty on all such beverages, in addition to the bottle, is the desired remedy.

Another fact we desire to impress on the committee is, that in England the help mostly employed for washing bottles, wiring, corking, handling, etc., is done by young girls and women; while in the United States you will travel the country and not find a similar spectacle. The wages paid these girls are mere pittance, while the men employed here receive substantial wages, earning sufficient to keep their families without asking co-operation from the girls and women of the family.

Another matter worth considering is the interesting one that on the success of the bottling establishment depends the success, to a great extent, of the green-bottle industry of the United States. The sugar consumed in the manufacture of these saccharine beverages is not inconsiderable, and were all such beverages imported instead of being made and bottled here, the returns from a number of industries would show a decided falling off. For instance, the manufacture of corks, the manufacture of soda-water machinery, the manufacture of green-glass bottles, the manufacture of sugar, marble dust, and many minor industries, which receive support and sustenance from the manufacture, bottling, and sale of American carbonated drinks.

We respectfully ask your consideration for the imposition of specific duties on that class of goods.

The second proposition is a self-evident one, and I will only briefly refer to it. It is that all revenue taxation and regulation on "Weiss" beer be stricken from the statutes; that is, if it contains less alcoholic strength than 2½ per cent.

This proposition was embodied in the Randall bill as reported to the last Congress, and I think it a fair and honest one in every particular.

I respectfully request your earnest consideration of the above, as the representative of the bottling trade of every State and Territory in the Union, and as chairman of the special committee on tariff matters of the United States Bottlers' Protective Association.

FRUIT JUICES.

NEW YORK, *January 2, 1890.*

ALEX. D. SHAW, Esq.,

Chairman Legislative Committee of the Wine and Spirit Traders' Society:

DEAR SIR: We, the undersigned, importers of cherry and other fruit juices, hereby recommend the adoption of a specific rate of duty on these articles, and would suggest that it be fixed at 10 cents per gallon.

The present rate of duty on, for example, cherry juice, based upon the average price during the past few years of, say, 40 marks per hectoliter, from which must be deducted the value of casks, freight, and other charges, say 6 marks per hectoliter, leaving a dutiable value of, say, 34 marks per hectoliter, is not over 6½ cents per gallon; but rather than it should be continued at the same ad valorem rate of 20 per cent., as at present, we would propose to have it increased to 10 cents per gallon, as the sentiment in favor of specific duties seems now generally to prevail, and in order also to prevent possible undervaluations by unprincipled dealers.

Cherry juice and other fruit juices, like blackberry and huckleberry, not being produced to any extent in this country, their importation can not be considered as inimical to any domestic industry. These juices are generally employed in the manufacture of such cordials as blackberry brandy, cherry bounce, etc., wholesome beverages for people suffering from disorders of the stomach.

Yours, very respectfully,

H. A. BATJER & Co.

M. LIENAU & Co.

JULIUS WILE, BROTHERS & Co.

HARTMAN, GOLDSMITH & Co.

JOS. WUNDERMILLER & ROELKER.

BRANDT & KIENZLER.

PATENT PRUNE WINE.

NEW YORK, *February 8, 1890.*

SIR: In behalf of my clients, Messrs. Wm. and P. Thompson, of Dublin and New York, manufacturers and importers of "Thompson's Patent Prune Wine," I beg to request that said article be enumerated in the tariff bill now before your committee under the heading of "Prune Wine," and a specific duty fixed thereon.

Thompson's Patent Prune Wine has for upwards of twenty years been entered at our ports as a non-enumerated manufactured article, subject to a duty of 20 per cent. ad valorem, which is equal to 35 cents per American gallon. This article should not be classified as a wine, because it is never sold or used as a beverage, but is intended and used solely for aging, fining, and mellowing liquors.

It is a product of fermented dried fruit, made under letters patent of Great Britain and the United States, and the name "Prune Wine" is secured by trade mark. It contains about 18 to 20 per cent. of absolute alcohol, added thereto to prevent fermentation and for no other purpose, experience having shown that this quantity of alcohol is absolutely necessary for its proper preservation.

This request is intended to obviate in future the great annoyance which has arisen during the past two years on account of uncertainty as to the proper classification of said article, and to establish a specific duty on said article in accordance with that which has prevailed for more than twenty years, to wit, 35 cents per gallon for prune wine containing less than 24 per cent. of alcohol.

5 The market and invoice price of "Thompson's Patent Prune Wine" is 8 shillings and an pence, net, equivalent to \$2.05, per imperial gallon (which is one-fifth more than per American gallon) which, at 20 per cent. ad valorem, would amount to 35 cents American gallon.

Respectfully, yours,

WM. J. FANNING.

Hon. WILLIAM MCKINLEY, Jr.,

Chairman Committee on Ways and Means.

MINERAL WATERS.

STATEMENT OF JAMES W. INCHES.

JAMES W. INCHES, vice-president of the American Natural Mineral Water Association, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I represent the American Natural Mineral Water Association, and I have a paper here prepared which states in brief what we wish. Mr. Jones will follow me, and will explain it and answer any questions you desire.

The American Natural Mineral Water Association is composed of the owners and promoters of American mineral water springs, and they feel, in asking that an import duty be placed on all foreign mineral waters, that they can present a statement of facts showing that under the present tariff laws the American waters are discriminated against to such an extent that it is impossible to place them upon the market in competition with waters imported from Europe.

I respectfully ask on behalf of the association that all mineral waters, whether natural, imitation thereof, or artificial, should be held dutiable at the following specific rates, viz:

"In bottles or jugs containing not more than 1 quart, and more than 1 pint, 50 cents per dozen. In bottles or jugs containing each 1 pint or less, 25 cents per dozen. In bottles or jugs containing more than 1 quart each, at the rate of 20 cents per gallon.

The above duty would not, as might be supposed, be a protection which would prevent foreign waters from entering into competition with the American product at equal prices, but would only offset the unjust discrimination which exists under the present law in favor of foreign mineral waters.

In support of this statement we offer the following table, showing the difference in the amount of duty paid under the present laws, on the three articles indispensable in bottling water for sale, viz: bottles, corks, and packing or straw mats by the American who imports them, empty or separately, and by importers of foreign waters who import them as a part of a package.

Duty paid on one gross.

	When imported empty or separately.	When imported filled with foreign waters.	Duty paid by American waters.	Duty paid by foreign waters.	Total difference per gross.
Bottles, 25 ounce, green or colored glass.	1 cent per pound.	30 per cent. ad valorem.	\$2.25	\$0.64	\$1.61
Corks	25 per cent. ad valorem.	Free .....	.23	None ...	.23
Straw mats	30 per cent.	Free .....	.18	None ...	.18
Total difference per gross .....	.....	.....	.....	.....	2.02

The green or colored glass bottle is the only kind used for bottling water.

Corks are used varying in price from about 74 cents to \$1.10 per gross. I have taken 92 cents as an average; straw mats are based at \$4 per 1,000.

By the above table it will be seen that under the present tariff laws a discrimination exists in favor of the foreign producer of \$2.02 per gross on the three principal articles used in preparing the water for the market. But that amount is only on the three principal articles. In addition to this the American producer must use tinned iron wire for fastening down corks, labels, lumber and nails, all of which cost more in the United States than in Europe on account of the import duties upon them.

The cost of material alone, which must be used in preparing mineral waters for sale in bottles, amounts to over 90 per cent. of the entire cost of the product when

ready for the market, and every item in this material is under a protective tariff. Is it just, is it fair that an American citizen should be compelled to pay a duty on 90 per cent. of what he has for sale, and then not only deny him a protection from cheap foreign competition, but actually allow foreigners to bring their goods into this country without even paying the same duties that the American has paid?

All this material is under a protective tariff. Now, we ask if it is fair and just to compel American citizens to pay a duty of 90 per cent. on what he has to sell, and then allow Europeans, who have a protection on cheap labor, to bring the same goods into this country, without paying the same duty on the same material?

Mr. CARLISLE. Do you have to import bottles?

Mr. INCHES. Some springs import and some use domestic bottles. The American dealer of course takes advantage of that protection which is on bottles, and charges a price which is equal to the price we have to pay for imported bottles. You can import to-day the green glass bottles known as the German bottle cheaper than you can get them in this country freight and duty paid.

Mr. CARLISLE. Do you import covers?

Mr. INCHES. Yes, sir. The straw mats are not made here. There are no covers such as champagne covers made in this country. We have tried time and time again to make them, but unsuccessfully.

Mr. LA FOLLETTE. Why is that?

Mr. INCHES. I understand the best explanation given is that the straw is allowed in this country to ripen more than it is in Germany, and hence it is too brittle. You take the American covering and the moment you use it it all goes to pieces, while the German covers will last several times.

Mr. CARLISLE. What is the duty on these straw mats?

Mr. INCHES. Thirty per cent. ad valorem.

Mr. LA FOLLETTE. Are any straw mats manufactured in this country at all?

Mr. INCHES. Time and time again there have been attempts to make them. Several people have tried to make them, but they never amounted to anything. In the first place we can not get the straw, and then again we can not compete in the price of labor.

Mr. LA FOLLETTE. Where was that manufactured?

Mr. INCHES. I can not state, Mr. La Follette; but I have seen the goods. The straw is too brittle, and as soon as you bind them up and put them into a bundle they fly to pieces; they chip all off. Whether the reason is on account of climatic differences or not I do not know, but the straw here is more brittle than the German straw. Now, in this country we make different kinds of packages for bottles—corrugated paper and corrugated wood—but none of them are equal to the straw mats. A few American springs use straw mats, yet they can not do so and compete. There is no difference of opinion in regard to what is the proper kind of packing. There is only one packing and that is the straw mat.

Mr. CARLISLE. I have seen this wooden article.

Mr. INCHES. Americans are forced to use the wooden cover, as they can not buy straw mats and compete in price. Nobody will venture the opinion that wood is worth anything at all in comparison with straw mats.

Mr. LA FOLLETTE. What is the price of the paper covering as compared with the straw mats?

Mr. INCHES. I should say it averages three-fifths, but it is not to be compared at all in quality. The paper cover is simply better than nothing; the straw covering is an entire protection against breakage.

Mr. CARLISLE. As I understand you, the wooden covering costs about three-fifths as much as the straw covering with duty paid.

Mr. INCHES. The wooden covering, I should say, was not more than half. The paper covering costs about three-fifths. In that cover of wood there is no elasticity to it whatever, and it is used because of the little corrugations in it, which are simply better than nothing.

Everybody who knows anything about this business knows that nine-tenths of this water is artificial. It is impossible to take water out of the earth at a high pressure of 40 or 50 pounds to the square inch and put it in a bottle. It is a physical impossibility, as it will break away in another direction. A large amount of our water is barreled because the American can not put his water into bottles on account of the prices with which we have to compete. Consequently we send water all over the country in barrels and it is put in bottles by irresponsible people all over the country. Whereas if the duty were so we could buy the bottles and compete with the foreign trade the water would be bottled where it comes out of the earth, and the Americans would get the water pure. Mr. Jones can give you some results in regard to this.

Mr. LA FOLLETTE. If the same duty was on bottles coming here filled would not it meet the objection?

Mr. INCHES. It would simply meet one point, and there are half a dozen other things. There are the bottles, the corks, the straw coverings and case. As I say, it would

surprise most people to know that when we put a case of water upon the market and sell it, 90 per cent. of what we ask for it we have paid out for material—90 per cent. of the entire cost.

Mr. GEAR. When these mineral waters are imported from foreign ports do you pay for the water, or bottles separate, or is the price so much a dozen?

Mr. INCHES. It is so much a dozen on the whole thing. A case of water coming into this country generally contains 50 quart bottles and you buy the case—the whole concern.

Mr. GEAR. There is no separate charge made?

Mr. INCHES. Oh, no.

Mr. GEAR. Where they import these cases is there any reduction made in the custom-house for the value of the outside case?

Mr. INCHES. I do not understand your question.

Mr. GEAR. Waters come free now?

Mr. INCHES. Oh, yes; the waters come free, but there is a duty of 30 per cent. on artificial waters, but there is no such thing as artificial waters now; they have disappeared.

Mr. JONES. What has it dwindled down to?

Mr. INCHES. To 17,000 gallons. It does not amount to anything, while we have almost 2,000,000 gallons of mineral waters imported.

Mr. BAYNE. What did the Senate bill do?

Mr. INCHES. It put a duty on bottles; but here we wish—

Mr. BAYNE. Have you suggested a formula there?

Mr. INCHES. Yes, sir; I read it. I appeared before this committee two years ago, before Mr. Breckinridge, when the Mills bill was being considered by this committee in regard to putting a duty on bottles the same empty as filled. We are not asking, like most industries to be protected enough to give us the market; but all we want is not to pay more than the Europeans do.

This artificial feature of the case is peculiarly unjust to the American producer and allows the foreign water dealer to impose upon the American public. Under the present tariff laws natural mineral waters are free of duty, but a duty of 30 per cent. ad valorem is placed upon artificial waters. As before stated all who have given the subject any attention know that nine-tenths of the waters imported as natural are artificial in all that contributes to a product of that character. Importations of so-called natural mineral waters are constantly increasing, and a glance at the statistics will show the enormous quantity imported as natural or duty free, while the importation of artificial waters has almost entirely disappeared.

In 1888 there were imported into this country 1,792,699 gallons of so-called natural water, while less than 1 per cent. of that amount, or only 17,903 gallons of artificial water, were imported.

The question arises, how do we know that so much of the water imported is artificial? Not alone from a general knowledge of facts bearing on the trade, but from personal investigations, from comparative analysis made by many of the most distinguished of American chemists, and even from official documents of the Royal Commission of Springs of Prussia.

It is a well known fact, hardly disputed in this day, that the most popular imported water now sold in the United States is held by all leading experts to be an artificial product, and yet it comes into this country as natural water free of duty. The American producers have repeatedly tried to have these goods properly classified, but so far have been unsuccessful. The question has been before the Treasury Department for years, and decisions have been rendered both for and against the American producer several times.

Difficult points have come up, different opinions by officials as to what constitutes an artificial mineral water, and so on, until it has become almost impossible to decide just where natural waters end and artificial waters begin. The question has become a nuisance to the Department, and on Saturday, the 18th instant, the Hon. Mr. Tichenor, Assistant Secretary of the Treasury, assured us that the Department would be pleased to see all mineral waters placed under the same restrictions or duties, and thus relieve the Department of the never ending trouble of deciding between the artificial product, and, as the Secretary stated, "the so-called natural waters imported."

In 1881, the question was thoroughly gone over in an appeal by several American water men to the Treasury Department, asking that a foreign water known as the Apollinaris and others be made to pay duty as artificial. After an exhaustive review of the case, Secretary Windom wrote to Attorney-General MacVeagh, making a statement of the case and says:

"I deem it important to settle some principle of law which may be applicable not only to Apollinaris water, but to the various other waters imported * * * I have the honor to ask your opinion upon the foregoing statement, whether the Apollinaris water, imported in the condition above described, is a mineral or medicinal artificial

water, subject to duty, or whether it is a mineral water not artificial, and as such entitled to free entry."

A short time afterwards Attorney-General MacVeagh wrote Secretary Windom, and stated that he had investigated the subject, that attorneys had appeared for both sides, and he had decided that the water in question was artificial, and says: "I am of the opinion, that it ought to be so regarded and held to be liable to duty."

The late Roscoe Conkling then appeared for the foreign company and had the matter continued from time to time until there was an entire change in the administration, the matter finally coming before Secretary Folger, who decided the case against the American water men, by rendering a decision that the different manipulations which the water passed through did not necessarily make it artificial. He says: "It is said there is salt added to it, the quantity added is not great, some is added"—and still he held that it was not necessarily an artificial water.

I make this statement simply to show how impossible it is to determine just what is natural and what is an artificial mineral water.

Here we have the Attorney-General of the United States deciding that certain manipulations and additions do necessarily make a water artificial, and the Secretary of the Treasury of the next administration holding that they do not.

To end this troublesome question, and to protect us from this imposition, we ask that an equal specific duty be placed upon all waters, natural or artificial.

The magnitude of the American mineral water industry is little known. In the last report on mineral water, published by the United States Geological Survey, it is shown that the consumption of natural mineral waters in the United States is over 10,000,000 gallons annually. In the report of the United States Geological Survey for 1885 it is stated that there are in the United States 2,554 localities having mineral springs, and that the individual springs number over 8,000; of these 735 have been carefully analyzed; 567 are used as places of resort; and of these the waters of over 200 are bottled and used commercially. In every State from Maine to California can be found large resorts, hotels and watering places, costing from \$50,000 up to \$1,000,000 and often more than that figure, and which are entirely dependent for their existence upon the sale and popularity of their waters, which are shipped to all parts of the country. It is estimated that in the United States there is invested in mineral springs and the properties which are dependent upon them, fully \$30,000,000.

I say again, in every State from Maine to California large resorts can be found costing from \$50,000 to \$1,000,000 each. Take the city of Saratoga, built on mineral water; take the city of Waukesha, Wis., founded on mineral waters; take the White Sulphur Springs and such places.

Mr. BAYNE. And the Bedford Spring, of Pennsylvania.

Mr. INCHES. Yes; in every State these resorts are to be found.

Mr. BAYNE. Have any of these natural waters imported into the country when analyzed shown to be superior to our natural mineral waters?

Mr. INCHES. No, sir.

Mr. BAYNE. Are they shown to contain different ingredients?

Mr. INCHES. There are no two waters alike; but there is no water in any part of Europe that has not got its counterpart and equal in this country. The springs in this country have not been developed, have not been started, because this thing has always been against us and we could not do it.

Mr. BAYNE. What waters in our country compare with the springs of Carlsbad?

Mr. INCHES. We have the Hathorne waters of Saratoga, Geyser, and a great many others.

Mr. FLOWER. But none as strong as that?

Mr. INCHES. As far as strength is concerned, we have many stronger waters, we have water at Mount Clements, Mich., which is stronger. Strength is not quality. The water at Mount Clements is so strong you can not drink it until it is diluted. We have waters at St. Clair, Mich., and we have various stronger waters all over the country.

Mr. FLOWER. I did not know that there was anything like the Carlsbad water here.

Mr. INCHES. There is nothing exactly alike, for you know there are no two faces in the world alike.

Mr. FLOWER. I believe there is no water tasting exactly like Apollinaris.

Mr. INCHES. I can give you ten American waters to-day that you can not tell which is which if you do not see the label. It is a well-known fact in this country that when American citizens drink what is called Apollinaris over the bar they spring something that is made probably on the next block. Now, as an expert who has been in the business for years, I think I can detect Apollinaris. I know I can detect our water from any in the world.

The CHAIRMAN. Are the remainder of your remarks in type-writer? I make this suggestion because the stenographer has another engagement this morning with another committee.

Mr. INCHES. I have everything; but I desire to answer any questions the committee may ask. I would like to show a table which will be quite interesting. It is a table showing the cost to Americans for material.

If the present tariff laws were continued, this enormous investment would be virtually thrown away. It can be stated positively that there is not a well-known spring in the United States, which is to-day making 1 per cent. on the amount of money which has been invested to bring it up to its present standard or condition.

There is no class of waters known to exist that is not well represented in the United States. The number and variety of the springs of this country is greater than that of any other, and if they were protected to an extent that would allow of their development, foreign waters and watering places would soon lose their reputation to the superior resorts and waters of this country.

Mr. McKENNA. Are your waters the same as the European waters?

Mr. INCHES. We have the same waters in this country, but there are no two waters exactly alike. We have waters in this country that equal any waters in Europe.

Mr. McKENNA. But are they the same?

Mr. INCHES. No; there are no two waters, as there are no two faces, the same.

Mr. McKENNA. Can they compete if they are not identically the same?

Mr. INCHES. Yes, sir. There is a list of probably fifty waters brought in from Europe and used as table waters, and they all compete.

Mr. McKENNA. They are substantially the same?

Mr. INCHES. Yes, sir; they answer the same purpose.

Mr. CARLISLE. The point is this: Suppose you place the best of these waters upon a footing of equality and you find you gain a very considerable advantage over the European waters in the American market, is not the taste of the people such that they would buy the foreign waters in preference to yours, because the people get a taste for certain things as they do for certain brands of cigars, whiskies, and brandies?

Mr. INCHES. I will explain. I have an argument in my paper here which answers that argument that may be brought against us. There is one water (Apollinaris) which comes to the country and has an enormous consumption. You know people get a taste and a habit for drinking a certain thing, and, going into a bar anywhere, they say: "Give me Apollinaris." That is one water. Yet, out of fifty waters coming into this country as table waters, not one-hundredth part is drunk under its name. If you ask for Apollinaris you are apt to get one of these fifty waters. Probably not one out of fifty that is called Apollinaris is Apollinaris. I can get fifty kinds of water in the United States which you can not tell the difference between. I can, as I say, because I am an expert and because I have been educated right in that, and I know almost the composition of the water when I taste it; but time and time again I have seen people drink mineral water radically different from the water they ask for, so that taste does not hold in waters as in cigars, whiskies, etc.

Mr. McKENNA. Your statement makes us wonder who on this committee is an expert on water.

Mr. INCHES. That is the reason legislators have never taken up this question. They do not know anything about water.

That competition with the cheap waters of Europe is impossible can easily be seen by the following table showing the cost to the American of the material alone which must be used in bottling water.

Cost of material for one gross quart bottles of water.

Bottles, duty paid	\$5.25
Corks, duty paid	1.15
Straw mats, duty paid .....	.78
Cases 25 cents, each fifty bottles .....	.72
Tinned wires .....	.06
Labels .....	.15
Total cost	8.11

The cost of American bottles and of the European duty paid into this country is about the same.

Almost all mineral water is sold in cases containing fifty bottles, and it will be seen by the foregoing table that the material alone for a case of 50 quarts costs \$2.81.

Add to this the cost of labor, carrying on a business and interest on investment, and the American producer finds that he can not sell a case of 50 quarts, even in large quantities, for less than \$5.50, and even at that figure must have a large business to enable him to purchase his material in large quantities and at low prices. Against these figures European waters are freely offered, in the same quantities, same bottles, corks, mats, cases, and identically the same in every item, for from \$3 to \$4 on the sea-board, and as low as \$3.50 as far west as Chicago. Is competition with such fig-

ures possible? They are lower than the first cost of the same package when finished and freighted to the cities by American springs and almost as low as the cost of the raw material used in their preparation.

It may be stated with truth that there is one European company which does not undersell the American product, but the fact that it holds its price up simply increases its profits, to such an extent that it is enabled to spend many thousands of dollars annually in advertising its goods, while the American producer, selling at the same prices, can with difficulty keep from bankruptcy.

It may also be argued that no duties should be placed upon an article which is used as a medicine or remedial agent, and in answer to this we would state that the day is past when mineral waters are looked upon entirely as medicines, except in rare instances. Fully 95 per cent. of all mineral waters consumed in this country are used as a luxury and a beverage, and are sold by cafés, hotels, restaurants, liquor stores, and groceries. Not 5 per cent. of the bottled water used passes through the hands of druggists.

It is, therefore, plain that bottled waters must be classed as more of a luxury than a medicine. Wines and liquors are used as medicines, but they are taxed as luxuries. A protective tariff on waters will not raise their price to the consumer materially, but will tend to increase the business of American springs.

A monopoly or trust in mineral waters is impossible. This is apparent when the number of springs in this country is considered. A large number of competitors in all classes of waters, and the enormous room for further development, will always have the effect of making competition sharp and of keeping prices as low as sound business will allow.

In conclusion, we would state that unless a protective tariff be placed on all waters coming into this country the business of developing American springs will become so unprofitable that it will be practically abandoned. Many resorts will be compelled to close their doors, and an industry so important to the health and welfare of the nation will be entirely given over to foreigners.

To avoid this and to protect a business in which we have spent millions of dollars and many years of unprofitable work, we again ask that a specific duty, as outlined in our beginning, be placed on all foreign mineral waters.

STATEMENT OF A. M. JONES.

Mr. A. M. JONES, of Waukesha, Wis., president of the American Natural Mineral Water Association, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I believe I have only one point which I wish to make. As president of the association I should say that there are from thirty-five to forty of the main springs of the country in this organization. We want you gentlemen to look into this matter carefully, and if you can give us a duty we want you to give us a specific duty. As you see by looking at the present duty it is a mere cat's-paw. That is very plain, and you can have no doubt about that. The spring which I represent, and which I have for four or five years, had a trade of from 4,000 to 5,000 barrels, and we found the dealers to whom we sold the water in barrels, never got out, but they always fill with something. The result is that the only protection that the consumer can get is to buy water bottled at the springs, and we want protection enough to allow us to bottle our waters there. I have been detained at home by sickness for a few days, or we would have appeared before this committee before. We now come before this committee asking that you make the duty specific.

Less than 1 per cent. of all the mineral water that comes into this country comes in under any other head than natural mineral waters; and as it has been well stated this morning, and as I would state to the committee again, it is impossible unless you have the laws of nature suspended, to have any mineral water carbonated naturally. You can not attach a pipe to a rock or to the ground, as it will force it out the other way, and no mineral water can be carbonated naturally that has a pressure of 40 to 50 pounds to the square inch. I believe there is not a State represented on this committee or by a member of Congress that has not natural mineral waters. Take the Apollinaris Company, which do not sell anywhere a car-load for less than \$6 a case. In this Treasury Department decision they swore that their bottles cost them \$2.16 a gross, and on that they were only paying 60 cents duty.

Mr. McKENNA. What do you mean by carbonated water?

Mr. JONES. Table water—that is effervescent.

Mr. McKENNA. What treatment is it subjected to?

Mr. JONES. Carbonic-acid gas is put in it.

Mr. McKENNA. Are any great mineral springs of this country which have a great deal of carbonic-acid gas, which gas is got from retorts and used artificially?

Mr. JONES. Possibly. I think they must use a hood.

Mr. CARLISLE. Do you mean to say that all the bottled mineral water is treated artificially with gas before it is put on the table?

Mr. JONES. I mean to say you can not bottle water at the spring without losing a lot of gas in the bottling. You might get a little gas, but a great deal of it would be lost. To bottle a highly effervescent water you must force into it more carbonic-acid gas than it holds in its natural condition in the earth; but this gas may be obtained from the water that flows to waste from the spring or it may be manufactured, but in either case it must be forced into the bottled water in excess of its natural condition.

Mr. CARLISLE. Take the Blue Lick water of Kentucky. I presume that is a water with which you are familiar. That is bottled now right at the spring. Do you think it is treated artificially?

Mr. JONES. That is not an effervescent water.

Mr. FLOWER. Is the Congress water of Saratoga bottled that way?

Mr. JONES. Yes, sir. There is no doubt that there is a great deal of water all over this country which can be bottled if you will put a specific duty on mineral waters, whatever it may be in your judgment—2 or 4 cents. If you give us protection let it be specific, so that we will not be continually subjected to decisions of the Treasury Department.

I thank you, gentlemen, for your attention.

CORKS.

STATEMENT OF MR. JOHN ROBINSON.

Mr. JOHN ROBINSON, of New York, addressed the committee. He said:

Mr. Chairman and gentlemen, I am here in the interest of the cork manufacturers of the United States. We desire a change from an ad valorem to a specific duty. We have been looking to get this change for the last six years, but unfortunately we have been unable to get it. The records of your committee will show that in 1883 the Committee on Ways and Means recommended to the House a specific duty of 25 cents a pound, but unfortunately that recommendation was not carried out. We now request that the present ad valorem rate of duty on corks, 25 per cent., be changed to the specific rate of 20 cents a pound. This proposed specific rate is, as nearly as possible, the equivalent of the present ad valorem rate on the class of goods usually imported into this country. We request that the present tariff be changed as follows: Substitute for paragraph 422 of the act of March 3, 1883, the following: "Cork and cork-bark, manufactured, including cork squares, 20 cents per pound." Also to substitute for paragraph 683 of that act the following: "Cork-wood or cork-bark, unmanufactured, free." Our reasons for advocating this change are the following:

(1) The impossibility of correctly appraising the true foreign value of manufactured corks in almost any of the United States ports of entry has led to a gross and systematic undervaluation of these goods on the part of the foreign importing houses, to the extent that, if continued, the American manufacturers and the honest importing houses will be entirely unable to compete and will be driven out of the business in respect to many kinds of these goods.

This statement will be fully confirmed by the report of the special agent of the Treasury Department at the port of New York, who has thoroughly investigated the matter during the past year, and who, we are informed, has submitted the results of the investigation to the Treasury Department at Washington. I understood that that report of the special agent would be handed to the committee.

The CHAIRMAN. I have the report here, and it will be printed in connection with your statement.

Mr. ROBINSON. We desire that cork squares, which have heretofore been admitted free of duty as cork-wood or cork-bark unmanufactured, be included with the manufactured corks at 20 cents per pound, for the reason that these squares have already been subjected to as much as two out of the three necessary operations required to produce a finished work. The raw material, in its commercial state, is in slabs as it comes from the tree and flattened out. The first operation is to cut it into lengths of this style [exhibiting specimens]. The second operation is to cut these lengths into small squares like this [exhibiting], and the third and last operation is simply to round it like this [showing another specimen]. Cork squares, therefore, in the opinion of all the manufacturers and of many of the importers, ought to be included in the dutiable goods, because they have already undergone two-thirds of the operation of manufacturing. Some of the Spanish houses are importing these squares partially rounded and with the corners taken off. So you will see that two out of the three operations are already performed, and yet these goods come in now free of duty.

The undervaluations above referred to were first called to the attention of the custom-house at New York, and there the matter was fully investigated by the special agent. Such investigation demonstrated the fact that invoices were generally undervalued from 20 to 50 per cent.

When the said importing houses became aware that their importations were being scrutinized by the authorities at New York, they sought to evade detection by shipping their goods through to interior ports, such as Chicago, Milwaukee, St. Louis, Cincinnati, and New Orleans, where the risk of detection was less. These shipments, followed up by the special agent of the Treasury at New York, were found to be undervalued to even a greater extent than at New York.

I desire to state one other consideration, and that is that it is simply impossible in any port outside of New York to get appraisers competent to judge of the foreign value of these goods. The special agent of the Treasury had samples brought from New Orleans to New York to be appraised. The same could be said of Chicago, and in one instance of Cincinnati. The collectors asked for appraisement by men who knew nothing of the foreign value of corks, and the Cincinnati goods varied 50 per cent. below the actual value.

We are fully convinced that the only protection against fraud of this character is to be found in the adoption of a specific rate of duty, and in this opinion we are sustained by experts and by the report of the special agent of the Treasury at the port of New York, to which we respectfully refer you.

A duty of 25 per cent. ad valorem, or its equivalent of 20 cents per pound specific, we do not consider protective, and is certainly not prohibitive; it admits of the importation of many kinds of foreign cork in competition with domestic.

Mr. FLOWER. Where are those imported corks produced?

Mr. ROBINSON. They are produced principally in Portugal and Spain.

Mr. FLOWER. Where are our corks made?

Mr. ROBINSON. In New York, Brooklyn, Lancaster, and St. Louis.

Mr. FLOWER. Are we raising any cork in this country?

Mr. ROBINSON. No, sir.

Mr. FLOWER. I saw a good many cork trees in California when I was there last year.

Mr. ROBINSON. Yes, but they have not come to production. They require at least twenty years to get thickness of bark. The bark has to grow eight or ten years before it is stripped, and that first bark has no value for cork making.

Mr. McMILLIN. What rate of duty do you desire?

Mr. ROBINSON. We have asked a specific duty of 20 cents a pound, which is equivalent to the present rate of 25 per cent. ad valorem.

Mr. McMILLIN. Then you advocate a change from an ad valorem to a specific rate?

Mr. ROBINSON. Yes, sir. The American manufacturer formerly enjoyed some protection on account of the use of improved machinery for the cutting of certain classes of corks, but of late American machinery has been introduced extensively abroad, which, coupled with cheap European labor, makes foreign competition keener than ever before.

It is evident that the proposed duty would show an increase over the present duty on corks of low grades, but we can safely state that not 3 per cent. of the total importations are of this kind. For this reason the increase in duty on these corks, should not be seriously considered as an objection to the adoption of a specific duty.

The following report from the Treasury Department was presented by the chairman and ordered to be printed in the record:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, D. C., January 10, 1890.

SIR: I inclose herewith copy of a report dated the 7th instant, and of its inclosures, from special agent, Ira Ayer, of this Department, in relation to the undervaluation of corks, and suggesting the substitution of specific for the present ad valorem rates thereon.

Respectfully, yours,

GEO. E. BATCHELLER,
Acting Secretary.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
402 Washington street, New York City. January 7, 1890.

SIR: In connection with my duties as agent in charge at this port, it became necessary during the past year to look into the invoice value of corks imported at New York, and at several of the interior ports under immediate transportation bond, notably at Chicago, Milwaukee, St. Louis, and New Orleans.

Investigation shows that corks were being largely undervalued, particularly at this port, and at Milwaukee, Chicago, and New Orleans, and a strong effort was made to secure advances on these importations, with varied success. An importation at New Orleans was advanced on information furnished by me, from 25 to nearly 100 per cent. on some lines, and the advance was largely sustained on re-appraisalment.

At this port it was generally understood that the practice existed on the part of shippers of corks in the vicinity of Barcelona, Spain, of making out two sets of invoices, one for customs purposes, and one for the purchaser, the difference in prices being 25 per cent. or thereabout. This was practically admitted by certain importers, and frequent advances were made.

The difficulty in securing correct values has grown out of the fact that there are but few who are competent to pass upon these goods. At this port we were fortunate in having some importers and manufacturers who were well posted, and who rendered

valuable assistance to the Government in this direction. In view of the difficulties mentioned, it became apparent that some mode of collecting duties on corks other than that upon an ad valorem basis was desirable, and after much careful consideration a schedule showing the comparative working of the present 25 per cent. ad valorem duty and a proposed specific duty of 20 cents per pound was prepared (Exhibit A, inclosed). By an inspection of this schedule it will be seen that the corks which are principally imported have been divided into six classes, and that with the exception of brewers' corks the duty of 20 cents per pound, as proposed, would be practically the same as the present ad valorem rate on a just valuation of the goods.

On brewers' corks it is stated that an increased rate is necessary in order to protect properly domestic manufactures.

From my experience here in the matter of under-valuations I fully concur in the views held by these gentlemen as to the desirability of a specific rather than an ad valorem rate of duty upon corks, and beg in closing to commend the subject to the careful attention of the Department.

I am informed that parties interested have a hearing before the Committee of Ways and Means of the House on Friday, the 10th instant, and the Department will determine as to the propriety of furnishing the committee with a copy of this report.

I should add that cork squares or blocks are imported to some extent, and as they are in great part manufactured they should, in my opinion, pay the same duty as corks.

In order that there may be no misapprehension as to the purport and intent of the foregoing, I submit below substitutes for the present provisions of law pertaining to cork importations, which it is believed will fairly meet the case:

"Corks, and cork bark, manufactured, including cork squares, 20 cents per pound."

Paragraph 683, act March 3, 1883, to remain as it now is, viz:

"Cork wood, or cork bark, unmanufactured, free."

Respectfully submitted.

IRA AYER, Jr.,
Special Agent.

Hon. WILLIAM WINDOM,
Secretary of the Treasury.

Colonel AYER,

Special Agent, U. S. Treasury, New York Custom-House:

DEAR SIR: We beg to call your attention to the attached tabulated statement showing the comparative workings of the present 25 per cent. ad valorem duty, and a proposed specific duty of 20 cents per pound on importations of foreign corks. Our principal reason in bringing this matter before you and asking for a change to a specific duty is to protect ourselves against the unscrupulous under-valuations existing under the present tariff. Owing to this class of competition the business of cork-making in this country has been rendered very unsatisfactory, and if no means are devised to put a stop to it its very existence is threatened. The difficulty of finding persons competent to appraise corks makes it a very easy matter for a dishonest importer to evade the present duty.

In class 1, the duty on superfine wine corks, calculated on a basis of a specific duty of 20 cents per pound, shows a slight decrease over the present duty of 25 cents ad valorem.

In class 2 the duty on second quality wine corks or those corks, in general use for bottling beer for export, ginger-ale, Bass-ale, aerated waters, and kindred uses, remains practically the same. We think we can safely state that 60 to 70 per cent. of the importations of foreign corks come under this class.

Class 3. While the proposed duty on this class shows some increase over the present ad valorem duty, the difference does not warrant, in our opinion, the adoption of a special rate of duty for this class. Such action would certainly give rise to indefinable trouble at the custom-house.

In class 4 the duty on brewers' corks shows a slight increase, which is absolutely needed by the American manufacturers, as their business in this branch has been almost completely ruined during the past two years by importations of Spanish and other foreign corks at prices far less than the absolute cost of production of the same classes in this country. The importers of cork wood, of whom there are several in New York and Philadelphia, can vouch for this statement, as their sales of thick cork wood for the manufacture of brewers' corks has fallen off almost entirely.

Class 5. Champagne corks are not manufactured to any extent in this country, and for this reason the large decrease in the existing duty does not naturally affect the home manufacturer.

Class 6. The proposed duty does not change to any extent the present duty on this class.

Size.	Length.	Cost of Spanish corks in New York.		Cost of manufacturing in United States.
		25 per cent. ad valorem.	20 cents per pound specific.	
Class 1. Superfine wine corks:				
Pints.....	1½	93-75	93-26	96-75
Quarts.....	1½	102-50	101-38	106-00
Class 2. Second quality wine corks:				
Pints.....	1½	63-75	69-00	72-00
Quarts.....	1½	71-25	77-40	77-50
Pints.....	1½	55-00	59-31	56-38
Quarts.....	1½	60-00	65-45	63-75
Pints.....	1½	42-08	47-16	43-75
Quarts.....	1½	50-75	55-10	51-50
Class 3. Soda-water corks:				
Pints.....	1½	48-75	57-58	50-00
Quarts.....	1½	58-75	67-90	56-00
Pints.....	1½	42-50	50-30	44-00
Quarts.....	1½	46-25	54-40	48-62
Class 4. Brewers' corks:				
16.....	1½	61-87	82-50	78-00
18.....	1½	67-02	92-62	98-00
18.....	1½	82-50	109-00	104-00
20.....	1½	82-50	110-00	107-06
Class 6. Druggists' corks, Bremen:				
1.....		11-35	10-50	12-00
2.....		13-50	13-28	13-00
3.....		15-87	15-40	15-00
4.....		19-25	19-30	18-50
6.....		25-71	25-83	26-56
7.....		31-69	31-60	31-00
8.....		38-75	39-00	38-00
9.....		51-75	51-48	45-00
Class 5. Champagne corks:*				
Best.....		725-00	627-00	.....
Seconds.....		428-00	389-40	.....
Tirage.....		239-00	238-20	.....

* Not manufactured in this country.

VIEWS OF CORK MANUFACTURERS.

GENTLEMEN: The undersigned are appointed a committee on behalf of all the cork manufacturers of the United States, to appear before your committee and request that the present ad valorem rate of duty on corks, namely, 25 per cent., be changed to a specific rate of duty, namely, 20 cents per pound.

This proposed specific rate is, as nearly as possible, the equivalent of the present ad valorem rate of 25 per cent. on the class of goods usually imported into this country.

We request that the present tariff be changed as follows: Substitute for paragraph 422, act of March 3, 1883, "Cork and cork bark, manufactured, including cork squares, 20 cents per pound." Substitute for paragraph 683, act of March 3, 1883, "Cork wood or cork bark, manufactured, free."

Our reasons for advocating this change are the following:

(1) The impossibility of correctly appraising the true foreign value of manufactured corks in almost any of the United States ports of entry has led to a gross and systematic undervaluation of these goods on the part of the foreign importing houses to the extent that, if continued, the American manufacturers and the honest importing houses will be entirely unable to compete and will be driven out of the business in respect to many kinds of these goods.

This statement will be fully confirmed by the report of the special agent of the Treasury Department at the port of New York, who has thoroughly investigated the matter during the past year, and who, we are informed, has submitted the result of such investigation to the Treasury Department at Washington.

(2) We desire that cork squares, which have heretofore been admitted free of duty, as cork wood or cork bark, unmanufactured, be included with the manufactured cork at 20 cents per pound, for the reason that these squares have already been sub-

jected to as much as two out of the three necessary operations required to produce a finished cork.

The undervaluations above referred to were first called to the attention of the custom house at New York, and there the matter was fully investigated by the special agent. Such investigation demonstrated the fact that invoices were generally undervalued from 20 to 50 per cent.

When the said importing houses became aware that their importations were being scrutinized by the authorities at New York they sought to evade detection by shipping their goods through to interior ports, such as Chicago, Milwaukee, St. Louis, Cincinnati, and New Orleans, where the risk of detection was less. These shipments, followed up by the special agent of the Treasury at New York, were found to be undervalued to even a greater extent than at New York.

We are fully convinced that the only protection against fraud of this character is to be found in the adoption of a specific rate of duty, and in this opinion we are sustained by experts and by the report of the special agent of the Treasury at the port of New York, to which we respectfully refer you.

A duty of 25 per cent. ad valorem, or its equivalent of 20 cents per pound specific, we do not consider protective, and is certainly not prohibitive; it admits of the importation of many kinds of foreign corks in competition with domestic.

If your committee desire, we are prepared to furnish you with any further information in regard to the subject of the petition.

Respectfully,

JOHN ROBINSON,
45 Murray Street, New York,
*Chairman of a committee representing the cork
manufacturers of the United States.*

THE COMMITTEE ON WAYS AND MEANS.

VIEWS OF A. DAUSSA & CO.

NEW YORK, February, 1890.

The Ways and Means Committee:

The undersigned, American citizens and importers of hand-made corks, have seen in the newspapers that Mr. John Robinson, representing the machine-made cork manufacturers, has presented a petition to you, asking to increase the duty on imported corks from 25 per cent. ad valorem to 20 cents per pound.

We do not know the arguments presented by Mr. John Robinson in support of his claims, but no matter what they are, allow us to say and to prove that it would be the greatest injustice ever done on any kind of imported goods.

How could it possibly be just that inferior corks, worth only 25 or 40 cents per gross, should pay the same duty, 20 cents per pound, as finer and superior corks, which are worth here 70 cents, 90 cents, and \$1 per gross?

The inferior corks, called *Segundus* and *Terceras*, weigh a great deal more than fines and superfines, and therefore, paying according to weight, the result would be that the most inferior class of goods would pay the highest duty.

At 25 per cent. ad valorem, a bale of 150 gross of corks costs from \$8 to \$12. At 20 cents per pound the same bale would cost from \$25 to \$35. It is to pay 200 per cent. more, or three times as much, which is enormous.

It will drive out of business all the importers of corks of the city of New York, Chicago, Boston, Milwaukee, San Francisco, and New Orleans; and it will close materially our market to all kinds of foreign corks, for the simple reason that the consumers could not afford to pay the high price the increase of duty would give to them.

And without imported hand-made corks in the market, the bottlers would be forced to use only machine-made corks, against their will and interest, and compelled to pay for them the price the monopolists will be pleased to impose upon them.

The corks being sold at higher rate will materially increase the price of bottled beer. Then the European and Canadian breweries, that can afford to sell cheaper on account of lower wages or lower duty, will flood our market, as well as that of South America, where we ship to a great amount, with enormous quantities of foreign beer, causing the ruin of many of our prosperous breweries and bottlers that could not compete with their prices.

Our country needs corks—plenty of corks—good and cheap, and it is a well-known fact that all the leading breweries, mineral waters and wine dealers, give their preference to the imported hand-made corks, which, made by a different process and being better selected, keep their goods in better condition than machine-made corks, not only for local use, but principally for shipping or export.

To close our market to the imported hand-made corks will not give any protection to our domestic industries, but will simply put a great monopoly into the hands

of three or four big manufacturers, who do not employ altogether more than eight or ten hundred working people, mostly women and children, on a very small salary, and which, without any solid reason, will enjoy the exclusive privilege of making and selling all corks consumed in the country, against the interest of the public treasury, against the interest of the importers, against the necessity of thousands and thousands of bottlers, and against the will of the American people, who want to have in the market good goods, and as cheap as possible. This can not be obtained without competition.

And what benefit do the people and the Government of the United States derive from those few machine cork manufacturers who pretend to kill the importation of hand-made corks? The American people nothing; the Government not one cent. They import every year into this country cork wood to the value of about one million of dollars or more, and the tariff gives them the privilege of entering their goods free of duty.

Even the Governments of Spain and Portugal, notwithstanding the fact that corks from those countries pay here 25 per cent. ad valorem, allow them to buy and export the cork wood without paying any export duty.

We, the importers of different cities of the Union, bring into the country annually hand-made corks to the value of about \$400,000, of which \$100,000 go for duty into the public treasury.

We give to the leading breweries, to the mineral water and wine dealers, the kind of corks they want and need to protect their goods, and at the same time establish an honest competition for the benefit of all.

Therefore, if any change should be made in the matter of duty on corks, it should not be higher for the convenience of four or six individuals, but rather lower for the benefit of all the American people.

We hope, Mr. Chairman and gentlemen of the committee, that you will take into consideration our arguments herein presented to you against the increase of duty on imported corks, and respectfully request that our petition be made a part of the printed record of the hearings before you.

A. DAUSSE & Co.,
135 and 137 Maiden Lane.

VIEWS OF A. STEPLANI & CO.

NEW YORK, February 12, 1890.

GENTLEMEN: As we understand that there is a proposed change in duties on corks, before your honorable committee, we desire to submit a few words in explanation of the true position of the cork business in the United States. Cork wood from which corks are cut is imported free of duty, therefore the cork manufacturers here have already the raw material free.

The present duty on corks is 25 per cent. ad valorem. The great objection to the ad valorem system, that "unscrupulous parties bring goods into this country on fraudulent invoices by undervaluation," is no more true of cork importing than of any other importation of any article where ad valorem duties exist; this is, has been, and always will be the great objection to ad valorem duties.

The cork manufacturers in the United States have ample protection now. Their present proposition to have 20 cents per pound duties on imported corks is almost prohibitory on some grades and entirely prohibitory on others, and if passed would give a monopoly to a few (say one or two large manufacturers), who would soon absorb the smaller manufacturers and then have an entire control. They already have entire control of all corks used by druggists, which includes all vial corks, all patent-medicine corks, also on all taper corks, and the only corks imported are for wines, beer, and soda water; therefore they control most all the business already, and if their proposed tariff of 20 cents per pound is passed will control all.

Please notice the present duties and compare with their proposed new duty:

On corks for the better kinds of beer the present duties are from 12½ to 14 cents per gross; the new duty would be 18½ to 19 cents per gross; or the enormous advance of about 40 per cent.

When you consider that each bale contains 150 gross it makes an increase of about \$2.50 on every bale. This is simply prohibitory.

On the next lower grade, of which the consumption is enormous, the difference is as follows: Present duty, 9½ cents; proposed new duty, 17½ cents, or almost 100 per cent.

On soda-water corks of one size now most successfully competed with by the American cork manufacturers who already supply almost three-fourths of this kind of corks, the present duty is 7 to 7½ cents per gross; the proposed new duty, 15 cents per gross, or over 150 per cent. advance. And so on through the entire list.

Surely your honorable committee will give consideration to the above and not pass

a law wholly to benefit a few already wealthy manufacturers, to the great detriment of the entire and large beer brewing and bottling interests of this country.

By careful comparison with the present duties we submit to your honorable committee that 10 cents per pound would be the very highest tariff that corks can stand, and even at this price the lower grades will have to bear from 50 to 75 per cent. advance.

As representatives of the cork importers of this country, we respectfully ask a hearing, and have submitted the actual true state of the cork importing business.

While a protective tariff is always desirable, a prohibitory tariff is not, we believe, what your honorable committee approve of, and certainly not if besides being most detrimental to the interests of a most important industry of our own country, is calculated to strike a blow at the industry of a friendly nation.

Trusting your honorable committee will give this communication your earnest attention, we are,

Most respectfully, yours,

A. STEPLANI & Co.,
Nos. 136 and 138 Cedar Street, New York.

THE COMMITTEE ON WAYS AND MEANS.

VIEWS OF O. H. CROMWELL.

Hon. JOHN SANFORD, M. C.:

Having learned that the manufacturers of machine-cut corks are laboring to procure the passage of an act whereby the duty on imported corks is raised from 20 per cent. ad valorem to 20 cents per pound, irrespective of quality, I offer the following for your consideration:

(1) Corks made in this country are made, of necessity, of imported cork wood. Duty on corks is, in a very limited sense, protection to American industry.

(2) The making of a cork requires some intelligence, to make the best cork out of a given piece of wood. But the machine can exercise no intelligence, turning out many times a poorer cork than an intelligent hand-cutter would have made out of the same piece of wood.

(3) And most important. In order to cut corks with a machine, the cork wood must be steamed or put into hot water. This has the same effect as steeping tea in hot water. The strength is taken from it, and when used it has not enough life left in it to keep it expanded, but it inevitably shrinks, in time, and allows the gases to escape.

I most respectfully enter protest against the change of tariff by adding to it. By reason of the fact that foreign mineral waters are admitted duty free, the mineral-water business has greatly suffered in the past. The change from 20 per cent. ad valorem to 20 cents per pound will add 100 per cent. to the price of all corks, a burden that will fall heavily on the consumer of American mineral water, and must result in curtailing the amount used, as the price will put it in the reach of the few only, to the end that a few may be able to obtain a larger price for a poorer article of corks.

The writer has had an experience of over forty years in the use of corks, using hundreds of gross of machine-cut corks, and knows what is here affirmed to be true.

Hoping you will see the way clear to use your influence against any addition to the duty, but to abolish it altogether,

I remain, very truly yours,

O. H. CROMWELL,
Superintendent Empire Spring Company.

FRUITS.

STATEMENT OF HENRY T. WILLS.

Mr. HENRY T. WILLS, of New York, representing the Foreign Fruit Exchange, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I have been sent here to represent the Foreign Fruit Exchange of the City of New York, and particularly of the Eastern States of this country, to put before you what we claim are certain incongruities in the present schedules of the tariff which we think are interfering, and very seriously, with our business. We ask in many instances a reduction instead of an increase of duties, and we ask in many instances a specific rate where ad valorem duties now exist. We do a business in this country the volume of which I hardly think is generally known. The dutiable value of imports of foreign fruits into America is between \$15,000,000 and \$16,000,000 per annum. We paid for the fiscal year ending June 20, 1888, about \$4,500,000.

The CHAIRMAN. What is the character of the fruit?

Mr. WILLS. Raisins, prunes, figs, dates, oranges, lemons, etc.

The CHAIRMAN. These are the chief ones?

Mr. WILLS. These which are mentioned are the principal ones. The business is fraught with a great deal of risk, as necessarily the fruit is largely perishable. We bring it into New York and very often the cargoes are 50, 60, and 70 per cent. damaged. Under the present ruling in regard to damaging allowance, we can get nothing from the United States Government as a return for the duties paid on worthless stuff. Under the present bill, which I believe you gentlemen propose to have go before Congress this year, the duty is to be replaced on charges, which means in a case of oranges the packing, the labor, and expense.

Mr. FLOWER. Let me ask you, do these oranges you import come in competition with the Florida oranges at the same time of the year?

Mr. WILLS. We have prepared a statement in our memorial setting forth that they do not come in competition with them at all.

Mr. FLOWER. They do not come in the same season?

Mr. WILLS. They come in entirely different months. The duty which we pay at present we pay on the first cost of the fruit. The cost of oranges in Spain is about \$1.20 per case, on which we pay 20 per cent. ad valorem.

Mr. BAYNE. How much on the case?

Mr. WILLS. \$1.20. The cost of packing the case and getting them to the shipping port will be very close to 6 pesetas, so if we pay duty on charges we will have to pay practically 40 per cent. duty on the original case of oranges. Then, too, we run the risk of a total loss on the voyage of the importation, so that we can see very little chance of getting anything back.

The CHAIRMAN. How are they packed?

Mr. WILLS. In papers; that is, each orange is carefully removed from the trees without being bruised and a sort of medicated paper is wrapped around it. It is done in Spanish or Italian packing-houses by women.

The CHAIRMAN. What is the outside package?

Mr. WILLS. A wooden crate.

Mr. FLOWER. How about lemons. Do foreign lemons come in competition with our lemons?

Mr. WILLS. Lemons are raised in this country to a very small extent, so small that we really can not find any figures for them. There are no statistics which really cover the production of lemons in this country.

Mr. FLOWER. How about almonds, Brazil nuts, and filberts? Are they raised in this country?

Mr. WILLS. Filberts are not raised in this country to any extent. Brazil nuts and walnuts are to a small extent. The so-called English walnut is a misnomer.

Mr. GEAR. They come from the Mediterranean.

Mr. WILLS. There is a walnut raised in England which is simply a nut like a shell-bark. This so-called English walnut comes from Naples and all along the shore of the Mediterranean.

Mr. FLOWER. Do we raise figs?

Mr. WILLS. Not of the same character.

Mr. FLOWER. Dates?

Mr. WILLS. Dates are not raised in this country. Prunes are raised in California.

Mr. FLOWER. And also raisins.

Mr. WILLS. Yes, sir.

Mr. FLOWER. Raisins would come in competition with the crop raised in this country, would not they?

Mr. WILLS. If you gentlemen will allow me to read a part of the memorial, it covers all these points.

The CHAIRMAN. I think that ought to be printed in the record.

Mr. WILLS. Yes, sir. In the mean time if you wish to ask me any questions you can do so. The importations of raisins from Spain are running up to 1,200,000 boxes per annum. It is a character of raisin utterly unlike that of California, and it does not come in competition in any way. It is a special raisin that goes into the consumption of the masses—miners and people who can only afford a very cheap grade of raisins.

Mr. GEAR. Malagas come in?

Mr. WILLS. Yes, sir, but the Californias have practically wiped them out. The preference of the people seems to be for the native article.

Mr. FLOWER. If the duty was entirely off of raisins it would not conflict with the California grade?

Mr. WILLS. We claim it would not conflict, yet we do not ask it.

Mr. FLOWER. The point I am making is we collect some \$800,000 or \$1,000,000 from raisins?

Mr. WILLS. Just about.

The CHAIRMAN. You say this you import does not come in conflict with the domestic article?

Mr. WILLS. No, sir.

Mr. GEAR. About prunes now, they are imported entirely from the Mediterranean?

Mr. WILLS. They are imported from the interior of Hungary, Servia, and from the Mediterranean. Currants are raised in Greece and are not raised in any other part of the world.

Mr. GEAR. What is the duty on prunes?

Mr. WILLS. One cent per pound.

Mr. FLOWER. How about bananas?

Mr. WILLS. These come from the West Indies. They are a tropical fruit.

Mr. FLOWER. Do they come in free?

Mr. WILLS. I could not tell you that, as it is not in my business.

MEMORIAL OF NEW YORK EXCHANGE.

SIR: In his last message to Congress, his excellency the President of the United States advocated a reduction in the tariff in such directions as would result in relieving certain industries of an unnecessary burden of taxation, and bring the necessities of life within the reach of all the consumers. It is understood that the sentiment of your honorable body is also to this end, and that it is your desire to hear from the various branches of trade in this country and to know what evils now exist, and in what way these may be remedied so as to accomplish the double result of a reduction of the surplus and the removal of unnecessary taxation which is now hampering many branches of commerce.

In presenting this memorial for your respectful consideration we have sought to put our interests concisely before you, to show you to what extent the foreign fruit trade of this country is dependent on wise and judicious legislation to enable it to continue to increase an already large industry which gives employment to a great number of individuals.

It is to the incongruities in the tariff schedules, relating to the importation of foreign fruits into this country, as well as the excessive rates charged, which we particularly desire to call your attention to.

We have deemed it wise to divide our remarks under two heads:

First, the importation of foreign green fruits and classification of duties thereon, with suggestions of changes; and,

Second, the importation of foreign dried fruits, nuts, etc., in like manner.

At the end of the fiscal year, June 30, 1887, we find that the value of foreign fruits (dutiable) imported into the United States was \$15,106,551.08; that the duty paid during this period was \$4,477,535.21 against 1886, \$4,210,078.64. These figures show an increase of duties collected over previous year of \$267,456.57, and a similar increase may be expected this and succeeding years if the present schedule of rates remains the same, provided that the retention of present rates does not prostrate the industry—which we feel sure it would do. The enormous growth of our population is responsible for the increase of the importation of imported fruits, and where they once may

have been a luxury they have become now an absolute necessity to all our people and largely to the working classes and the masses.

We know, on hygienic principles, that the value of fruit is most important; that it is a natural medicine which must, of necessity, keep down our death rate, and has in the past done so.

The classes of people coming to our shores are such as have been accustomed to thrive on fruit, if they have been unable to procure other necessities of life, because it has been put within their reach and has been allowed to enter their countries without the restriction of a duty, in many cases. Green fruit imported into Great Britain and Austria is free of duty; the duty has been reduced in Germany recently. In this country should not our 70,000,000 of people have the same privilege?

In addition to these facts, the importers of foreign fruits run a great risk in their importation, and may be called upon at any time to pay duties on merchandise which has lost its value on the voyage of importation, and if damage allowances are to be repealed and duties again put back on charges, we might as well close our offices, discontinue our steamers and stop our importations, which will then have become fraught with such risks as to lead the boldest to discontinue.

This means the practical closing of our sea-ports in this industry and the ultimate throwing out of employment of fully 300,000 people. An increase of duty, which some of our home industries favor, or a retention of present rates, means all of this and means much more.

We know that it is your policy to protect the home industries, and yet we presume the people of the country *en masse* are to have a first consideration.

The State of Florida (one of the forty-two of the United States) produces a large quantity of oranges, and this production is rapidly increasing, but it must be understood that the harvesting and shipping the bulk of these oranges takes place and is finished in four months in the year—November, December, January, and February. The distribution of foreign oranges does not begin to be of any importance until February. Therefore the Florida producers have a clear market to place their fruit; their realized value is for the fruit on its merit, and no duty on the foreign article can increase or decrease the value of the home production. California, also, is raising oranges, which the population west of the Rocky Mountains is fortunate in obtaining at reasonable prices, but it is no protection to California to place a duty on a foreign article which must cost too high when it reaches the western countries to compete with the native fruit. Therefore we ask, Why is protection necessary? On the contrary, for four months you are protecting two States, while, during the remainder of the year and the spring and summer months when fruit is so necessary, and the greater part of the importation reaches this country, the people are burdened with an unnecessary and useless tax on the foreign article.

The Florida crop of oranges is likely to become such an enormous one that it must seek other outlets, and Great Britain being the larger distributing country in the world, must take this fruit. If we shut our doors to them with an arbitrary tax on what they ship in eight months to us, how long will their gates remain open to us when we wish to throw off our surplus production?

The honorable gentlemen will, therefore, see that in making oranges and lemons free of entry into the United States, we ask only what is just and right. If, however, it is not considered wise to repeal the duties altogether, we have prepared a schedule of specific rates which will be fair and equitable to all.

One or two glaring incongruities still remain in the old schedule which we pray may be remedied. A case of Spanish oranges may be imported into New York and pay a 20 per cent. ad valorem duty amounting to-day to 23 cents per case of 420 oranges, while the Sicily box, containing one-half the quantity of fruit, is obliged to pay a specific duty of 25 cents per box, and the Jamaica oranges in barrels pay a duty equal to 55 cents per barrel of about 300 oranges. The specific rates named in our schedule will remedy this error.

Foreign beans, onions, and potatoes are now paying a 10 per cent. ad valorem duty. This is not in any sense a restrictive duty; it may as well be taken off altogether, for it is only when our domestic crops are a failure that the foreign article comes in, and it appears to us a very fortunate thing that we can rely on a prevention of a famine by this fact, or the possibilities of the manipulations of a short crop by a few speculators, who do the farmers no good and the consumers an immeasurable amount of harm.

An equally if not more important bone of contention is our foreign dried-fruit schedule of duties covering dried fruits and nuts. We are paying duties of hundreds of thousands of dollars on fruits which are necessities, and which are not, nor never can be, raised in this country. We pay duties of 3 cents per pound on some nuts and allow others to enter the country free, neither of which are produced in this country.

We allow certain nuts to come in in the shell at the same rate of duty as those

which are shelled abroad, and it takes 4 pounds of one to make 1 pound of the other, and takes the labor of this single important industry away from thousands.

We have tried to regulate these incongruities also. Where we have asked for the total repeal of the duties it is with the assurance that no protection is required.

In regard to the importation of raisins, the bulk of the raisins imported into this country are from the Mediterranean, of a class not grown in this country, and which interfere in no way with our home production. The raisin corresponding with that produced in California is the Malaga raisin, and the importation of this latter has become very limited, as the preference of the buyer seems to be for the native article.

The Valencia or Denia raisin and the Sultana or Smyrna raisin are the two grades largely used here and are of a quality peculiar to the Mediterranean and unlike any raised in California, and, even in spite of the increase of California raisin production, are yearly more extended in their use.

The former enters largely into the homes of the poorer classes and in the mining regions as a cheaper grade of fruit and more within their reach, and there seems no sound reason why they should pay a tax of 2 cents per pound, or nearly 50 per cent. of the original value, when one-half the present duty, if it be proved that this fruit is a luxury, would appear to be much more just, and certainly would be a sufficient protection to the California producer, 3,000 miles away, who has a large territory west of the Missouri River to provide at a reasonable figure.

A duty on raisins and prunes, the two species of dried fruits raised in California, will protect a handful of growers in that State and prove a burden—a tax—on the 35,000,000 people living east of Cleveland who will be unfortunate to be taxed both ways: (1) by a duty on these necessities imported from Europe, and (2) by the payment of a high rate of freight from the Pacific slope, in addition to a higher price for the California articles, based on the cost of the imported, with the duty added; so that the handful is profiting while the masses are made to pay for it.

We give as an instance of this the ruling prices of California and French prunes the past three months. In the Philadelphia, Boston, and New York markets the California prunes were sold in large quantities and in many cases in preference to the French at $7\frac{1}{2}$ to $7\frac{3}{4}$ cents per pound, not in competition with the French, but entirely on their own merits and popularity. The French prune was imported, and with the duty of 1 cent per pound added, sold in moderate quantities at $6\frac{1}{4}$ to $6\frac{1}{2}$ cents, or nearly 1 cent per pound less than the California fruit. If the French prune had entered free of duty, we hardly think the California fruit would have sold much lower, as it was not the price but the quality which regulated the demand.

The crop, as harvested in California the past year, was about 23,000,000 pounds, while the importation of foreign prunes during 1887-'88 equals nearly 67,000,000 pounds. To check the importation of such a cheap and necessary article of food by increasing a duty or by the retention of a duty, means that at least one-half of the population of this country must pay higher prices than they are accustomed to, in order to put a little more money into the pockets of the Californians.

We have touched on these questions as they are bound to be raised, and we desire the attention of the honorable gentlemen to the exact facts in the case, and that in our suggestions we are representing the voice of the inhabitants of the forty States as against the two.

We wish to refer for a moment to the question of damage allowances, as bearing on these matters. The importation of foreign fruit is fraught with much danger in the shipping and carrying of same, and it often happens that the larger parts of cargoes have been so heated on the voyage of importation that the loss occasioned thereby has been of serious damage to the importer. We have usually been able to recover from the Government a percentage of the duty commensurate with the damage sustained, but this has always been a difficult matter to have properly adjusted and has been open to so many abuses that, while we know it is a necessity for us to recover what is rightly our due, yet we would prefer to see the system suspended, provided that we can either get a repeal altogether, or else obtain such a reduction of duties as would minimize our great risk in handling and importing these articles. This would a vexed question be easily settled.

Referring to the articles which are not produced in this country and which we wish to have placed on the free list:

Currants are produced in Greece and nowhere else; we import yearly perhaps 100,000 barrels, in value about \$1,000,000; duty estimated at \$330,000.

Dates, the bulk of which come from Persia, pay now 1 cent per pound and are not raised in this country.

Figs are practically not raised here; there are a few figs raised in California, but entirely unlike the Smyrna article, of which we import, and with great hazard, about \$750,000 in value, and pay duties of about \$150,000. This article should be put on the free list.

We have already referred to prunes, which we feel should be placed on the free list, or, in any event, that the duty should be no more than one-half cent per pound.

The lower grades are those most imported, and one-half cent per pound would be equal on present values to about 20 per cent. ad valorem, which seems an ample protection.

Citron, lemon, and orange peel now pay a duty of 30 per cent. ad valorem. None of them are raised in this country. We ask that they, also, be placed on the free list.

We, therefore, as a final conclusion of our remarks, desire to place before you the fact that we, the Foreign Fruit Exchange of the City of New York, and representing the leading importers and dealers of the articles referred to, and after careful and mature deliberation of the questions involved, consider that the sense of the organization, as a body, is to urge and pray that the honorable members of the Senate of the United States and the honorable gentlemen composing the Fifty-first Congress will see to it that our prayers are granted, as follows:

That oranges and lemons, and grapes, comprising green fruit, be placed on the free list.

That citron, orange, and lemon peel (candied) be placed on the free list.

That currants, dates, figs, prunes, and plums be placed on the free list, and that the duty on raisins be made 1 cent per pound.

If said request does not meet with your approval, then we beg that duty on green and dried fruits may be made specific, and we ask your consideration of the following schedule:

Green fruit, oranges and lemons, in packages, not exceeding $1\frac{1}{4}$ cubic feet capacity, 8 cents; in packages, exceeding $1\frac{1}{4}$ cubic feet, but not $2\frac{1}{4}$, 15 cents; in packages, exceeding $2\frac{1}{4}$ cubic feet, but not 5, 30 cents; in packages, exceeding 5 cubic feet capacity, 6 cents for every additional cubic foot or fraction thereof, in bulk, \$1.50 per thousand.

Grapes in barrels or boxes of capacity not exceeding $1\frac{1}{4}$ cubic feet, 10 cents per package; exceeding $1\frac{1}{4}$, but not 3 cubic feet, 20 cents per package; in packages of capacity exceeding 3 cubic feet, 5 cents for every additional cubic foot or fraction thereof.

Candied or preserved citron, 2 cents per pound; candied or preserved orange peel, 2 cents per pound; candied or preserved lemon peel, 2 cents per pound.

Currants, dried Zante or otherwise, free; dates, free; figs, free; raisins, 1 cent per pound; prunes and plums, one-half cent per pound; almonds in the shell, 2 cents per pound; almonds, shelled, 5 cents per pound; walnuts in the shell, 1 cent per pound; walnuts, shelled, 4 cents per pound; filberts in the shell, 1 cent per pound; filberts, shelled, 4 cents per pound.

We further ask that the following articles, handled in connection with the fruit trade, and imported by the leading fruit importers and grocers, be scheduled as follows:

Sardelles, in salt (under heading of fish), one-half cent per pound; hemp seed-free; rape seed, free; poppy seed, free; millet seed, free; lentils, free.

Chicory, which is imported and used as an admixture of coffee, principally by foreigners in this country, and now paying a duty of 2 cents per pound, we ask should be placed, as is coffee, on the free list. Other articles not herein specified to remain as already scheduled.

And, trusting to have your serious consideration of our petition, we have the honor to remain,

Your most obedient servants,

DOMINICUS WEGMAN,
President.

JOSEPH L. ARGUIMBAU,
JOHN C. GILES,
JUL. W. ROSENSTINE,
HENRY T. WILLS,

Committee on Trade.

HON. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

JANUARY 11, 1890.

VIEWS OF GEORGE H. EVANS.

SPRINGFIELD, MASS., January 24, 1890.

DEAR SIR: I would respectfully call the attention of your honorable body to the wisdom of further fostering and protecting the orange producing industry by imposing a duty of \$1 per box on the imported fruit.

The present cost of transportation per box from Florida to Boston and New York is about 57 cents, in car-load lots. The average yield of a full bearing grove is about 200 boxes per acre.

The transportation charge per box to New York or Boston from Italy is 25 cents per box, with an import duty of 25 cents per box. This, as you see, aggregates a cost of 7 cents per box, delivered at these points, less for the foreign products, or about \$14 per acre.

Common labor in Florida is \$1 per day; in Italy, 15 to 25 cents per day. Thus 100 acres in Florida cost in labor (striking an average of 20 cents per day)—

Ten men one year, three hundred days	\$3,000
Ten men one year, three hundred days (Italy).....	600

In favor of Italy	2,400
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This makes a difference of \$24 in favor of the Italy producers, and an aggregate difference of about \$38 per acre, including the difference in transportation and labor only. The difference in the cost of everything that enters into the needs of the Florida producer in the development of his grove as well as the subsequent care of it would considerably swell this total. The per cent. of duty on citrus fruit to the average market value is 8 to 10 per cent., that of other agricultural products 16 to 50 per cent.

Yours, respectfully,

GEO. H. EVANS.

THE CHAIRMAN WAYS AND MEANS COMMITTEE.

ORANGES IN FLORIDA.

POMONA, PUTNAM COUNTY, FLA., *January 1, 1890.*

To the Orange growers of Florida:

As I write, on the first day of the year 1890, 10,000 orange-growers in this State are holding their fruit upon the trees at imminent risk of its utter destruction by frost. Why? To keep up the market price for several cargoes of foreign oranges.

If there is a single grower who is in doubt as to the desirableness and importance of better protection from foreign competition (which we question), what need have we for further or more forcible argument than this?

California, Louisiana, and Florida are now prepared to supply the entire present demand of the country for oranges and to keep up with that demand as it expands from year to year; indeed, we are fortunate if we do not find it necessary to force the demand to make markets for the rapidly increasing product of our groves. We are confronted at the outset with foreign competitors who can lay down their product in our markets for less money than we can. Our fruit is in the hands of thousands of growers—American citizens. The foreign fruit is owned by a few alien capitalists who control the market by money power and crowd us to the wall every time. Naturally, brokers and dealers side with those who control, and Florida is allowed to come in after the foreign fruit is well sold.

We do not ask consumers to pay more for their oranges, but do ask them to pay us, not aliens and foreigners, the money they spend for this luxury. All will be quite well satisfied with the present prices that are now sent out of the country to enrich foreign countries to the detriment and loss of our own fellow citizens.

Whatever may be our individual ideas upon theories of taxation, we are living under a system of protection and are not getting our due proportion of the benefits conferred. We are suffering serious loss by reason of this discrimination, and it is high time we asserted our rights in the matter.

Let us strike at once. Strong petitions have gone up from other orange sections of the country, and the Congressmen from California and Louisiana are making every effort to accomplish the end sought. The probabilities are that an earnest and united effort on the part of those whose interests are involved will succeed.

Let the people of Florida, and especially her orange-growers, indorse and emphasize the unanimous expression of her legislators by placing in the hands of their Representatives at Washington, as a weapon to be used in their defense, a petition so long and so weighty (in the character of its signers) that it will force the attention of the law-making powers of the country to our necessity.

J. C. MCKIBBIN,
President Florida Orange-Growers' Union.

VIEWES OF F. S. GOODRICH.

WASHINGTON, D. C., *January 17, 1890.*

SIR: I had desired to appear before your honorable committee to advocate an additional duty upon oranges and citrus fruits generally, but having been taken suddenly ill, I have been obliged to prepare, from what data I had at hand, the inclosed statement, and I beg to urge upon your committee the great necessity for protection to this particular industry of not only our State but that of Louisiana and California. The people of Florida would be well satisfied with the features of the bill that passed the Senate last year, except the amount of duties proposed. We of Florida respectfully ask that, preserving those features, you recommend that the duty be \$1 per box on standard boxes of 2 cubic feet and in that proportion for those shipped in bulk or otherwise. I beg to call your particular attention to the inclosed statement which I have caused to be prepared, not as full as it should be, but I trust sufficiently so to lead you to give us the relief sought.

I have the honor to be, your obedient servant,

FRED S. GOODRICH.

Hon. WILLIAM MCKINLEY,
Chairman Committee on Ways and Means.

NECESSITY FOR PROTECTION.

The recent discussion of the advisability of imposing a higher duty upon oranges has turned public attention to the magnitude of the industry of orange growing in this country, and its importance to the welfare and development of our great sub-tropical region which has made rapid strides during the last twenty years, and has a bright future before it.

No authoritative statistics have been compiled showing the various phases of this industry. A person not having previously canvassed the subject, but being familiar with the business and its conditions, and having at hand such data as is accessible, will, by a little figuring, arrive at conclusions that will astonish him by their magnitude.

Take the State of Florida, for instance, by a comparison of the lists compiled by transportation lines, marketing agencies, newspapers, and gazetteers we find that there are as many as 20,000 persons owning orange groves, probably more than this. At a safe (minimum) estimate these growers have planted 250,000 acres of grove, involving an investment of something over \$100,000,000, and giving employment and support wholly or in part to some 150,000 or more persons.

Last year, season of 1888-'89, the Florida crop aggregated within a few boxes of 2,000,000, representing a gross revenue of \$4,000,000. The present crop promises to reach 2,500,000 boxes; it is a short crop, a fair average crop being at least 4,000,000 boxes.

California sent to market last year 796,409 boxes, and promises to very considerably exceed 1,000,000 boxes this season. Louisiana produces annually something less than 200,000 barrels.

Hon. George R. Fairbanks, in comparing the value of orange culture with the culture of other southern staples, says:

"Corn, cotton, sugar, rice, grazing, all require large areas. Orange growing is the most compact and productive of all agricultural industries. One acre of land devoted to the culture of cotton will produce perhaps \$50 worth of cotton, or \$20 worth of wheat, corn, or other grain. A well-established, mature orange grove can be relied upon to produce an orange crop of the value of \$300 to the acre even at the low price of \$1 per box."

Speaking of the orange crop in its relation to the maintenance of railway lines he says:

"One railway-car will carry the product of 25 acres of cotton, but can only carry the product of a single acre of oranges. A grove whose product is 10,000 boxes of oranges will furnish freight for a train of thirty-three loaded cars. This illustrates the commercial advantage of orange growing in building and sustaining railways. If we estimate the crop of Florida at present at 3,000,000 boxes it requires 10,000 car-loads of 300 boxes to the car to move the crop, and calculating the average freight at 66 cents per box, the crop pays the railways \$2,000,000 for freight alone."

The other industries to which it incidentally contributes are numerous. On this point Major Fairbanks says:

The value of the box stuff used would be \$390,000, the nails \$30,000, the paper for wraps \$120,000, labor in gathering and packing, \$600,000, thus making an output of \$1,140,000 for simply preparing the fruit for market. If to this large sum we add the

cost of cultivation, of fertilizers, of packing houses, teams, tram-roads, and the tools and implements of labor, we can begin to realize the commercial value of this industry even at this incipient stage of growth. When we realize that not more than one-fiftieth of the orange trees in Florida are bearing, we are amazed at the possible and probable future development of this industry."

The receipts of oranges in the whole United States from foreign countries for the last three years has been :

Year.	Boxes.	Cases.
1887	1,620,000	107,000
1888	1,150,000	154,000
1889	1,100,000	180,000

Cases contain 420 oranges and are about equal to 2 boxes each.

Imports entered for consumption.

[Prepared by Bureau of Statistics.]

	Rate of duty.	1888.		
		Quantities.	Values.	Duties.
Lemons :				
Whole boxes of capacity not exceeding 2½ cubic feet box ..	30 cents per box ..	2,137,910.00	\$3,364,460.00	\$641,373.00
Half boxes, of capacity not exceeding 1½ cubic feet box ..	16 cents per box ..	1,721.00	1,495.00	275.36
Packages, not elsewhere specified . m ..	20 per cent.		28,480.03	5,696.01
In bulk do ..	\$2 per thousand ..	1.50	3.50	3.00
Limes	20 per cent.		58,959.85	11,791.97
Oranges :				
Whole boxes of capacity not exceeding 2½ cubic feet box ..	25 cents per box ..	1,107,760.00	1,403,515.00	276,940.00
Half boxes of capacity not exceeding 1½ cubic feet box ..	13 cents per box ..	153,257.00	114,528.00	19,923.41
Barrels of capacity not exceeding that of 196-pound flour-barrel bbls ..	55 cents per barrel ..	164,133.50	355,377.11	90,273.43
Packages not elsewhere specified . m ..	20 per cent.		357,751.63	71,550.33
In bulk do ..	\$1.60 per thousand ..	10,370.28	37,977.60	16,592.41
				475,279.58

	Rate of duty.	1889.		
		Quantities.	Values.	Duties.
Lemons :				
Whole boxes of capacity not exceeding 2½ cubic feet box ..	30 cents per box ..	2,132,754.00	\$3,201,653.00	\$630,826.20
Half boxes of capacity not exceeding 1½ cubic feet box ..	16 cents per box ..	757.00	635.00	121.12
Packages not elsewhere specified . m ..	20 per cent.		21,331.25	4,266.25
In bulk do ..	\$2 per thousand ..	.60	.75	1.20
Limes	20 per cent.		68,446.97	13,689.39
				657,904.16
Oranges :				
Whole boxes of capacity not exceeding 2½ cubic feet box ..	25 cents per box ..	1,026,241.00	1,171,546.00	256,560.25
Half boxes of capacity not exceeding 1½ cubic feet box ..	13 cents per box ..	195,211.50	162,349.00	25,377.58
Barrels of capacity not exceeding that of 196-pound flour-barrel bbl ..	55 cents per barrel ..	113,927.00	251,008.51	62,650.85
Packages not elsewhere specified . m ..	20 per cent.		314,019.89	62,803.98
In bulk do ..	\$1.60 per thousand ..	8,079.90	28,786.51	12,927.89
				420,329.47

MEMORIAL FROM GROWERS

To the honorable Senate and House of Representatives :

Your memorialists, orange growers of the State of Florida, respectfully represent that a very large number of the people of this State are engaged in raising oranges, which has become one of the leading industries of Florida, employing thousands of people. That the principal markets for our fruit are the large cities of the North, where we come in direct competition with imported oranges.

Also, that this industry within the United States, now producing from 3,000,000 to 5,000,000 boxes of oranges annually, and promising very large increase in the immediate future, has been established and built up since the levying of the present duty, which is not only disproportionately small as compared with other industries of like importance, but is entirely inadequate.

We would further represent that owing to the cheap labor of the orange-growing countries abroad, together with low rates of transportation of fruit therefrom, and the low tariff as compared with the wages and freight required to be paid by us, renders it a great hardship upon us and makes it almost impossible to successfully compete with foreign fruit growers.

We therefore respectfully petition your honorable bodies in order to protect an extensive and valuable agricultural industry, and to protect the American laborer from the cheap labor of Europe, that a duty be placed upon the importation of foreign oranges at the rate of \$1 per standard box of 2 cubic feet.

[Here follow numerous signatures.]

JACKSONVILLE, FLA., *February 17, 1890.*

DEAR SIR: In the memorial of the Florida Fruit Exchange and the Florida Orange Growers' Union recently transmitted to you, the point is made that the foreign orange crop is marketed in large quantity at a time when it interferes directly with the marketing of our crop.

In further corroboration of this, and in rebuttal to the claim that the foreign crop is marketed at a time when it does not interfere with the domestic crop, permit us to call your attention to the enormous receipts of foreign oranges at our Atlantic ports for the last fortnight and the consequent ruinous fall in prices. Also note, according to the estimate of the Foreign Fruit Exchange, who are now before you asking reduction in the duty on oranges, that there will arrive during the remainder of this month over 200,000 boxes of Mediterranean fruit, coming in direct competition with us, as we have at least 300,000 boxes left, which must be marketed within the next four weeks. The fact is, this foreign fruit comes mainly in competition with us, and that portion which does not interfere with us strikes Louisiana and California.

Messrs Sgobel & Day, the New York agents of the Florida Fruit Exchange, write under date of February 13: "The market here is in a deplorable condition, principally owing to the mass of Valencia fruit which has been thrown on it during the past eight days." The same condition of things is reported from other eastern markets, and to some extent the West shares the depression.

We are, very truly, yours,

GEO. R. FAIRBANKS,
President Florida Fruit Exchange.

J. C. MCKIBBIN,
President Florida Orange Growers' Union.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Ways and Means Committee, House of Representatives,
Washington, D. C.

· VIEWS OF PAUL POHL, JR.

PHILADELPHIA, *January 28, 1890.*

DEAR SIR: Please excuse the liberty that I take in addressing you, and in as few words as possible I will beg of you to use your influence to have foreign fruits come in paying specific duty at the following rates:

Oranges and [or] lemons, boxes not exceeding $1\frac{1}{2}$ cubic feet, to pay 8 cents; oranges and [or] lemons, boxes not exceeding $2\frac{1}{2}$ cubic feet, to pay 15 cents; oranges and [or] lemons, boxes exceeding $2\frac{1}{2}$ cubic feet but not exceeding 5 cubic feet, 30 cents; Almeria or Malaga grapes, in ordinary half-barrels or kegs, 10 cents; Almeria or Malaga grapes, in ordinary barrels or kegs, 20 cents.

All allowances or refunds of duty because of decay should be abolished. Let the fruit come in at the above rates be they good, bad, or indifferent. I would like to impress you strongly with the fact that Mediterranean fruits do not conflict or interfere with the fruits grown and produced in America. The American crop has been

marketed before our importations arrive, and our importations are over before the new crop of American fruit is ready for the market.

Thanking you in advance for anything that you may be able to do, I am, with much respect,

Your most obedient servant,

PAUL POHL, Jr.

Hon. H. H. BINGHAM,
Washington, D. C.

ADDITIONAL TARIFF ON PRUNES.

SAN JOSÉ, CAL., December 27, 1889.

To the Committee on Ways and Means of the House of Representatives:

At the request of a number of fruit-growers who are producers of prunes, and being myself a producer thereof, I wish on their behalf and on my own to lay before your honorable committee, for its consideration, the following reasons why the tariff on that article should be fixed at 3 cents per pound:

When the rate of 1 cent per pound was fixed on prunes long years ago we raised no prunes whatever, as we did not then raise or now raise any dates. In fact the rate on both articles was fixed in one clause, as follows:

"Dates and prunes: 1 cent per pound." (Revised Statutes, page 478.)

No idea of protection was, or could have been, intended by the small rate then fixed; nor does that rate in fact protect us or foster the industry.

The freight on dried prunes from California to New York is 1.4 cents per pound. The freight from Bordeaux or Trieste is from two-tenths to four-tenths of 1 cent per pound. The one has water and the other has land transportation. The foreign importer can pay the present tariff of 1 cent out of the difference in freight alone, and then have the advantage over us of having not only an established and systematized industry, but immensely cheaper material and labor, very much of which enters into and is required by this industry.

Now a few years ago, when we found we could raise prunes just as good as those we were importing, we found the average importation was about 60,000,000 pounds, and that the prices then were more than double what they are now. Stimulated by this outlook, we planted very largely, and this year we sent out, from this depot alone, nearly 16,000,000 pounds. But we were met with very strong and discouraging competition from Europe, the prices here being less than one-half what they were when we embarked in the enterprise.

I do not say we will be entirely crowded out, even if we do not receive additional protection from our Government; but I certainly believe that unless we do receive it, the industry will be greatly weakened and will have but a sickly and possibly no existence.

If Europe does succeed in competing the industry out of existence, as she is evidently trying to do, will not she again put up the prices to where they were before? If we crowd her out, our own competition among ourselves will keep prices from ever going beyond one-half what they were when we were non-producers.

Put on a tariff of 3 cents per pound, instead of 1 cent, and the entire consumption of this country in that article can be produced by her own people, at not exceeding one-half the price which will be charged by Europe if we give up the industry, besides which all the money will be kept at home, employment will be given to a very great number of our laborers, and encouragement be given to the many citizens engaged in that enterprise.

It will be peculiarly beneficial to our people, for the industry is not carried on by large corporations, but by innumerable, and mostly small, orchardists or farmers, to which fact the honorable Representative from this district will testify from his own knowledge.

With a fair and reasonable protection we would produce and sell at a very moderate profit, and at one-half the price formerly charged us, any amount required for consumption, even up into the hundreds of millions of pounds.

Every prune-producing country has a tariff on prunes. Even England has a tariff on them almost double our own, although she does not produce a pound.

If any industry deserves to be fostered for the benefit of the producer, laborer, material-man, and consumer alike, we believe this to be one. If the tariff laws are to be framed with a view to either a direct or to an incidental protection of our industries, why does not this one fill all the requirements of either view?

While a 3-cent tariff would not exclude the imported article altogether, it would effectually prevent it from ever crowding us to the wall; for that would just about cover the difference in the cost of production and transportation, and we would then enter our own market on an equality with the foreigner. With that we would be content; to that we think we are entitled.

Respectfully submitted,

S. F. LEIB.

OPTICAL GLASSES AND INSTRUMENTS.

STATEMENT OF GEORGE W. WELLS.

Mr. GEORGE W. WELLS, of Southbridge, Mass., treasurer of the American Optical Company, addressed the committee on the subject of the duty on optical instruments. He said:

Mr. Chairman and gentlemen of the committee, we have several subjects to bring before you in relation to spectacles and eyeglasses, and spectacle and eyeglass lenses—goods that affect us all, as we all come to the use of them if we live long enough, and some of us before we are very old. We wish to call your attention to some matters which we as manufacturers are well satisfied with as they stand in the bill of the Senate. But, that there may be no misunderstanding, we wish to call your attention to them to-day. I will first refer to glass. In the bill of the Fiftieth Congress you will find on page 183, lines 2151 to 2153, the following:

“Glass plates or disks, rough-cut or unwrought, for use in the manufacture of optical instruments, spectacles, and eyeglasses, and suitable only for such use.”

This is the same as in the act of 1883, but is more in detail. The Department's decision of November 18, 1889, was that this stock is free of duty.

This is optical stock and is not made in this country. We ask nothing on the free list that is made in this country. We ask nothing for ourselves that we are not willing to grant to others who can make it in this country. It is utterly impossible for us to get a pound of the stock that we use in the manufacturing of these lenses made in this country. We have tried for years to do it. This matter is presented by the American Optical Company, of which I am treasurer, and by the Bausch & Lomb Optical Company.

The next subject that I wish to call attention to is that of red earth. We asked for this before the Senate committee, but for some cause (I think for lack of time) it was not granted.

We ask that “red earth or raddle used for polishing lenses” be put on the free list, as we do not know of its being imported except for polishing lenses. We import it from Rotherham, England; it is dug and shoveled into casks, and reaches us in its crude state, and is then ground and prepared for our use in polishing lenses.

The following is a copy of letter received from the party who furnishes us the material:

“MICKLEBRING, ROTHERHAM, December 16, 1889.

“To the American Optical Company:

“In answer to yours respecting the raddle I sell, my customers are chiefly in Sheffield and Birmingham, England. They are opticians, and I expect it is used for polishing purposes, and I send it to Messrs. Bausch & Lomb, Rochester, opticians. I expect it is used for the same purpose; and also the American Lens Manufacturing Company.

“RICHARD SPENCER.”

We can not procure the material in this country that will do the work, and as the first cost is \$55 per ton, with freight paid to New York, or with the duty paid over \$68 per ton, the high price prevents its being imported for other uses in competition with any home products; and as we can not do without it, the tax we are paying (25 per cent.) is not in the interest of protecting home industries.

In 1884 we paid \$1.50 per ton duty, but since then have been assessed 25 per cent.

In a case before the United States court at New York, in May, 1889, the court decided that this material should be free. The papers are now in the hands of the Treasury Department.

We respectfully ask that this material be so classified as to avoid misunderstanding hereafter, and to save us the high duty we have been compelled to pay in the past.

This is asked by the American Optical Company, of Southbridge, Mass., and by the Bausch & Lomb Optical Company, of Rochester, N. Y.

Mr. FLOWER. What is this red earth?

Mr. WELLS. Red earth, or raddle; it is imported under that name.

Mr. GEAR. It is not used for anything else but the purpose you have mentioned?

Mr. WELLS. No, sir.

Mr. BRECKINRIDGE. Is it so known in the market?

Mr. WELLS. There are only two or three parties in the United States that import it.

Mr. BRECKINRIDGE. Is it produced at all in this country?

Mr. WELLS. No, sir. I think it is classified as ocher earth.

Mr. GEAR. Is it claimed that it comes in conflict with any earth that we produce?

Mr. WELLS. I do not know that it is. We can only find it in this one place in England, and with this one man. As it does not conflict with any home industry we think that it should be free, because the duty on it is just so much tax on this lens industry. The foreign manufacturer of lenses in England or Germany can have his material free, so that he has very much advantage over us.

Mr. BRECKINRIDGE. Is this red earth abundant abroad?

Mr. WELLS. I do not think it is very abundant. If it was we would not have to pay such an enormous price for it. We pay \$55 a ton for it before the duties are paid.

Mr. BRECKINRIDGE. About how much of it would a polisher consume in a day's work?

Mr. WELLS. The quantity would be small. The difference to us would be, perhaps, a dollar a day in our business, and probably the same to Mr. Bausch.

Mr. BRECKINRIDGE. Is your business extensive?

Mr. WELLS. Yes.

Mr. BRECKINRIDGE. What would be the saving to the lens industry of the whole country if this red earth were on the free list?

Mr. WELLS. At the present time I should say \$2 a day, from \$600 to \$1,000 a year.

Mr. BRECKINRIDGE. To the entire country?

Mr. WELLS. Yes. There are only a few manufacturers of lenses in the country. It is a new industry, almost entirely of the last six years. Before that the lenses were nearly all imported. Our factory is capable of an output of 2,000 or 2,500 pairs or lenses per month.

Mr. BRECKINRIDGE. If you were running at your full capacity, what expenditure would this tax amount to?

Mr. WELLS. I should say from \$300 to \$400 a year. We also wish to have the phrase in regard to Brazilian pebbles unwrought changed, so as to read:

"Brazilian pebble, unwrought, or in slabs or disks." They are free now, under the tariff law of 1883, and they are also on the free list in the new Senate bill, but we want the wording changed so as to prevent any misunderstanding in the future in regard to just what the article is.

Mr. BRECKINRIDGE. Are slabs and disks now free?

Mr. WELLS. Yes; here [exhibiting a specimen] is a pebble. It is not glass at all. It is what a pebble lens is cut out of. This [exhibiting another specimen] is a pebble slab cut off a piece like that. Here [exhibiting a third specimen] is another pebble slab; and this [a fourth] is a pebble disk. It has the corners knocked off, and has, therefore, a different designation. It is a disk. We simply want the names so that there will be no misunderstanding in the future. They are free to-day, but we find a great misunderstanding in regard to pebbles. Some say that it ought to be included in a schedule of glass. That is not so; it is not glass at all. It is just as nature made it. The trade name is "Brazilian pebbles," wherever they come from. Here [exhibiting another specimen] is a disk of glass.

I next call the attention of the committee to lenses. In the House report, page 109, lines 323, 324, the clause is as we wish it to stand, viz: "And lenses of glass or pebble, wholly or partly manufactured, 45 per cent. ad valorem," but with the addition of the following words. "On lenses costing \$1.50 per gross pairs, or less, \$1.50 per gross pairs."

Mr. BRECKINRIDGE. What change in the rate is that?

Mr. WELLS. It is a large change in the rate of those low-priced glasses; but we wish to have a specific rate entirely on these glasses.

Mr. BRECKINRIDGE. What would be the ad valorem equivalent?

Mr. WELLS. Really 100 per cent.

Mr. BRECKINRIDGE. But you want it made specific?

Mr. WELLS. Yes; and leave the rest as it is.

Mr. GEAR. Give the reasons.

Mr. WELLS. It is an utter impossibility for us to manufacture these cheap lenses in this country unless we have this protection; these are made from "culls" (pieces of broken glass) in Germany and other European countries. One side of the "culls" is ground, and the other side is left just as blown in the cylinder. It is very detrimental to sight, if used at all; yet it is brought into this country and sold as a good article, and the public is imposed upon. If this duty be imposed on it, lenses will be used that are ground on both sides but that cost a little more money.

Mr. BRECKINRIDGE. Would it keep our people from injuring their sight?

Mr. WELLS. We do not think it would do that.

Mr. BRECKINRIDGE. It would be no restraint but a moral restraint?

Mr. WELLS. I suppose not.

Mr. BRECKINRIDGE. If we were not better than the Germans we would practice the same deception on the trade?

Mr. WELLS. The inference perhaps would be that that is possible, but this protection that we ask would allow these cheap lenses to be made in this country; otherwise they can not be.

Mr. BRECKINRIDGE. There is no guaranty, however, that they would not be made in this country just as they are made in Germany?

Mr. WELLS. No, sir; but the chances would be that the lenses would be made with a double convex.

Mr. FLOWER. You want this additional duty as a protection for the eyesight of the poor people?

Mr. WELLS. Yes; our motives may be misconstrued, but we really believe that. In connection with lenses, we would wish to add this clause which we propose to come in with the clause as to spectacles:

"Spectacle and eyeglass lenses with their edges ground or beveled to fit frames, \$1.50 per gross pairs in addition to the regular respective duty of such lenses with unground edges."

The reason we ask for this (and it is asked by the gentlemen representing the three largest concerns in the country) is that the lenses manufactured in the old country with which we have been trying to compete and do compete, and have to a reasonable extent succeeded, have what may be called culls or lenses not for the size required, but for sizes larger than are required. It is a particular lens, but not fitted to a spectacle. If that lens were clipped or the corners taken off, it would be inferior. These lenses are taken in the old country and by very cheap labor are fitted to a frame and shipped to this country at very low prices. That is a great detriment to the business of this country, as it would cost us two or three times as much to do the fitting as it cost on the other side.

Mr. FLOWER. Here is a pair of spectacles [handing them to the witness] that were ground for astigmatism in one eye. Why does it cost five times as much as an ordinary pair?

Mr. WELLS. That is done usually by the optician, and he has to do it by hand.

Mr. FLOWER. I can not see any difference in it.

Mr. WELLS. If you take it this way [indicating] you will find that there is an angle which this grinding protects.

Now, in regard to spectacles and eyeglasses, we wish to have the clause read in this way: "Spectacles and eyeglasses or spectacles and eyeglass-frames, 50 cents per dozen and 35 per cent. ad valorem." Our reasons for asking this are many, and, among others, the following: The specific duty in connection with ad valorem is to protect the American manufacturers from undervaluation. Manufacturers in Europe invoice their goods to their own houses in this country, and, as there are a very large number of styles and qualities, costing from \$6 to \$100 per gross, it is very difficult to prevent the low entries of this class of goods; in fact, it is impossible to prevent this trouble. Some of this class of goods are made by prison labor, and many by very low-priced labor, costing not over one-fourth or one-fifth the price we pay.

In regard to this prison labor, I have it from the mouth of an importer who is interested in a factory on the other side. He took me into a store and asked me what I supposed the labor cost to manufacture those goods. Of course I could not tell, and, he said, "That labor costs us 4 cents a day." I expressed some surprise, and he then said it was prison labor.

American tools and machinery have been taken to Germany, where they pay one-fifth our price for labor. They copy our styles and invoice their goods to their own houses here, and are able to undersell us by from 20 to 50 per cent., as they can well afford to do considering the price they pay for labor and the low price at which they enter their goods. For instance, sample I [exhibiting sample] is our make of steel spectacle-frame of medium quality, and sells for 99 cents per dozen, or 8½ cents per pair.

Mr. FLOWER. The same as this [showing a pair of spectacles]?

Mr. WELLS. No. The frame with lenses in is worth \$1.55 a dozen. Sample A [exhibiting another sample] is of German-make, but made by American machinery abroad, and is a copy of our sample which I have just shown. This they sold for from 20 to 40 per cent. less than ours, or from 60 to 80 cents per dozen (5 to 6½ cents per pair) after paying 45 per cent. duty on the alleged valuation.

Mr. FLOWER. What do the retail dealers get for those glasses?

Mr. WELLS. The retail dealer gets all that he can. I would answer the question definitely if I could, but I can not do it. Now, we find it impossible to compete in this line of goods with our high-priced labor. I wish to say right here that I have personal knowledge of what I say in regard to these German-made spectacles imitating our American make. A party who started a German factory and fitted it up with American tools came to me and tried to interest me to go in with him in the starting of that factory near Frankfort, Germany, and he used arguments to prove that I

could make a good deal more money there than I could by continuing my factory in this country. He assured me that the labor there could be got for one-fifth of what we were paying.

The strong competition in this country has brought the price of spectacles and eyeglasses to a very low figure, so that the consumer is getting his goods at a very low price. For instance, goods like sample 2 are sold by us all complete with the lenses for \$1.83 per dozen. Nine years ago goods nothing better than these brought \$9 a dozen to the jobbing trade. Then they were made of English steel and set with imported lenses. To-day they are made of American steel and set with our own make of lenses.

Mr. LA FOLLETTE. Were there any lenses manufactured in this country at that time?

Mr. WELLS. Very few. I commenced business at that time, and I was paid \$5.76 a dozen for a grade of spectacles no better than this. But by the perfection of machinery and vastly by protection we have been able to accomplish what we see before us.

Mr. GEAR. Does the foreign article decline less in price?

Mr. WELLS. That we will come to later on. This very large reduction in price has been accomplished by perfection of machinery and by home competition fostered by protection. There is perhaps no class of goods in general use of which so little is known of its merits as spectacles and eyeglasses. For this reason goods of the worst kind mounted, with lenses that are not fit for any eye to use, are brought into this country and sold by unprincipled parties to the consumer for high prices as an imported article, to the great detriment of thousands of innocent victims.

Now, in relation to the question asked, I would say that this industry in this country is represented here by myself, Mr. Spencer, of New York, Mr. Lamb, of Rochester, and also by a gentleman from Pennsylvania, a large manufacturer, who wrote to me this morning and who entirely coincides with our views. We have with us every manufacturer of eyeglasses in the country and also all of the eyeglass dealers who are not importers. A very large percentage of the dealers in this country would sanction and ask for what we are asking for to-day. We probably employ from 2,000 to 2,500 hands in the industry in this country, and the product is about 1,250 dozen a day of spectacles and eyeglasses, or say about four and a half million pairs a year, and that quantity is very little if any more than half the quantity that is used in the country. In other words, we import to-day nearly if not quite as many eyeglasses as are made here. We ask this protection believing that nothing less or different would give us the privilege of making these goods in this country. There is no combination that would keep up prices. The competition in this country is sharp, as you will see by the prices I have quoted, and there is no danger of any advance in prices.

Mr. GEAR. Has there not been a factory of this kind established in Germany within the last few years with American tools and machinery?

Mr. WELLS. I have stated that fact—that American machinery and plant have been taken to Germany.

Mr. GEAR. Because they could get cheap labor there?

Mr. WELLS. Yes; and with that reduced price of labor they can import their goods here. We pay our men \$3.50 a day, while they get theirs for \$3.50 a week.

STATEMENT OF JOHN S. SPENCER.

Mr. JOHN S. SPENCER, treasurer of the Spencer Optical Manufacturing Company, of Newark, N. J., next addressed the committee. He said:

Mr. Chairman and gentlemen, Mr. Wells has given you a very good idea of this business. I represent the Spencer Optical Manufacturing Company, with salesroom at 15 Maiden Lane, New York, and with factories at Newark, N. J. We are also importers of these goods, but my sympathies are with the American production. We started this business in 1861. The president of the company is a brother of mine. At that time I commenced to learn the trade. My brother had previously learned his trade. At that time there were no spectacles and eyeglasses made in this country, with the exception of a few gold and silver eyeglasses and spectacles. In order to enable us to compete with the goods coming into the market, we were compelled to devise and invent machinery, trying thus to cover the difference in the cost of labor between this country and Europe. We succeeded to a certain extent, for about that time the duty was increased. There was a premium on gold also and labor had not advanced. In the space of a few years several other manufacturers started also and there was home competition. Through this competition the prices of these goods have been materially reduced. The former price of a fair quality of steel spectacles was \$9 a dozen, and that same quality is now sold for \$3 a dozen. That \$9 a dozen does not include the finest goods, but a fair quality of goods, such as are usually retailed for from \$1.50 to \$2 a pair. A cheap grade of rubber eyeglasses

which formerly sold for \$3 per dozen is now being sold for 50 cents per dozen, which is equivalent to about 4 cents a pair, or one-sixth of their former cost.

I will say for the benefit of the committee that these goods to-day are better than those which were sold formerly at \$3 a dozen. Notwithstanding strong home competition we are confronted with a foreign article at a still less figure after paying the present duty of 45 per cent. on the alleged valuation. For example, one of our competitors (a person not naturalized), not being satisfied to manufacture spectacles and eyeglasses on the European plan, has caused American machinery to be made of the latest designs and patterns, surreptitiously obtained, thereby securing a plant for about one-fifth the cost to the original perfectors of this machinery in this country. What I mean is this: You are undoubtedly aware that in getting up machinery suitable for a new business there are a great many experiments to be carried on, many of them fruitless, so that a plant to-day that may be only worth \$100,000 may have probably cost from \$200,000 to \$300,000 to perfect it. This German manufacturer took advantage of that by getting these designs and making them the first time. This entire machinery was moved to Germany, where he secures labor at one-fourth the price that we have to pay for it in this country, and by taking the American patterns and designs which have become popular here, and by manufacturing imitations of them abroad, he is enabled to bring these goods into the United States and to dispose of them at a less price than it is possible to produce them for here, with all the improved facilities, experience, and the lowest price labor obtainable. They, being the only manufacturers of this grade of spectacles and eyeglasses in Germany, and from the fact of having none of this grade of goods with which to compare the cost of manufacturing, are enabled to import them into the United States at their own price, and to invoice them at less than the cost of manufacture (they acting as agents for the sale of their own goods).

They imitate our make, send them to the United States, and dispose of them at prices less than we can produce them, with all the improved facilities that experience has given them, and at the lowest prices of labor obtainable. There are also as Mr. Wells stated, other manufactures in Germany making a much inferior article to the one just referred to, and I have been informed by the same gentleman to whom I referred before that he had his goods made in the prisons of Germany, and that it was useless for Americans to attempt to compete with him. I have here a sample of spectacle [presenting it] which I came directly in contact with in the New York custom-house. I was appointed a merchant appraiser—who takes testimony as regards the value of goods. These spectacles were invoiced to come into the United States at 22 marks per gross—figured at \$5.17 American money, or 3½ cents a pair. After calling several importers, who were of course in sympathy with him, the rate which we decided upon was 33 marks per gross, or an advance of 50 per cent. My opinion is that these spectacles can not be made for the money. He was not satisfied with that decision or adjustment, and demanded a delay to bring affidavits from Germany.

We adjourned for a month, and at that time we had another hearing, when he said that he had not any affidavit, but that he understood that the affidavit had been sent to the Government. But Mr. Barr, appraiser in the department, said that none had been received. The importer then stated that he wished to produce a witness to prove the cost of the goods. The witness proved to be a former American manufacturer. I asked him how he proposed to show the cost of these goods by a former American manufacturer. He said he proposed to show what they could be made for in this country, and then draw the difference between the cost of labor in this country and in Germany. He said that the labor that would cost between \$4 and \$5 in this country would cost him only a dollar. Consequently, if this manufacturer could prove (for example) that the goods would cost \$10 here, it would follow that they could be made in Germany for \$2.50. Of course, no such testimony could be allowed; but, nevertheless, we took a portion of it to see what the result would be. The case was finally dismissed under the former adjustment, although I understand that the appraiser afterwards (for some reason unknown to me) allowed the goods to come in at 28 marks.

Mr. FLOWER. That was about 4 cents a pair, was it not?

Mr. SPENCER. Yes. We manufacture these spectacles, using Pittsburgh steel for the frames, and we find that Pittsburgh steel is equal if not superior to the foreign article. In fact, we would not go back to the foreign article at 10 per cent. advantage in price. Heretofore we have paid 45 per cent. duty on spectacle frames and for the lenses for the same. That protection is more than we care for for the higher grade of goods. We have come to such a state of perfection that we are not afraid of the foreign production, even at a quite considerable reduction of duties. For that reason we ask you to make this duty 35 per cent. ad valorem in place of 45 per cent., but to add a specific duty of 50 cents per dozen on all spectacles and eyeglasses or frames. The question would come up at once, would not that increase the price of some of these goods? It would increase the price of the cheap inferior grade, and it would be a great benefit to the community if these goods never could come here. They are

so defective that they are very liable to produce injuries to the eyes of those who use them—injuries that are hard to remedy, and the public would be better without such glasses.

American manufacturers of spectacles and eyeglasses were never able to manufacture this line of goods to any extent of cheap materials, such as rubber, steel, etc., until the protective duty was made 45 per cent. As the premium on gold advanced, joined with the increased duty, the manufacturers commenced to make steel goods in this country. At that time they were selling at much higher prices in Europe, which enabled the manufacturers here to get a foot hold. Through the competition of American manufacturers and the reduction on goods made in Europe they have never been able to make a fair remuneration for the amount of labor and expense they have been to. With the strictest attention to business and the greatest economy practiced they have not been able, except in a very few instances, to make over the legal rate of interest on the amount of capital invested. The principal cost of spectacles and eyeglasses made from steel, rubber, and other common materials, is the labor, which averages from 80 to 90 per cent. of the actual cost of the finished article.

We think that, as to spectacle and eyeglass lenses, the American manufacturers should have the protective duty of \$1.50 per gross (in addition to the duty on the lenses with rough edges) on all spectacle and eyeglass lenses with their edges ground or beveled. It being a very difficult thing for any one but a thorough expert to decide the slight difference which exists between the different grades in this line of goods, we ask this revision of the tariff in the interest of the consumer, the artisan, and the manufacturer; and ask your most favorable consideration of our request.

There have been five or six failures in the business, I think, in the past six years. Those who are in the industry now are mostly men who have been educated in it from boys, and who know every detail of it. It is utterly impossible for a man without experience to make a success in the business now. The value of the steel in a spectacle frame is very small, but the labor in putting it into shape and finishing it is from 80 to 90 per cent. of its whole cost. The rate of duty which we ask would reduce the duty on all grades above \$5.

Mr. FLOWER. You want the duty on the high-priced goods reduced from 45 per cent. to 35 per cent.?

Mr. SPENCER. Yes.

Mr. FLOWER. As to the higher grades you think that nobody can beat you?

Mr. SPENCER. No; we have perfected everything and are abundantly able to take care of ourselves at that rate of duty.

Mr. FLOWER. But on a pair of spectacles that costs 4 cents, the duty would be about how much?

Mr. SPENCER. The duty would be 4 cents.

Mr. FLOWER. That would make the cost 8 cents?

Mr. SPENCER. Yes.

Mr. FLOWER. How much would it increase the cost to the purchaser?

Mr. SPENCER. The retailing of spectacles is a little peculiar. An optician who sells a good article, figures a little on the basis of an oculist, or a physician, and considers his time something. He charges something for his trouble besides the profit on his goods.

STATEMENT BY J. W. RIGLANDER.

NEW YORK, January 20, 1890.

To the Committee on Ways and Means:

From various articles in the daily papers of the 10th instant, I observe that it has been proposed to your committee by two manufacturers of spectacles and eyeglasses (Mr. Wells of the American Optical Company, and Mr. Spencer of the Spencer Optical Company) to add to the ad valorem duty already levied on these goods a specific duty of \$6 per gross, and having the materials, such as lens, stock, and rough pebbles, imported free.

It has always been the object of Congress to endeavor to legislate for the benefit of the masses and the working people, and not simply to add to the riches of rich corporations, which have had protection for twenty-five years and have grown very wealthy under it.

There need be no question at all in the matter of duties on gold spectacles being increased, while on all others they should be very much reduced, for it is the working people only who wear the cheaper grades of spectacles and eyeglasses, as their means will not permit the wearing of better; if the duty were reduced the poor people would be enabled to wear a better grade of spectacles than they now do, which would be a source of protection to their eyes, while the poor grades which they are now compelled to make use of are certainly injurious.

It is very evident that in the interest of our 63,000,000 people legislation should

be passed for their benefit, and not for the benefit of two manufacturers only. I therefore think that where the duty on steel spectacles and eyeglasses as well as on lenses for same is now 45 per cent. it should be reduced to about 20 or 25 per cent., while the duty on pebbles for spectacles should not be less than 50 per cent. instead of being free, as the people wearing this grade can well afford to pay for same. Independent of this, it would open an industry in this country, particularly in the State of North Carolina, where pebble stock is found in great abundance.

Further, I beg to call your attention to the fact that, while conversing on this subject with one of the largest spectacle manufacturers in this country, Mr. T. A. Willson, of Reading, Pa., he informed me that he considers the rate of duty on spectacles fully as high as it should be, and that it might even be lowered without detriment to the American manufacturers. He states, furthermore, that he exports large quantities of spectacles and eyeglasses of his make to Canada and England, as well as to other parts of Europe.

In admitting free the various polishing materials, as desired by Mr. Wells and Mr. Spencer, it would be injurious to various manufacturers in this country. Therefore it would hardly be fair to the balance of the community at large to admit these articles free, as requested by the above-mentioned gentlemen, and you can readily see how selfish their motive is, as they simply desire to benefit themselves at the expense of other manufacturers and the people in general.

I further beg to state that under the high rate of tariff of 45 per cent. the American Optical Company has grown to be a very rich corporation; consequently, if the duty on spectacles, eyeglasses, and lenses were reduced to 20 or 25 per cent. there can be no question at all of the American manufacturers still being enabled to manufacture at a large profit.

In looking over the statements made by Mr. Wells and Mr. Spencer, I find that the former gentleman claims to be able to furnish a medium quality spectacle to sell at \$1.55 per dozen. I desire to call your attention to the fact that this is an entirely different article to what Mr. Wells refers to as being imported and sold at 68 cents per dozen; this latter article is of a far inferior quality, the frame being made of iron and the lenses being very poor. The American Optical Company, of which Mr. Wells is secretary and treasurer, are making a medium quality spectacle which they are selling for less than \$1.55 per dozen, and what they claim to sell at this price (\$1.55) is quite a fair article. There is also a misstatement here, for they charge \$12.60 per gross for the frames alone, and \$6.75 per gross for the lenses. From these prices they allow a discount of 6 per cent. for cash, and to large consumers there is a trade discount as well. Knowing the representations made to be wrong, it is for that reason I now call your attention to same.

The Willson Optical Company are manufacturing an article which is equal in quality and which sells better than the spectacle referred to by Mr. Wells (made by the American Optical Company), and for which the Willson Optical Company charge \$13.50 per gross, less a discount of 10 per cent. for small quantities, and in large quantities they are sold for less. The Willson Optical Company also make an article which is sold by them at \$12 per gross, less 10 per cent.

Yours, respectfully,

J. W. RIGLANDER.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

NEW YORK, February 14, 1890.

GENTLEMEN: Since my return from Washington, after having had the hearing before your honorable body and presenting a brief, I have given the matter of a reduction of duty on spectacles and eyeglasses considerable attention. In my brief I advocated the reduction of duty on these articles to about 20 or 25 per cent., as this would have a tendency of placing the poor people in a position to make use of better grades of spectacles and eyeglasses in order to preserve their eye-sight, which is now being ruined by the very cheap grades of French spectacles and eyeglasses that are now imported into this country, and which are commonly known to the trade as Nos. 44, 45, and 46, also coquille spectacles and eyeglasses, as well as German silver plated specs which are manufactured in Furth and Nürnberg, Germany.

If the duty on these goods (costing up to francs 17 for spectacles, and francs 20 for the coquille spectacles and eyeglasses) were advanced to meet the views of the American manufacturers who were before your committee, it would be advantageous to all concerned, as it would keep out of this country these very poor qualities of goods referred to, which naturally would increase the sales of the American manufacturers; importers would also derive benefit therefrom, as they would be enabled to dispose of better grades of goods, while the community at large would profit thereby, in so far as preserving their eye-sight. Of course the duty on pebbles for

spectacles should not be less than 50 per cent., as this would open the industry in North Carolina, as mentioned in my brief.

The reason the optical (or lens) stock is not made in this country is that there is no duty on it; consequently the American glass manufacturers are unable to compete with the German and French glass manufacturers. There is no reason in the world why this stock should not be made in this country, provided the manufacturers received proper protection, by having a proper rate of duty levied on the imported article.

This lens stock is not at all unwrought material, in my opinion; it is either a cylinder glass or a plate-glass which passes through a process of manufacture, in the way of cutting it into ovals, so as to make it appear as if it were an unwrought lens, while it is nothing more or less than manufactured glass, and should pay the same rate of duty as other articles of that class, being 45 per cent. You will therefore see that it is not at all a question of protecting home industry, but simply a question of self-protection on the part of these American manufacturers who were before your committee, to the detriment of other manufacturers and producers in this country who supply such articles as might be used by these gentlemen in the process of their manufacture.

Trusting you will pardon me for encroaching on your valuable time, I remain,
Yours, very respectfully,

J. W. RIGLANDER.

The COMMITTEE ON WAYS AND MEANS.

RATES OF DUTY RECOMMENDED.

The following recommendations are made by the American Optical Company, Southbridge, Mass.: Bausch & Lomb Optical Company, Rochester, N. Y.; Spencer Optical Manufacturing Company, New York City; Standard Optical Company, Geneva, N. Y.; and T. A. Wilson, Reading, Pa.:

RED EARTH, OR REDDLE, USED FOR POLISHING LENSES.

We ask that the above be put on the free list, as we do not know of its being imported except for polishing lenses. We import it from Rotherham, England. It is dug and shoveled into casks and reaches us in its crude state, and is then ground and prepared for our use in polishing lenses.

The following is a copy of letter received from the party who furnishes us the material:

MICKLEBRING, ROTHERHAM, *December 16, 1889.*

The AMERICAN OPTICAL COMPANY:

In answer to yours respecting the redde I sell, my customers are chiefly in Sheffield and Birmingham, England. They are opticians, and I expect it is used for polishing purposes; and I send it to Messrs. Bausch & Lomb, Rochester, opticians (I expect it is used for the same purposes), and also the American Lens Manufacturing Company.

RICHARD SPENCER.

We can not procure the material in this country that will do the work, and as the first cost is \$55 per ton, with freight paid to New York, or, with the duty paid, over \$68 per ton, the high price prevents its being imported for other uses in competition with any home products; and as we can not do without it, the tax we are paying (25 per cent.) is not in the interest of protecting home industries.

In 1884 we paid \$1.50 per ton duty, but since then have been assessed 25 per cent.

In a case before the United States court at New York in May, 1889, the court decided that this material should be free.

The papers are now in the hands of the Treasury Department.

We respectfully ask that this material be so classified as to avoid misunderstanding hereafter, and to save us the high duty we have been compelled to pay in the past.

LENSES.

Page 109, lines 323, 324 to stand as they are, viz:

"And lenses of glass or pebbles, wholly or partly manufactured, 45 per centum ad valorem," with the following addition: "On all lenses costing \$1.50 per gross pairs, or less \$1.50 per gross pairs."

PEBBLE STOCK.

Page 178, line No. 2035, lines to read: "Brazilian pebble unwrought, or in slabs or disks." (They are free now, but this reading will prevent misunderstanding. This material is not found in this country.)

GLASS.

Page 183, lines 2151-2153 to stand as they are, viz: "Glass plates or disks, rough-cut or unwrought, for use in the manufacture of optical instruments, spectacles and eyeglasses, and suitable only for such use." (Free.) (This is same as act of 1883, but more in detail.) The Department's decision of November 18, 1889, was that this stock is free of duty. (This is optical stock, and is not made in this country.)

SPECTACLES AND EYEGLASSES.

Spectacles and eyeglasses, or spectacles and eyeglass frames, 50 cents per dozen, and 35 per cent. ad valorem. Spectacles and eyeglass lenses, with their edges ground or beveled to fit frames, \$1.50 per gross pairs, in addition to the regular respective duty of such lenses with unground edges.

MAGIC LANTERNS.

VIEWS OF CHARLES KEANE.

GENTLEMEN: As your honorable body has now under consideration the tariff, I beg leave to lay before you a few matters that I consider of such importance as to be worthy of consideration at the hands of your honorable body, viz: At the present time a person who desires to import a triple lantern and such views as he may require, whether plain or otherwise, is compelled to pay a duty of 45 per cent. ad valorem thereon. This is certainly unjust for many reasons, the first being that as there are no triple lanterns manufactured in the United States, no manufacturer is injured by a person importing one for their own use, whether they use the same as teacher or public lecturer.

As the law now stands, it would hardly justify a person to import a triple lantern and such magnificent views, together with effects, as were a few years ago shown upon the screen at the Polytechnic Institute, London, for when we add the duty as demanded by law the cost is enormous. If a person was to try and have a triple lantern made in this country, the manufacturer would first have to import a model, as well all lens-tubes and objectives, together with the combination dissolving keys and slide registers, none of the above parts being made in this country. Now as for the various views of foreign places, as well the dissolving views with several mechanical effects attached thereto, it is impossible to manufacture them as cheap or as good in workmanship as those made in London, for the reason that many of these firms have spent a life-time in perfecting this branch of business, and as a result their work has gained them a world-wide reputation.

Let us take, for instance, as an example the prison of Bonnivard in the castle of Chillon (as shown by one of England Bros. slides of London). Here we find a strange and powerful effect. It is an effect of light which is admirably rendered and which it would seem was impossible to produce in photography, for the reason that the darkest portions of the cells in said prison are as well detailed as in the half tints.

Then let us take the animated scenes on the lake of Geneva with its small craft, amongst which the feluccas with their wide-stretching lateen sails are conspicuous and very picturesque. I might name a great many other places in foreign lands, as well its statuary and public buildings that are famous either in history and tradition, or as marvels of picturesque grandeur and beauty. When we copy photographic prints of the above places, etc., all the fine atmospheric effects are lost, as is shown when they are looked at on the screen. The reason for this is that it is impossible to produce a perfect slide from a photo print, and the great majority of slides manufactured in this country are from said prints. The views of statuary, both plain and those in the animated sets as manufactured by said firm of England Bros., have taken the prize at all the various public exhibitions held throughout Europe where the same have been placed on exhibition.

Your honorable body is certainly aware that luminous projections have for past years been a convenient means of illustrating lectures. This system of teaching has been brought to a high state of perfection. The truth is held "that what is seen is

much better known and remembered than that which is only heard." Information which can be imparted by the eye and ear at the same time, and conveyed to the brain, will remain more firmly fixed than a mere statement of facts.

The value of a triple lantern is obvious when effects are used, and it is only by the aid of a triple lantern can effects be shown. Therefore, I would most respectfully ask that your honorable body reduce the present tariff to about 5 per cent. ad valorem on all of the aforementioned apparatus and slides, and by so doing you are injuring none, but you are placing at the hands of the student, teacher, and public lecturers apparatus that is used for the education of the great masses of the people. Many of the propositions now found upon the pages of the various works on physics can be made plain to the student; whereas by no other means can the same be demonstrated so that he will gain full knowledge thereof.

Hoping that your honorable body in behalf of education will carefully consider the foregoing communication, and deal with it in such manner as your honorable body deems best for the welfare of all concerned, and believing that your honorable body will at all times be found ever ready and willing to aid all measures proposed for the full distribution of knowledge among the great masses of the people of America, I am

Yours, most respectfully,

CHARLES KEANE,
San José, Cal.

The COMMITTEE ON WAYS AND MEANS.

DENIAL FROM P. H. LOUD.

AUGUSTA, GA., *January 10, 1890.*

DEAR SIR: I notice in the Congressional reports in to-day's paper before the Ways and Means Committee there appeared a New England manufacturer of spectacles and eyeglasses who wanted the duty taken off of red ocher, on the ground that it was not produced in this country.

The gentleman is very much mistaken, as I can furnish him any amount he may want, if it is a thousand tons, perfectly free from any grit.

I have it underlying a bed of yellow ocher, which underlies a bed of very fine quality of kaoline, on a property 5 miles from this city, to which we are expecting a dummy line will be built very soon.

Yours, very respectfully,

P. H. LOUD,
10 Cumming street, Augusta, Ga.

Hon. ROSWELL P. FLOWER,
Washington, D. C.

COTTON GOODS.

STATEMENT OF ALEXANDER E. KURSHEEDT.

Mr. ALEXANDER E. KURSHEEDT said that he came before the committee representing the manufacturers of curtains, embroideries, lace goods, etc. The number of industries connected with the subject were almost too numerous to mention. He did not desire to make any argument to the committee, but simply to give information on the subject. In what he had to say he would represent his own firm (the Kursheedt Manufacturing Company), the Wilkes Barre Lace Manufacturing Company, the Braid Manufacturers' Association, and the Ruffling Manufacturers' Association. He proceeded as follows:

Mr. Chairman and gentlemen, we appear before you on our own behalf and on behalf of a large number of manufacturers of cotton goods in various parts of the country, and respectfully ask your attention to certain inequalities in the present and proposed tariff laws which we believe need revision.

Our manufactures comprise articles enumerated in sections 322, 323, and 325 of Schedule I, and section 336 of Schedule J of the Senate bill. All of these are manufactured from cotton yarns, or cotton cloths, or yarns and cloths combined, which are therefore our raw material. Under the present tariff this material pays an average duty of 45 per cent. In the Senate bill the average is slightly raised. The domestic spinner thus enjoys a just and adequate protection, which enables him to overcome European competition. But are we similarly protected? No. The majority of our manufactures from these materials being assessed at only 40 per cent., an attempt to employ American instead of European labor and machinery can result only in loss.

It may be urged that the greater cheapness of American yarns should prevent this from being a detriment. It would if the tariff placed compensatory ratings on the manufactured product. But in their absence the injurious advantage of which the European spinner has been deprived still enables the European manufacturer to undersell us in our own market with the finished article. The beneficial intent of the high duty on yarns is therefore wholly frustrated.

A single illustration will suffice. A common grade of yarn used in the manufacture of lace window-curtains, enumerated in section 336, is that known as 2-20. Its price in the New York market is 19 cents a pound. The price in the Manchester market is 16 cents, which, with the duty of 10 cents a pound imposed at our custom-house, becomes 26 cents delivered in New York. The profitable importation of foreign yarns is therefore out of the question. But if the American manufacturer undertakes to use the protected material in the production of unprotected window-curtains, what is the result? The bare addition of American labor increases the price of the curtains to 38 cents, without profit. The application of the same labor in England, on the contrary, would mean an addition of only 6 cents. So that even after the proposed 50 per cent. duty has been paid, the curtains laid down in New York at 38 cents still represent a profit to the European manufacturer of 5½ cents a pound. Estimating our average imports at from 10,000,000 to 12,000,000 pairs a year, the loss to our manufacturers is evident.

The manufacture of these curtains is unquestionably an infant industry. It was begun as an experiment at Wilkes Barre, Pa., about five years ago, by an establishment which is still alone in the business in this country. It employs three hundred people, mostly women, at American wages. A large capital is invested. Heavy sums have been expended in educating operators drawn from the roughest element of the mining population. On the machines used, high duties and enormous freights have been paid. But all this will count for naught if the Senate bill provisions are ratified. Foreign manufacturers, alarmed at the excellence of the American product, are already conspiring to crush the Wilkes Barre company. They are making great sacrifices and selling their goods at cost, so as to hold their trade in this country. The factory at present derives its sole profit from the advantages of locality, and if the tariff is again revised in the European interest, these efforts are only too likely to prove successful.

With regard to laces, embroideries, and other articles enumerated in sections 322 and 336, your committee is reminded of the wide-spread benefits which the imposi-

tion of additional duties would confer. The United States buy and import more embroideries than any other two countries together. But their manufacture here is restricted and made unprofitable in ways similar to those already described. The domestic producer is placed at a hopeless disadvantage. The detriment to the working classes is a grave one. In New York and other large cities, this industry already furnishes home work to numbers of women who would otherwise remain idle. But the restriction of the opportunity to a few is a national calamity. In France it furnishes a permanent revenue in dull seasons to the whole rural population, and under proper conditions it could be made a source of steady profit to every farmer's daughter in America. A slight increase in the duties, it is calculated, would cause an investment of from \$15,000,000 to \$20,000,000 in the embroidery and lace industries and give occupation to at least 50,000 people. The increased demand for the finer cloth which forms the basis of embroideries would stimulate the production of that article. As to machinery, the latest and best inventions have had their origin in this country. Designs are on file at the Patent Office and could be worked from if the business warranted. So that, with proper encouragement, the ultimate result to the American consumer would be wholly beneficial.

Particular revision is needed of the duty on goods commercially known as lace tuckings, all-over tuckings, and tucked skirtings, and all classes of goods imported in the piece or otherwise, made of cotton cloth, and stitched, embroidered, or otherwise treated so as to render them uncountable and subject to an *ad valorem* duty of 35 per cent. The yarns from which the cloth is made being subject to an average duty of 50 per cent., it is impossible to import them and weave the cloth in this country. The cloth pays not less than 40 per cent., and on the lower grades as high as 60 per cent, yet on many grades of goods it is still cheaper to import the cloth than to use an American fabric. To illustrate the unfairness of a duty of 35 per cent., we submit a pattern of cloth marked A, which counts 92 by 100, and costs 3s. 8d. per yard. This cloth is 45 inches wide. The duty therefore is 3½ cents per yard, which is equivalent to 52 per cent. This article when sold, as on exhibit marked B, is entered at 35 per cent. duty. The thread used for sewing the same, if imported, pays 50 per cent. We claim that the article of tucking or any manufacture should pay at least 25 per cent. more than the component materials. The lowest rate paid on these materials, viz, cloth and sewing thread, is 40 per cent. on the cloth and 50 per cent. on the thread. To bleach and finish these goods costs much more in this country than in Europe, owing largely to the high duty on the bleaching and finishing material.

A principal defect of the sections referred to, in our judgment, is their vague, arbitrary, and erroneous classification. What, for instance, can justify the separation of laces, embroideries, etc., from similar cotton articles in Schedule I and their insertion, under a higher rate, in Schedule J, which deals exclusively with flax, hemp, and jute? And why should cotton cords, braids, and similar articles in section 325 of Schedule J be separated from gimps, galloons, etc., and assessed differently, when in the wool and silk schedules they are properly assembled in one comprehensive clause? Why, also, should "all manufactures of cotton, not specially enumerated or provided for," be assessed at less than the highest rate when it is notorious that this law is constantly strained to cover articles paying high rates but of doubtful classification? The arbitrary enumeration of a few special articles in section 323, we respectfully submit, is also unwarranted by any considerations of justice or expediency and would be highly prejudicial to present and prospective enterprise.

The following suggested changes in Schedules I and J we believe will commend themselves to your honorable body as fair, simple, and comprehensive.

PROPOSED CHANGES IN SCHEDULE I.

Strike out section 322 and substitute the following: "On laces, embroideries, trimmings, lace window-curtains, and other articles of lace, or tamboured, braided, or embroidered articles, composed of cotton or other vegetable fiber, or articles composed of cotton cloth, wholly or partly manufactured and hemmed or stitched with the needle or otherwise, by hand or machinery, 75 per centum *ad valorem*."

Strike out section 323.

Strike out section 325 and substitute the following: "Cotton cords, braids, boot, shoe, and corset lacings, cotton gimps, galloons, webbing, goring, belting, binding, suspensders, and braces, any of the foregoing which are elastic or non-elastic, 35 cents per pound."

Amend section 326 so as to read "56 per centum *ad valorem*," instead of "40 per centum *ad valorem*."

PROPOSED CHANGES IN SCHEDULE J.

Strike out section 336.

SILK AND COTTON.

PAWTUCKET, R. I., January 6, 1890.

The honorable Committee on Ways and Means :

The Royal Weaving Company of this city respectfully represents, that it has recently engaged in the manufacture of fine fabrics, composed of silk and cotton, of a class not heretofore made in this country, and to which attention has not heretofore been called in the adjustment of tariff schedules.

Attention is requested to the following considerations :

An assumed fabric (hereby designated as Fabric A), to be in weight and texture equal to sample hereto attached, made of all cotton (no silk), would pay duty as follows, viz : By present law, 40 per cent. ad valorem ; by Mills bill, 40 per cent. ad valorem ; by Senate bill, 45 per cent. ad valorem.

Goods like sample (silk included), Fabric B, is now subject to a duty of 35 per cent. ad valorem under a Treasury ruling that they shall be classed as "manufactures of cotton not otherwise provided for."

According to both the Mills bill and the Senate bill the rate on Fabric No. 2 remains unchanged, and there is no provision for reclassification.

Neither in existing law nor in either of the proposed bills referred to is there any specific provision for cloths composed of silk and cotton, except as to those wherein silk is component material of chief value. Furthermore, the duty on materials used in Fabric A would be per yard, according to existing law, 4.95 cents, and according to Senate bill 5.45 cents, while on materials in Fabric B the present duty is 8.35 cents, and would be according to Senate bill, 8.85 cents.

We request and recommend that a provision in the law now under consideration shall be as follows, viz : Add to paragraph corresponding to No. 319 Senate bill.

"Provided, further, That on cotton cloth bleached, dyed, colored, stained, painted or printed, containing an admixture of silk, and not otherwise provided for, there shall be levied, collected, and paid a duty of 50 per centum ad valorem."

THE ROYAL WEAVING COMPANY,
By D. G. LITTLEFIELD, *President*.

THREAD.

HOLYOKE, MASS., January 21, 1890.

DEAR SIR : I beg to call the attention of your committee to the Schedule I in the Senate bill of January 26, 1889, first paragraph, lines 1260 to 1279, inclusive. The paragraph as it stands is defective in two particulars : The first is that by a technical construction of a paragraph you put doubled or grouped yarns, but not twisted, into manufactures of cotton not specially enumerated or provided for, at a rate of duty some 7 or 8 per cent. less than the bill provides for single yarn, notwithstanding the cost of the process of doubling and twisting is almost entirely for labor.

The second is that the same rate of duty is imposed upon yarns advanced beyond the condition of single by doubling or doubling and twisting two or more yarns together, as is imposed upon single yarn. The operation of doubling and twisting, especially if double twisted into six-cord for sewing-thread, is much more expensive than the single process of spinning single yarns, as it requires expensive machinery and a large amount of skilled labor to do the work in a perfect manner. An increase of the rate of duty on these doubled and twisted threads or yarns commensurate with the increased cost in labor of these threads when compared with single yarns will not, in my judgment, increase the revenue, but on the contrary, will tend to diminish it, as a very large portion of these doubled and twisted yarns are imported in condition to be put upon spools for sewing-cotton, in direct competition with the extensive manufacturers of spool thread, who take the lint cotton and carry it through all the processes to the best six-cord sewing-thread.

The small increase of rate necessary to make the duty relatively equal to the rate for single yarn would make it more difficult for parties to import these threads and compete with the thread made here from the raw cotton, and with wages to the worker of nearly twice the amount paid to the workers who double and twist these threads abroad.

To correct these defective features and to secure the fair rate of duty on grouped or doubled yarn, or doubled and twisted thread, as compared with the rate on single yarn, I present below the changes that I most respectfully ask to have substituted in

the bill your committee have in preparation to report to the House in place of the rates reported in the Senate bill above referred to.

Very respectfully yours,

TIMOTHY MERRICK,
Treasurer Merrick Thread Company.

Hon. WILLIAM MCKINLEY, JR.,
Chairman Committee on Ways and Means.

PROPOSED TEXT OF ALTERATIONS IN SENATE BILL JANUARY 26, 1889. SCHEDULE
I, LINE 1260 TO 1279 INCLUSIVE.

* Section 313. Cotton yarn, warp, or warp yarn, when not advanced beyond the condition of single yarn, whether on beams or in bundles, skeins, or cops, or in any other form, valued at not exceeding 25 cents per pound, 10 cents per pound. Valued at over 25 cents per pound and not exceeding 40 cents per pound, 18 cents per pound. Valued at over 40 cents per pound and not exceeding 50 cents per pound, 23 cents per pound. Valued at over 50 cents per pound and not exceeding 60 cents per pound, 28 cents per pound. Valued at over 60 cents per pound and not exceeding 70 cents per pound, 33 cents per pound. Valued at over 70 cents per pound and not exceeding 80 cents per pound, 38 cents per pound. Valued at over 80 cents per pound and not exceeding \$1 per pound, 48 cents per pound. Valued at over \$1 per pound, 50 per cent. ad valorem.

Second: Cotton thread or yarn, when advanced beyond the condition of single by grouping or grouping and twisting two or more single yarns together, whether on beams or in bundles, skeins, or in cop, or on tubes or cones, or in any other form except spool thread of cotton, as hereinafter provided for, valued at not exceeding 25 cents per pound, 12 cents per pound. Valued at over 25 cents per pound and not exceeding 40 cents per pound, 20 cents per pound. Valued at over 40 cents per pound and not exceeding 50 cents per pound, 25 cents per pound. Valued at over 50 cents per pound and not exceeding 60 cents per pound, 30 cents per pound. Valued at over 60 cents per pound and not exceeding 70 cents per pound, 35 cents per pound. Valued at over 70 cents per pound and not exceeding 80 cents per pound, 40 cents per pound. Valued at over 80 cents per pound and not exceeding \$1 per pound, 50 cents per pound. Valued at over \$1 per pound, 50 per cent. ad valorem.

CORSETS.

NEW HAVEN, CONN., *February 4, 1890.*

DEAR SIR: The Corset Manufacturers' Association of the United States, which comprises all the leading manufacturers, respectfully represent through their secretary that the tariff on corsets under the existing law is inconsistent with the tariff on the materials composing the component parts of the corset.

The present duty on corsets is 35 per cent. ad valorem (see paragraph 324 B of the present tariff laws, page 82), while the duty on the materials is as follows:

- (1) Foreign jeans and coutilles, 40 per cent. ad valorem.
- (2) Steel used for the clasps, sides, and backs, 45 per cent. ad valorem, and one-fourth cent per pound additional for cold rolling; equaling a duty of 55 per cent.
- (3) Imported sateens, 40 per cent. ad valorem.
- (4) Laces for trimming corsets, 40 per cent. ad valorem.
- (5) Edgings, silk embroidered, 50 per cent. ad valorem.
- (6) Satins, 50 per cent. ad valorem.
- (7) Linen tapes, 35 per cent. ad valorem.
- (8) Sewing-threads, about 75 per cent. ad valorem.
- (9) Silk embroidered twists and floss, 50 per cent. ad valorem.
- (10) Worsted lastings and Italian cloths, from 60 to 75 per cent., according to quality.
- (11) Bindings, 35 per cent. ad valorem.
- (12) Eyelets, 45 per cent. ad valorem.

You will please observe from the above enumeration that the tariff on the materials composing the component parts of the corset, is largely in favor of the foreign manufacturer and importer, and decidedly against the interests of the American manufacturer. Taking into consideration the excessive duty on the materials over the duty on the finished corsets, and connecting it with the cheap labor of Europe, makes it almost impossible for the American manufacturer to compete with the imported article in the finer grades of corsets.

The better class of trade in this country now demands corsets equal to the finer grades of imported corsets, but as most of the materials entering into their manufacture are not made in this country, it necessitates the importation of these materials and trimmings by the American corset manufacturers, to enable them to produce corsets equal to the imported in order to meet this demand.

The importation of the finer grades of corsets has increased annually, and unless the American manufacturers receive adequate protection, at least on a parallel with the imported materials, it will prevent them from producing corsets equal to the imported in quality.

There are over fifty manufacturers of corsets in the United States, employing about \$8,000,000 capital and giving employment to about twelve thousand operators; and all we ask is that the duty on imported corsets be placed on an equality with the imported materials; thereby giving the American manufacturer an opportunity to compete with the finer grades of imported corsets.

Corsets made of black worsted goods are now largely imported, and, as above stated, pay a duty of only 35 per cent., while the worsted goods in them, being the component material of chief value, pay a duty of 60 to 75 per cent., according to quality. The manufacturers of this country find it impossible to compete successfully with this class of goods. These materials as well as the articles known as French and English coutilles and the finer grades of jeans and sateens, are not made in this country; although many unsuccessful attempts have been made to do so.

Previous to the tariff bill of 1883 corsets valued at \$6 and under per dozen paid a specific duty of \$2 per dozen; and those valued above \$6 per dozen, a duty of 35 per cent. ad valorem. Thus showing that the present duty is lower than that previous to 1883; and for the proper protection of the industry we respectfully petition your honorable committee to especially enumerate corsets at the following rates:

Corsets valued at \$6 per dozen or less, 35 per cent. ad valorem; and when valued over \$6 per dozen, 50 per cent. ad valorem.

Respectfully submitted.

MAX ADLER,

Secretary Corset Manufacturers' Association of the United States.

Hon. WILLIAM MCKINLEY, Jr.,

Chairman Committee on Ways and Means.

USE OF HORN STRIPS.

NEW HAVEN, CONN., February 4, 1893.

DEAR SIR: For many years "horn strips," used in the manufacture of corsets, have been imported free of duty, as may be seen by referring to the tariff laws in force previous to March, 1883 (page 43, paragraph 705 of the free list), which specially enumerates horn strips; and again by referring to the tariff law now in force (on page 101, paragraph 513 of the free list) which reads:

"Horns and parts of horns, unmanufactured, and horn strips and tips."

If the wording of the Senate bill is followed in the framing of a new bill, the word "unmanufactured" would be affixed after the word tips, and would then read "horns and parts of horns and horn strips and tips, unmanufactured;" and as horn strips have undergone a partial process of manufacture they might be construed to belong to the paragraph of manufactured horn at 35 per cent. ad valorem.

If a duty of 35 per cent. should be imposed on horn strips it would add very materially to the cost of manufacturing corsets, without protecting any industry, as they are not manufactured in the United States.

We would therefore petition your honorable committee to retain the paragraph as in the free list of the present tariff law.

We respectfully request that you give our subject careful and due consideration. Respectfully submitted.

MAX ADLER,

Secretary American Corset Manufacturers' Association of the United States.

Hon. WILLIAM MCKINLEY, Jr.,

Chairman Ways and Means Committee.

NECKWEAR.

Mr. H. LASCH, of New York, made a statement before the committee on the subject of the duty on cotton neckwear. He said:

Mr. Chairman and gentlemen, I am a representative of the manufacturers of cotton neckwear in this country. That manufacture gives employment to two thousand five hundred or three thousand people, earning from \$5 to \$15 a week. Up to two years ago we used to sell all our goods in this market. At that time a tendency for finer goods sprang up, and we had to import our raw material from France and England, paying a duty of from 40 to 56 cents per square yard. Then the manufactured goods came into this market, on which the duty was only 35 per cent., but the Senate bill gave us an addition of 5 per cent., making the duty on imported goods 40 per cent. Now the French manufacturer can land his goods here (at a profit of 20 per cent.) at about \$14 per gross, while it costs us, paying the duty on the material (which is also manufactured goods) \$15.56 per gross, just merely to manufacture them. I know that some of these foreign goods have been imported at considerably less by undervaluations. We have therefore been barred out for the last two years in selling our goods of a better quality. We can only manufacture and sell cheap goods, and therefore we ask an increase of duty. We ask that the rate be fixed at \$1 a dozen on all goods imported up to and under the price of \$1 a dozen, and \$2 a dozen on goods above that price.

The CHAIRMAN. Does the Senate bill give you that provision?

Mr. LASCH. It gives us 5 per cent. additional.

CARD CLOTHING.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., February 20, 1890.

SIR: I have the honor to inclose herewith, for your information, extract from a report dated the 15th instant, of Special Agent Charles H. Litchman, in relation to the difference in the duty assessed on card clothing imported and on the materials of which such clothing is made.

Respectfully yours,

GEO. C. TICHENOR,
Assistant Secretary.

(One inclosure.)

HON. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

OFFICE OF SPECIAL AGENT, TREASURY DEPARTMENT,
Boston, Mass., February 15, 1890.

SIR: I have the honor to submit the following for the consideration of the Department:

In the course of an investigation into the drawback to be allowed on materials imported to be used in making card clothing and afterwards exported in the finished product, I find that on the cloth there is paid 35 per cent. ad valorem and 35 cents per pound per square yard, and on the tempered steel-wire 3 cents per pound.

* * * * *

I respectfully call the attention of the Department to what seems to me to be an incongruity in charging such high duties on the materials of which card clothing is composed, while at the same time on the manufactured article is assessed a duty far smaller than on said materials.

If this difference is more apparent than real, my lack of familiarity with such matters must be my excuse for calling the attention of the Department thereto.

Very respectfully, yours,

CHAS. H. LITCHMAN,
Special Agent

HON. WILLIAM WINDOM,
Secretary of the Treasury, Washington, D. C.

BOUNTY ON EXPORTS OF TEXTILES FROM RUSSIA.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., February 21, 1890.

SIR: I have the honor to inclose herewith, for your information, copy of a letter dated the 15th instant, from the Secretary of State, and of its accompanying copy of dispatch No. 129, dated the 23d ultimo, from the consul-general at Berlin, in relation to the bounty which it is alleged the Russian Government proposes to pay on exports of cotton textiles and fabrics shipped to the United States.

Respectfully yours,

GEO. C. TICHENOR,
Assistant Secretary.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

No. 129.]

UNITED STATES CONSULATE-GENERAL,
Berlin, January 23, 1890.

SIR: Referring to your previous correspondence with regard the bounty on exports granted by the Government of Germany, I now have the honor to inform you that it is reported in well informed commercial and financial quarters in Berlin that the Russian Government has concluded to concede a bounty on the exports of cotton yarns and textile fabrics.

It is said that the rates of bounty named are calculated on the assumed amounts of duty paid on the raw material.

It seems to be the policy of all protective tariff countries of Europe to grant similar concessions.

This information is, it seems to me, of special importance to Congress in connection with the revision of our tariff.

I have the honor to be, sir, your obedient servant,

W. H. EDWARDS,
Consul-General.

Hon. W. F. WHARTON,
Assistant Secretary of State, Washington, D. C.

FARM PRODUCTS.

STATEMENT OF S. C. BOWEN.

Mr. S. C. BOWEN, of Medina, N. Y., addressed the committee on the subject of duty on beans. He said:

Mr. Chairman and gentlemen of the committee, I am here with Mr. Smith. We come from the bean section of New York. I am a dealer in the article of beans and Mr. Smith is a farmer and producer of beans. We are here to talk upon the bean question, more especially on beans as an article of food, not for seed. I believe that the question of beans for seed was presented yesterday. I do not know that the question of beans for food has ever come up in this committee or in Congress before.

I am here in the interest of myself as a dealer, and especially at the solicitation of my farmer friends. Mr. Smith is here by appointment of a very large assemblage of farmers held in the village of Albion last Saturday, who appointed him as their delegate, and who subsequently came to me to ask me to act in connection with him. He will be able to answer questions in relation to beans better than I can. I am not a farmer, but I have been in the bean business, and have grown up with it from the first. We claim to be the pioneer country of the United States in bean-growing and bean-selling. We have to say that the duty of 10 per centum ad valorem does not keep out foreign beans at all. It is all the same as if beans were free. In my judgment no more or no less beans would be imported if they were free. The existing duty does not prevent free arrivals of foreign beans, to the injury of bean growing in western New York; and I presume that what is true of our section is true of all the bean-growing sections in the United States.

The duty on beans, as proposed in the Senate bill of last year, will not cover or reach the difficulties that now environ the business of bean producing and bean traffic. We ask that a larger rate of duty be imposed on imported beans; and that rate I should say should be 50 cents per bushel. The rate of 25 cents per bushel will not meet the emergency. It will only increase the revenue and will not prevent the large imports which are now beginning to come into this country.

As I said, I am speaking about food-beans. We do not grow beans for seed. It is difficult to grow together beans for food and beans for seed. These two businesses are apart from each other. Yet the difficulties that environ the one environ the other also. I think that the gentleman who presented the question yesterday (Mr. Payne) was a little too modest in the rate of duty asked for. The reasons for asking this increase of duty I have committed to paper, as I can make them a little clearer in that way than I can in an off-hand talk.

In the year 1836 a single pint of beans was brought into the town of Yates, Orleans county, N. Y. (my native town), from the eastern part of the State, by Stephen Coe, who planted them. In 1839, his son, T. H. Coe, raised about 33 bushels, supposed to have been the first load of beans grown in western New York, and sold them to H. V. Prentiss, of Albion, N. Y., the only man in the county who could be induced to buy so many.

Thus sprang this great industry in this country to an importance never before reached in the world's history.

For many years western New York was the producer and New England the consumer, but to-day the palm belongs to neither, for the consumption is universal, and the production of beans has extended to many other Northern States; also to California, Kentucky, Tennessee, and Missouri, and it is now working its way into new sections of the West, until we have become a nation of bean-growers and bean-eaters. In fact we are the only people with whom beans are popular as food, and this has stimulated the production of beans in France, Germany, Austria-Hungary, Italy, and other foreign lands, not for themselves nor for other nations about them, but with special reference to trade in this country.

Previous to 1880 the United States census reports coupled beans with peas, so that accurate information of the amount of beans produced is wanting, but according to the last census of 1880, Monroe, one of the eight counties referred to, now represented in Congress by Hon. Charles Baker, of Rochester, N. Y., produced in 1879, 292,563 bushels of beans, the largest amount of any of the eight counties, being about 10 per cent. of the entire product of the United States. Orleans County, represented in Congress by Hon. John G. Sawyer, of Albion, N. Y., produced 246,235 bushels, rela-

tively the largest amount produced by any of them. The eight counties produced 1,051,316 bushels, or over one-third of the entire product of the United States, which was 3,075,050 bushels. Of this New York State produced 1,303,444 bushels, or about 43 per cent. of the entire amount; California 378,971, of which Sacramento County produced 109,514, being the fifth county in amount raised in the Union; Michigan, 176,658; Missouri, 90,723; Kentucky, 70,017, and seven other States over 50,000 each.

In the absence of later census statistics we may safely estimate the entire crop of the United States in 1888 to have been 5,000,000 to 6,000,000 bushels. Of this probably 2,000,000 bushels were raised in New York, 500,000 bushels each in California and Michigan, and the remainder in the other States named and other States not then developed.

The staple products consist mainly of Medium and Pea beans, and these are all substantially consumed here. Other kinds are grown to a limited extent, but they would not be affected by a tariff, except sympathetically, as they are either not grown abroad or are grown here for export.

The present duty of 10 per cent. ad valorem does not keep out foreign beans, nor does the provision of 25 cents per bushel in the Senate bill reach the difficulty. It will only increase the revenue and not materially restrict, much less exclude imports.

The present cost of duty and freight from foreign ports to New York is about 25 to 27 cents per bushel. Under the Senate provision it would be 37 to 40 cents per bushel. Add the last sum to \$1.10 or \$1.20, probable prices at some time during the present season in foreign ports, and you have the importer's cost of \$1.50 to \$1.60 per bushel landed in New York. The present jobbing value of foreign beans in the same market is \$1.65 per bushel—the cost to the importer somewhat less. If you make the duty 50 cents per bushel, the importing cost would be \$1.75 to \$1.85, the present jobbing price of domestic pea and medium beans and 10 to 15 cents more than the price of foreign beans in the same market, showing that even the sum of 50 cents will not entirely prevent imports, but under such a duty markets would settle to actual value and steadiness prevail as in wheat and other markets.

Therefore, Mr. Chairman, we assign these and other reasons that we shall offer why a specific duty of 50 cents per bushel should be placed on all importations of beans for food, and, although not directly interested in them, to avoid confusion, would advise including beans for seed.

Is this too much? Let us see. In determining the right amount of duty to be placed on beans it is proper to consider their intrinsic and commercial values. Measured by the former it is not too much, as will be seen by the following table:

	Water.	Muscle.	Fat.
Potatoes	75.2	1.4	22.5
Beans	14.8	24.0	57.7

In comparison to the commercial value of potatoes and the duty of 15 cents per bushel on them, it is not too much. Even the duty on potatoes does not prevent free importations, as the receipts of foreign potatoes at New York in the last week of December were about 48 per cent. of the total receipts from all sources. Farmers think, and justly, that the duty on potatoes should be 25 cents instead of 15 cents.

Do we need foreign productions of beans? We answer, No.

First. There is no class benefited, except importers. Exclude them and the markets will all be well supplied and with a better average quality of beans, for until quite lately, when foreigners learned the quality and kind of beans wanted, the principal importations were quite inferior to domestic beans, and the average quality of all imports is still under the domestic production. Formerly, beans in foreign lands had no commercial value and only a very limited home consumption, mainly with the lower classes. They were grown on small plots of ground, that produced from 1 to 5 bushels each. Farmers here plant from 5 to 50 acres each, and in some cases more. Great care is used to select pure seed and also to substitute a new variety for a degenerate one. It has not been so with foreign peasants, as their beans have been more or less mixed and degenerate in quality. When exportations began dealers went through the country on set days, buying in very small lots, and in some cases the accumulation of years.

Second. We do not need them for lack of suitable soil and climate, for both are admirably adapted to bean growing here, and the area of such soil is extensive. The consumption of beans in this country has doubled in the last ten years, yet New York alone would, if permitted, produce a supply sufficient to meet the present demands of the whole country.

Third. Consumers would not suffer by the exclusion of foreign beans, as a higher tariff would largely stimulate productions and ordinarily low prices would prevail.

One farmer said to me, "If the duty is raised to 50 cents, I will plant 30 acres with beans this spring instead of 10." The production of beans in western New York would double the coming season.

Even the crop of the season previous to this was ample for domestic use, there being but small importations and these were mainly during the last quarter of the bean season. If no higher prices would prevail, then do you ask, "What is the gain of a higher tariff?" We answer, "Much." To illustrate: If ten idle men need and want work at \$1 per day it is better that all be employed than that only five are and five remain idle. So, if a farmer wishes to raise 200 bushels of beans at \$1.25 per bushel, it is better that he be allowed to do so, than that he be confined to raise 100 bushels at the same price, while the other 100 bushels are raised abroad.

In other words, if this country consumes 6,000,000 bushels of beans in a year, is it not better that all be grown here, rather than half, while we obtain the other half through importers?

The farmers' income constitutes only a part of the revenue derived from beans. Country dealers build large warehouses, equivalent to factories, and equip them with machinery for elevating and cleaning, and with conveniences for picking beans, so that they are fitted for table use. Nearly all beans are hand picked, before shipping, thus giving employment to many hundred women and girls, especially during winter months, when there is little or no work for men who labor out of doors. Thus farmers, merchants, laboring classes, and all are benefited thereby.

In the year 1849 I purchased 500 bushels of superior medium beans, at \$1 per bushel. From this time to the war prices ruled low, at times less than \$1, as demands were slow in developing.

The war created a large demand for army use and prices during this time averaged higher, notwithstanding productions increased. There were no imports for the reason that there were no beans in foreign markets. After the war prices were lower, and in the spring of 1866 they were dull at \$1. From this time till 1870 the demand and prices increased faster than the productions, and as near as I can learn, importations then began for the first, but not in quantities sufficient to affect prices. A reaction took place, and in 1876 prices declined to 60 cents per bushel. The following season another reaction caused an advance in prices which continued to increase until 1881, when importations again began, and for three years continued freely until September 1, 1884. The three years following, until September 1, 1887, importations were very light, but the domestic crop being large, prices were low at \$1 to \$1.25.

In the season of 1887, a severe drought cut off vegetation in many of the Western States, and created an unusual demand for beans. Prices advanced and were sustained through the season, notwithstanding there were larger imports than ever, the total amount being about 1,300,000 bushels, of which over 1,000,000 arrived at New York alone. To obtain these the world was ransacked for its surplus of beans, and when obtained they were shipped here and placed on the markets. Many thousand bags yet remain, too poor to sell.

The following table shows the importations of beans at New York City for eight years, from September 1, 1881, to September 1, 1889:

Year.	Bags ($3\frac{1}{2}$ bushels each).	Bushels.	Year.	Bags ($3\frac{1}{2}$ bushels each).	Bushels.
1882	230,082	805,287	1886	3,674	12,859
1883	75,613	264,295	1887	13,787	48,254
1884	140,610	492,135	1888	312,815	1,094,852
1885	7,193	25,175	1889	30,838	107,933

The importations of 1888-'89, as given in the table, occurred mainly after June 1, 1889, from which time they have continued regularly and largely until now.

Thus it will be seen that the business of exporting beans from foreign countries to the United States for food, is quite modern and has been irregular and without serious injury to the industry here until the present season, during which the arrivals have been free and steady and the token of future imports.

This constitutes a crisis that threatens destruction to bean growing here. Therefore the industry claims protection at this particular time, over any other in its history.

The extreme of high prices stimulated the production and importation of foreign beans, so also did the production of beans here at low prices and under no imports demonstrate the producing capacity of this country.

Recurring again to the current crops of foreign and domestic beans, please notice that they appeared simultaneously in our markets in September last, the quality of most of the foreign being now for the first time nearly equal to the domestic, and entered into a strife that has continued without cessation until the present. Indi-

cations, however, point to foreign beans leading in the race, as about 73 per cent. of the arrivals at New York City, 85 per cent. of those at Baltimore, and 37 per cent. of those at Boston for domestic use were foreign beans, as shown by the following tables:

Receipts of beans at New York, Baltimore, and Boston from September 1, 1889, to January 1, 1890.

New York :			
Domestic (for domestic use)	bush..	84, 650	
Foreign (against 7,600 in same time last year)	do ..	240, 000	
Total	do ..	324, 650	
Baltimore :			
Domestic	bush..	3, 500	
Foreign	do ..	21, 112	
Total	do ..	24, 612	
Boston :			
Domestic	bush..	125, 909	
Foreign	do ..	72, 293	
Total	do ..	198, 202	
Total domestic and foreign :			
Domestic	bush..	214, 059	
Foreign	do ..	333, 405	
Total	do ..	547, 464	
Domestic	per cent..	40	
Foreign	do ..	60	
Total	do ..	100	

Your special attention is invited to the prices that prevailed during this time in the country. They began at \$1.85 and declined, six weeks later, to \$1.60, and still later to about \$1.30, resting there at the present. The future of the season, as to quantity and prices, is as uncertain as at the beginning.

Importations caused the decline, and some will say that it inured to the benefit of the consumer in this case; all true, relating to the decline, but untrue as to the average of prices during the whole time. For, had there been no imports, and if, instead, the domestic crop had been equal to the sum of the imports and present crop, prices would have begun and continued to the present much nearer their actual value, and, as we think, midway between the extreme prices during the whole time.

You can estimate the world's crop of wheat, but you can not that of its vegetables.

Were all our beans raised here, a fair estimate of an impending crop could be made, but with the world for the field it is an impossibility.

It is this uncertain feature of inability to estimate the amount of a foreign crop that disturbs producers and dealers here.

The difficulty can be removed by imposing a duty of 50 cents per bushel on imports, and when this is done, domestic productions of beans will adjust themselves in quantities and values relatively to other farm products.

Mr. Payne spoke yesterday of the fact that country dealers in beans were in the habit of buying foreign beans and mixing them with State beans and selling them as State beans. Whatever may have been the tricks of the trade in the past that trick need not be resorted to any longer, for this year the foreign bean is equal to ours. They are not superior, but they are the same beans. The foreigners have obtained our seed and now grow beans in the same manner as we do, and they put in the New York and Boston markets substantially the same beans; we can not tell the difference in the samples, so that that point is no longer absolutely true. There has been a time when the foreign beans were so poor that they could not very well compete with ours. But now they can, so far as quality is concerned. I am bound to state the facts whether they are against me or not.

I am not here to ask anything that is not fair, and to present one side merely, but to state the facts as nearly as my observation as a dealer enables me to do so.

As to the consumption of beans in this country, my statement that it has doubled or quadrupled is made merely from my own observation and from what I can gather outside. It is not based on the Government reports, because the imports of beans and pease are classed under the one head; and I know of no way of getting the exact particulars in regard to it except by the commercial records.

Now, Mr. Chairman, one word, if you please, on the question of the capacity, disposition, and probability of this country producing all the beans needed for home consumption at low prices, if foreign beans are wholly excluded. I want to say this from

the standpoint of a dealer's observation rather than from the standpoint of a farmer. The farmer expects that the increase of duty is going to inure to his benefit by increasing the price of beans. I have occasionally to differ with many of our farmers in discussing that point. I say to them that what they want is the opportunity of growing all the beans that this country can consume, and I tell them that, having that privilege, they will grow all that can be consumed, but at low prices. So, what we ask for the farmer is such a rate of duty on the importation of beans that the farmer of this country can grow every bushel of beans consumed here—that the man who now grows only 10 acres of beans can then grow 20 acres, prices being the same. It is understood that beans can be grown at a low cost. Not as low as wheat, but, having the land, having the experience, knowing all about the business, and the trade being worked up and moving on to a large development, there can not be any question about the capacity and willingness and disposition of the farming community to produce all the beans that can be possibly used in this country, at low prices, if the foreign beans are excluded.

I have said this to farmers, and I say it now, that, so far as I am individually concerned (if it were practicable), I would not object, but would advise that when beans reached a certain point of cost at the place of exportation, they should be admitted free. For instance, if, at a certain point, they cost \$2 a bushel, they should be admitted free, and if they cost \$1.75 a bushel, they should pay a duty of 2 cents a bushel.

Mr. GEAR. Have you stated the amount of imports of beans for the year 1888?

Mr. BOWEN. Yes; I have given that. I stated that there were no imports this year—I mean for the past fiscal year.

Mr. GEAR. Do you grow peas to a large extent in your neighborhood?

Mr. BOWEN. No, sir.

Mr. GEAR. Are peas grown largely in this country?

Mr. BOWEN. I do not know. They are not grown in any part of our State.

Mr. GEAR. You say that in the table of imports beans and peas are included under the same head?

Mr. BOWEN. Yes; so far as I have seen they are under the head of peas and beans.

Mr. GEAR. There are nearly 2,000,000 bushels of all imported.

Mr. BOWEN. In 1887?

Mr. GEAR. In 1888.

Mr. BOWEN. There were no imports until about the month of June. From that time to the present there have been about 300,000 bushels imported, and from the 1st of September to the present 240,000 bushels as against 84,000 bushels of New York beans for domestic use. I have been willing to present both sides of this question fairly. During this same time, of the receipt of beans at Boston, about 40 or 50 per cent. were foreign beans. Most of the imports went there. As to the other points where beans are imported the foreign beans in the market were much less than the domestic beans. If you take the condition of the bean business in New York State it forms and settles the issues all through the country. It is not so much what has been done in the way of importing foreign beans as what may be done, for, the fact is, there have been but few foreign beans imported into this country.

STATEMENT OF S. W. SMITH.

Mr. S. W. SMITH, of Albion, N. Y., addressed the committee on the same subject. He said:

Mr. Chairman and gentlemen, I belong to a class of men who are not accustomed to public speaking, so that I think I will not weary you. I am glad of this opportunity of coming here. I represent a class of people in the North and in the West, whose loyalty never has been questioned; a class of people who, at the last Presidential election, a little more than a year ago, voted largely in favor of a tariff for protection, and we are willing to have the industries of this country protected by the tariff. For one, I am perfectly satisfied to protect the sugar and rice industries in the southern part of the country. I am willing to protect any industry in this country, and if I represent an industry that needs protection, I ask you to listen to its claims.

I represent here to-day the farmers of western New York in the matter of the production of beans. As Mr. Bowen has just told you, it is an industry which belongs largely to the locality where I live; but it is not confined to-day to New York State, although the census of 1880 shows that New York produced over 40 per cent. of the total amount of beans produced in this country. But that would probably not be the fact to-day. It is very difficult to get at figures in the matter. I hold in my hand (taken from one of the books on your table yesterday) a table of the imports of the whole country from 1879 up to 1880; but these figures put beans and peas all

in one class, and I am free to say that we can not tell how much is beans and how much is peas.

Mr. FLOWER. Give us the totals.

Mr. SMITH. The total in 1879 was 369,000 bushels, at an average value of 82 cents a bushel; but this includes beans and peas.

The totals for the other years are as follows:

Year.	Bushels.	Value per bushel.	Year.	Bushels.	Value per bushel.
1880	343,000	\$0.86	1885	284,000	\$0.89
1881	365,000	.94	1886	649,000	.90
1882	1,190,000	1.42	1887	648,000	.93
1883 over.....	1,000,000	1.44	1888 almost	2,000,000	1.13
1884	1,160,000	1.35			

I wish we were able to take apart these two items of beans and peas, but we can not do it. A specific duty is one of the things we advocate, and if you will make the duty specific you may fix the amount at whatever your judgment thinks best.

May I say to you (what you already know) that all over the North and West there is a period of depression in agriculture. I heard questions put to gentlemen here yesterday trying to bring out from them their opinion as to what has caused this depression. Here is one thing that causes it. What is the tariff to-day on imported wheat?

Mr. GEAR. Twenty cents a bushel.

Mr. SMITH. You have made a law that if any one imports wheat into this country, the importer shall pay 20 cents a bushel. Very well. As farmers we get no benefit from that, but we make no complaint whatever. We produce more than we consume. If, for instance, 50,000,000 bushels of wheat are exported from this country in a year, that 50,000,000 bushels makes the price of all the wheat that we consume in this country. We cannot help it. There is no use in kicking against that fact. I think that I can forecast the future enough to say that we produce to-day as much wheat as this country ever will produce. I need not go into the reasons for it, but that is my judgment and that is my hope. In the not distant future this nation will consume all the wheat that it produces, and when that time comes that we begin to import wheat, then the price of that cereal will advance; whereas if we produce more wheat than we can consume, we will have to sell it at a low price.

It is the same with the cattle industry in the far West. A gentleman was asked here yesterday when he stated that cattle sold in Kansas at 1½ cents a pound whether that was not stock cattle. It is not, gentlemen. It is fat cattle. I know a neighbor of mine who put into his barn fifty steers to feed that came from Kansas, and they cost him \$2.55 a hundred; and these steers are fat to-day.

Mr. GEAR. They came off the grass in Kansas I suppose?

Mr. SMITH. They were fed on grass during the summer and they are now fat. The only profitable stock to fatten is stock that is fat already.

Mr. GEAR. You seem to confuse the idea between fat cattle and stock cattle. In the West stock cattle is such as is sold to the East. Fat cattle is such as is ready to go to the butcher's shop.

Mr. SMITH. The cattle that I speak of were sold in the Buffalo market for fat cattle; and this gentleman purchased them instead of buying stockers, because we consider it more profitable to feed fat cattle than to feed stockers. Now I say that of wheat, and of cattle, and of pork, we produce more than we consume, and if we had a tariff upon them we could not derive any help from it.

But the remark which I first started with was that as a people, the farmers of the North and West are in favor of protection to home industries; and we do not mean a tariff for revenue either. We mean protection, and we mean protection to every industry. And now all that I ask for here to-day is that you may consider an industry which we have in our neighborhood, that is, the manufacture (I may call it so) of beans.

We have soil all over the North, from Maine to California, which is especially adapted to the raising of beans, and we have got machinery for the purpose and we know how to raise beans. Now, we do not want to compete with the cheaper labor of the old countries in producing our product any more than a manufacturer does in producing his. And I may say to you gentlemen that the farmer of the North has done more thinking in the last four months than he has done for years before. We have abundant crops, but the only thing to-day which brings a high price with us is money, and it takes a vast amount of produce to get much of that.

Now, whether legislation can help us or not is a question for you statesmen. We are a loyal people. We believe in supporting the Government. We believe in sus-

taining manufactures—not only in sustaining them, but in protecting them; and we want to be protected ourselves if we have an industry that demands protection. I see by the Senate bill that it proposes a specific tax on beans. That I think is right. You see here by the figures I have given, if they are at all to be relied upon (and I am not sure about that because the beans and peas come in together), that the prices are below \$1 a bushel in New York City, and that there has been only four years out of the ten where the prices were above \$1 a bushel.

Mr. McMILLIN. The years when they were over \$1 a bushel appear to have been the years of the greatest importation.

Mr. SMITH. Yes. That is why the importations came in.

Mr. McMILLIN. If the importations do not come in when the price is low by reason of the duty that exists at present, how will the increase of duty tend to raise the prices when they are low?

Mr. SMITH. I think that that is a fair question and I will try and answer it. Whenever the foreign beans come into this country in large amounts one year, we are afraid of them for the next year, and do not produce so much. Now, we are already afraid this year. I have not anything to conceal on this subject, for there is nothing to be gained by misrepresentation or by withholding facts. The foreign beans have been coming into this country since last June, and coming in largely. We have had all through New York a peculiar fall and a peculiar winter. The beans grown with us are white beans, and of course there is a certain amount of dirt in them. If these beans are prepared in a damp winter, they can not be made white. The farmers have been forced to let the beans lie in the pods and to let the foreign beans come in and supply the market because they can not get their own beans out. I think I can foresee that there are going to be higher prices for the imported beans, and when the farmers of the North can get out their beans they will get low prices for them. Now, if we could know that this industry is to be protected, we could raise all the beans that this country can use.

Mr. CARLISLE. But take the case you have stated. Suppose the duty was 50 cents a bushel; still if your beans can not be got out to be put upon the market, would not the foreign beans still come in to supply the demands of the market?

Mr. SMITH. I guess you will all admit that we have had an exceptional fall in regard to moisture.

Mr. CARLISLE. You state that the years when the foreign beans come in most largely are the years when you get the largest price for your beans?

Mr. SMITH. That is so, and it is because the foreigners do not send their beans here very much when the prices are low.

Mr. CARLISLE. That is the case always in regard to all products.

Mr. SMITH. The dealers in Rochester and other localities, when the price of beans advanced last spring, sent agents to Germany and kept them there a large part of the summer contracting for beans, and those contracts are already being filled and the beans are arriving in the ports of this country.

Mr. BRECKINRIDGE. What time of the year do you harvest the bean crop?

Mr. SMITH. In September. They must be harvested before the frost.

Mr. CARLISLE. How do you gather the beans—entirely by hand?

Mr. SMITH. No, sir. There is what is called a hand-picked bean. I heard a gentleman lately make a statement on that point. He said there are some hand-picked beans, and they have been picked from the vines by hand. That gentleman did not know any better, and was of course not to blame. A hand-picked bean is a bean that is put upon a table similar to this, and women sit by the table and pick the beans, taking out all the dirt and the inferior beans. No, we harvest our beans with a bean harvester.

Mr. BRECKINRIDGE. What kind of an implement is your bean harvester?

Mr. SMITH. It is an implement that is drawn by two horses and that is managed by one man.

Mr. CARLISLE. It cuts the vine?

Mr. SMITH. Yes.

Mr. BRECKINRIDGE. It operates as a mower?

Mr. SMITH. Yes, it operates similarly to a mower except, that the knives do not work back and forth as the knives of a mower. The knives are in this shape [indicating] and are moved along so as to throw the two rows of bean stalks into one row. The knives run under ground about an inch and force the vines out of the ground into one row. Then a man passes along with a fork.

Mr. BRECKINRIDGE. Do the knives cut the roots of the vine?

Mr. SMITH. Yes.

Mr. CARLISLE. Do they use those machines abroad, so far as you know?

Mr. SMITH. I do not know. I think the gentleman who preceded me (Mr. Bowen) is right in saying that until within two years past and perhaps within one year, the foreigners have taken to producing beans like our own. Formerly the foreign beans that came to this country were picked over and mixed with New York State beans

and were then sold as New York beans, but to-day the beans that come into New York and Boston are evenly graded, which shows that they have got machines for screening them similar to our own machines, and they are hand picked.

Mr. CARLISLE. And your beans are not hand picked?

Mr. SMITH. We farmers do not hand pick them. The dealer works them over afterwards.

Mr. CARLISLE. How does the value of the land on which beans are produced abroad compare with the value of your land?

Mr. SMITH. That I do not know.

Mr. CARLISLE. Is not the land abroad much higher in value?

Mr. SMITH. I have no means of answering the question, and will not attempt to do so.

Mr. CARLISLE. Do you not think that you have an advantage in the comparative cheapness of your land and in the fact that you use machinery to so much greater an extent than it is used abroad? Do you not think that these two factors give you an advantage over the foreign producer of beans?

The CHAIRMAN. The same machinery is open to the foreigner, I suppose?

Mr. CARLISLE (to the witness). Do you not think that these two factors give the American farmer an advantage over the producer abroad? Of course there is a difference in the cost of labor; but I want to see whether that difference is not equalized by those other advantages that you have.

Mr. SMITH. So long as I know nothing of the price of their land, I can not answer that question.

Mr. BRECKINRIDGE. What do you consider a remunerative price for beans?

Mr. SMITH. The farmers of my section (and I presume of other sections, but I speak only of what I know) would be very glad to get \$1.25 a bushel for their beans.

Mr. BRECKINRIDGE. During the years when the importation of beans has been very large, have not your beans generally brought that price or more?

Mr. SMITH. Always, when the imports were large.

Mr. BRECKINRIDGE. Then you have nothing to fear from those circumstances that may cause large imports to this country?

Mr. SMITH. Perhaps I have not made this thing plain, and I wish to do so if I have not. This year foreign beans are coming in in large quantities, and the result of that will be that the farmers will not dare to invest very much money in this industry next year, knowing that it has been so fine and again that, just after high prices, there is a year of very low prices, because the foreigners have got the field.

Mr. BRECKINRIDGE. Have you knowledge of the fact that the importation of beans is large now, or do you get it from the custom-house?

Mr. SMITH. We do not get it from the custom-house, but we have it from men who are watching the trade in beans.

Mr. BRECKINRIDGE. And yet the official data that you have read to the committee running through a number of years is just the reverse of what you have stated. Every year that the imports were large the price of beans appears to have been considerably over \$1 a bushel.

Mr. SMITH. Yes, and the price is over \$1 to-day.

Mr. BRECKINRIDGE. It may be. You do not mean to say that the farmers are discouraged by high prices?

Mr. SMITH. No, it is the prices of 85 cents and 86 cents and 93 cents a bushel that discourage them.

Mr. BRECKINRIDGE. But the years of these low prices are the years of small imports?

Mr. SMITH. Yes, and of no imports.

Mr. BRECKINRIDGE. If in the years of no imports the prices are low, and if in the years of large imports the prices are high, how can that produce a discouraging effect upon the farmers?

Mr. SMITH. In 1879 the price of beans was 82 cents a bushel. The farmer did not receive as much the next year, but in 1881, about the time that the old crop was worked off, foreign beans began to come in.

Mr. BRECKINRIDGE. Do you people who raise beans as a food crop raise also other crops on the same farm?

Mr. SMITH. Yes, we go on a rotation of crops.

Mr. BRECKINRIDGE. About what percentage of the farm is given to the bean crop?

Mr. SMITH. If a farmer has 100 acres of land, he will probably raise from 10 to 20 acres of beans.

Mr. BRECKINRIDGE. Then from 10 to 20 per cent. of the farm, according to circumstances, will be planted in beans?

Mr. SMITH. Yes.

Mr. BRECKINRIDGE. Does it take more labor to cultivate beans than to cultivate corn?

Mr. SMITH. More than it does to cultivate corn in the West. In my own locality we raise very little corn.

Mr. BRECKINRIDGE. Does it take much labor to cultivate corn in your own locality?

Mr. SMITH. Corn in my locality is not much hoed by hand. Beans must be hoed. Mr. GEAR. Would it take three times as much labor to cultivate an acre of beans than an acre of corn?

Mr. SMITH. I think there is more cultivation to the beans, so far as horses and men are concerned; and there is more hand labor besides.

Mr. BRECKINRIDGE. The consumers of beans in this country are in a large measure the working people, are they not?

Mr. SMITH. It is estimated that 8,000,000 bushels of beans are grown in this country at present. I suppose it would not be far from correct to say that there are 16,000,000 of families in this country. That would make about half a bushel of beans a year for each family. But of course you can not average it, because some families do not use 4 quarts of beans in a year. Working people who eat largely of potatoes are also large consumers of beans.

Mr. BRECKINRIDGE. Your remedy, then, is one which involves an increase in the present tax on the food of those classes of people of a little more than 350 per cent.?

Mr. SMITH. It does, if we can not produce all the beans that this country wants; and if we can, it will not increase the price of beans 1 cent a bushel.

Mr. BRECKINRIDGE. But if you do not, and if food beans happen to be scarce and a famine is threatened, then at that particular juncture the tax of this food of the laboring classes increases the cost 350 per cent.

Mr. SMITH. I admit that it would increase the cost 50 cents a bushel if all the beans that are consumed here were produced in foreign countries and paid a tax of 50 cents a bushel.

Mr. BRECKINRIDGE. At a time of scarcity and want it would be an increase (taking present prices) of 350 per cent.

Mr. SMITH. Yes, but you might say the same in regard to wheat.

Mr. BRECKINRIDGE. Of course, it would be the same in regard to wheat if there was a deficit in the wheat crop.

Mr. SMITH. What we want is to have the duty on beans just as it is on wheat, so that we can depend entirely upon ourselves.

MEMORIALS OF NEW YORK FARMERS.

The following memorial and letters were presented and ordered to be made part of the record:

We, your memorialists, citizens of the United States, engaged in farming and growing of vegetables in Suffolk County, N. Y., in view of the probable readjustment of the present tariff at the present session of Congress, do most earnestly and respectfully call your attention to the following facts and figures:

We farmers ask a duty of one-half cent per pound on potatoes and onions; 15 cents per bushel on turnips; one-half cent per pound on cabbage and sauerkraut; 5 cents per pound on Brussels sprouts; 5 cents per dozen on eggs; and 1 cent per pound on cauliflower in salt or brine, including cask, salt, and brine.

This barrel of salted cauliflower represents from 11 to 16 barrels of cauliflower as usually marketed in this country, viz, 325 pounds of cauliflower meat and 125 pounds of salt or brine. These goods are invoiced in Holland and Germany and valued there at about \$3 or \$4 per barrel. The duty paid in this country is 10 per cent., 30 or 40 cents, an insignificant sum, and is not protection in any form; the importer sells this same cask to the jobber for \$10, and the pickle manufacturer pays for \$11 to \$18 for it. I do not think it necessary to state the difference in wages in this country or Germany, as it is an accepted fact wages are higher here. It is sufficient that large quantities of this salted cauliflower come to this country, and that but a small proportion of the crop raised in this country is salted or prepared for pickles. If it can not be sold fresh in the market or to the licensed vender wagons it has to be dumped in the docks. Sixty cents per barrel has been the average price for what has been sold, and the farmer pays out of this an average of 28 cents per barrel freight, 7 cents cartage, 2 cents wharfage, and 6 cents commission, leaving him 7 cents to 17 cents to pay for the barrel he sent it in, and that usually costs 15 cents and the cover 1½ cents or 2 cents.

This year has been unusually hard on the farmers in this section, the November frost destroying one-third the crop, and yet the shipments to New York alone from Suffolk County have been over 260,000 barrels, one commission firm receiving as high as 1,200 barrels in one day. A duty of 1 cent per pound on the salted, partially prepared product will allow a large part of this crop to be salted and manufactured in

this country, as it was in 1883. The 1889 cauliflower crop was almost an entire failure. Manufacturers are buying cauliflower salted in Germany at from \$12 to \$14 per barrel in small lots. Those who contracted with importing houses before the crop matured in this country got theirs at \$6 and \$9 per barrel. Under a 1-cent duty the manufacturer would have prepared himself by salting the home-grown product last year at a cost to him of \$4.50 to \$6 per barrel and the farmer benefited accordingly.

Statistics do not show the amount of cauliflower in salt imported. It is classed as other vegetables in their natural state or in brine. The value in 1888 of this class of goods was \$715,063; in 1889, \$423,086; the difference, or a large part of it, represents cauliflower and cabbage (for sauerkraut) salted in this country in the fall of 1888. An increased duty on pickles and sauces, of which there was \$416,958 imported in 1888, would also help the farmer.

We ask that a duty of one-half cent per pound be placed on cabbage in its natural state or in salt or brine. This rate would then cover sauerkraut, a form of salted cabbage now on the free list.

This article, sauerkraut, can be made in this country, and was made previous to 1883, and the farmer received \$5 to \$8 per ton for his surplus stock of cabbage. The imported article at the present time entirely controls the market price, and what little is manufactured in this country has to be done cheaply, and this past year one Long Island factory has salted a considerable quantity of cabbage, paying 90 cents per 100 for cabbage weighing 8 pounds each, or \$2.25 per ton.

Red cabbage is imported from Germany in considerable quantities and is mostly received in New York City during February and March, at a time the farmers have but small quantities to ship that they have wintered over in cellars built expressly for the business, as the red cabbage will seldom keep covered up with earth as the ordinary green cabbage will. A fair protective duty would be one-half cent per pound on cabbage and sauerkraut or cabbage prepared, or in salt or brine, including weight of barrel and brine.

We ask a duty of 5 cents per dozen on eggs. It is estimated that there are about 16,000,000 dozen imported annually—evidently a low estimate, as over 8,000,000 were imported last year from Canada to New York City alone—but they do not come fresh, but are kept in cold storage until fall and winter, and not only force prices down, but hurt the reputation of all eggs. About 2,000,000 dozen were this past year received from Germany, the freight being about three-fourths of a cent per dozen. The freight from 90 miles on Long Island being 1 to 1½ cents per dozen. They come from Germany in large quantities, when the wholesale price is 14 to 15 cents per dozen here. The average price the American farmer has received this past year has been about 12 cents per dozen. A few eggs are shipped from New York to the West Indies, but the Southern States are now making small shipments to New York market. Large importations of eggs are also received at San Francisco from China, and are mostly consumed west of the Rocky Mountains.

We would also call your attention to the importation of onions. They come from Spain and Italy in large quantities, and are now selling at extremely low prices and forcing price of home product below cost of production. Some grades of Spanish onions have sold in New York market this past year as low as one-half cent per pound. We would ask that a duty of one-half cent per pound be placed on them; also that a duty of 5 cents per pound be placed on Brussels sprouts. They are raised in this country in quite large quantities and require a great deal of labor, and for that reason, with the cheap labor of Spain and Italy, if prompt action is not taken, the farmers of this country will stop raising them, and the imported product supply the market at an advanced price, as there will be no opposition. The average selling price in New York City is about 7 cents per pound, and a duty of 5 cents per pound will not be prohibitory and only a fair protection.

We petition for a duty of one-half cent per pound on potatoes. The amount imported in 1888 was 8,259,538 bushels. This amount of potatoes will supply New York City and Brooklyn three hundred and ninety days, considerably over a year, the estimated consumption of the two cities being 7,000 barrels per day. New York is our market and distributing point.

It is plain to the farmer or dealer that the imported article for a great part of the year entirely controls the market. One steamer in March, 1888, brought 75,000 sacks of 3 bushels each. The average price for the year has been under \$2 per barrel, and the price to the Long Island farmer has been less than 45 cents per bushel after paying freight, commission, etc. (freight 20 cents, cartage 7 cents, wharfage 2 cents, commission 20 cents, barrel 15 cents—64 cents in all). The imported potatoes sold from \$2 per barrel down to 75 cents, and at the last end they were a drag on the market at any price. The bulk of the Long Island crop is marketed in September and October, and the price for several years has been less than \$1.50 per barrel in New York, and this last year, 1888, has been as low as 75 cents per barrel.

Potatoes are not stored by the grocers and commission dealers as they were years ago; they can buy during the winter the imported potatoes out of the Nova Scotia vessel or in bags that have been brought over by the steamers from Europe, in many cases brought over instead of ballast and at freight rates reported at 60 to 90 cents per ton. The duty of half cent per pound will not be prohibitory or raise the wholesale price on an average to over \$2.

In the fall of 1888 and winter of 1889 there were only 883,380 bushels of potatoes imported, mostly for transshipment to West India ports, the large crop in the United States preventing imports for consumption. In November and December, 1889, there were over 600,000 bushels imported, coming on a market already overloaded. The following we quote from the Fruit Trade Journal:

"The receipts of potatoes from the West became so large last month (November) that it resulted in a glut here and the market went very low. Of late, however, a decided falling off in arrivals has been noticed which has given our market a chance to recover. The yield here has been unusually light, but a very full crop has been grown throughout the West which has kept our market so well supplied so far that there has been no chance for foreign potatoes to find a profitable outlet. The shippers abroad are making preparations to send liberal quantities here as soon as advices are all favorable. There will be much larger quantities consumed here this season than last, although there is little chance that the imports will assume the proportions they did two years ago. In November 11,710 sacks were imported from Great Britain, 8,220 from the Continent, at this port. In addition large quantities can be drawn from Nova Scotia and Prince Edward's Island. The outlook is favorable for a good healthy market, and although many Western shippers are somewhat discouraged, there is every probability that if the quality of their stock is fine, and they are fortunate enough to be favored with weather not severe enough to freeze it while in transit, they will obtain a profitable margin on stock still in hand."

In November and December there has been about 600,000 bushels imported: New York, 72,495 bushels; Boston, 453,630; Providence, New London, and Philadelphia and Baltimore the balance. The Long Island farmers most earnestly ask a duty of at least one-half cent per pound.

We petition for a duty of 15 cents per bushel on turnips. There were over 200,000 barrels imported from Canada this past year, the average selling price being from 65 to 75 cents per barrel at wholesale in the city of New York, and in some cases have sold as low as 50 cents per barrel at the present time, January 1, 60 cents per barrel.

The quantity shipped here from Canada is greater than the home product, there having been less than 90,000 barrels of the home-grown product sold on account of price, the imported article being offered in such quantity that in some cases within the last thirty days Long Island turnips have sold as low as 47 cents per barrel, the Canada turnips entirely controlling the market and setting the price. The usual price in Canada is 10 cents per bushel, the freight to New York City 7 cents or less, and is about the same as paid by a Long Island farmer to move them 70 to 90 miles to New York market. These figures are for 1888. This year, 1889, shows little difference in price, but the quantity received far larger, commencing earlier, October 1, and reaching already 250,000 barrels; sixty cars on track awaiting to be unloaded, price 70 cents per barrel.

The entire importation in value of articles we have mentioned is less than \$6,000,000 annually—so small a sum it may be overlooked, and yet the market in which the Long Island and other farmers can sell \$5,000,000 or even \$3,000,000 worth of produce will be a boon to them; it means to them the difference between paying their debts or being in debt.

The year 1889 has been a hard one to the Long Island farmer; hay and grain damaged, potatoes one-third crop, cauliflower crop a failure, cabbage no sale, turnips no sale, and so on through the list, and yet the New York markets are full of foreign produce.

Gentlemen, it is a small boon we ask. Grant it; give us the same meed of protection you willingly grant the manufacturer—put agriculture on the same footing.

Respectfully submitted.

J. EUGENE PARKER,
Shelter Island, Suffolk County, N. Y.

RIVERHEAD, N. Y., January 8, 1890.

DEAR SIR: In behalf of the farmers of Suffolk County, I desire most earnestly to indorse the appeal of Mr. J. Eugene Parker in behalf of an increased tariff on potatoes, cabbage, cauliflowers, pickles, turnips, and other vegetables.

The potato crop, probably the most important in this locality, has this year been

a partial failure, while those that were saved are now bringing but little more than half the usual price, because large quantities of foreign growth fill the market.

Cauliflowers, also a large industry here (it is said that more are grown in this county than in all the rest of the United States), are often unprofitable because of the large importations from abroad.

These are but two instances; more can be given if required.

I believe Mr. Parker faithfully represents the farmers of the county, and I trust he appeals not in vain.

I am, very truly, yours,

NAT. W. FOSTER,

President Suffolk County Agricultural Society.

Hon. WILLIAM MCKINLEY, Jr.,

Chairman Committee on Ways and Means.

GARBUTT, N. Y., January 11, 1890.

DEAR SIR: I observe that an effort is being made by the farmers of western New York to have a duty placed upon imported beans, barley, and potatoes.

This is a matter in which the farmers of Monroe County have an especial interest. Six or seven counties in western New York constitute the chief bean-growing portion of the country, and Monroe stands well in the lead among them.

As a farmer, and of course personally interested; as one of a large class of citizens, and as one of your constituents, I write to solicit your co-operation in that movement, so far as it may lie in your power or accord with your judgment so to do; and I trust you will pardon my intrusion if with my solicitation, I give some reasons why, as farmers, we ask for protection.

(1) The agricultural population of our country comprises over 40 per cent. of the whole; while the points wherein we seek protection, or it is in the power of the Government to give it, are very few. We therefore submit that where such opportunity does occur, supported by good reasons, it should receive serious and favorable consideration.

(2) Our tariff system is organized chiefly to encourage and foster manufactures; while it is a notorious fact that many of those industries, through their trusts and combines, have it in their power and actually do protect themselves from undue competition by controlling production and manipulating prices. Farmers, however, owing to their large numbers and unorganized condition, are entirely powerless for self-protection, and are subject wholly to the law of supply and demand.

(3) The capital of the farmer being all in the land, can not be hid nor managed so as to escape taxation. Hence, in common with all real estate, their capital is under the grinding heel of the Government, and whether free from debt or heavily encumbered must alike support the local and State government; while it is safe to say that not one dollar in a thousand of the millions engaged in other industries pays any tax. Is it too much to ask that the capital thus burdened shall receive such aid as the Government can give to make it fairly remunerative?

(4) As a political move on the part of those who believe in a protective tariff (of whom I am one) it would be wise to accord some of its benefits directly to the large class on whose votes they rely to perpetuate the system. Farmers have been told that their advantage lay in building up large cities and manufacturing communities to consume their products—a true proposition and our best argument; but when they see these cities fed from the fields of Germany, Italy, Bermuda, and Canada, while the last cent of profit the tariff gives to the manufacturers is squeezed from their customers by means of trusts, it is going to tax the philosophy of protectionists to convince farmers that the indirect benefits of a tariff are any help to them.

But I shall drop the general argument to consider the specific case wherein we in western New York are especially interested, the duty on beans, and briefly state some facts in relation to them.

(1) The culture of beans involves a large amount of manual labor, and is consequently an expensive crop to raise, viz: The ground should be fitted like a garden. On coming up the plants must be cultivated two, three, or four times; weeds and grass must be taken out, either with hoe or by hand; the harvesting is mostly hand labor; the "curing" requires great care and much time either with good weather in the fields or on "scaffolds" under cover. After thrashing they all have to be hand-picked, causing, with other expenses, a margin of about 50 cents per bushel between the price at the sea-board and on the farm.

(2) The bean is the most sensitive of the food-producing plants; the slightest untimely frost in the spring or fall destroys it (as were hundreds of acres by the frost of May 29, 1889), or violent storms injure it; so that at best its culture is a lottery

(3) The yield is small—from 15 to 25 bushels per acre. The crop is very exhausting to the soil and can not be safely repeated oftener than every third or fourth year. These facts taken together make it obvious that the culture of beans can not long continue if the price fall below a "living profit."

(4) The demand for beans is limited, and if foreigners are allowed freely to stock our market the domestic crop must be abandoned.

(5) No injustice can come from insuring to home producers a fair price for their crop even to a slight advance. Very few are used by any one family. It is safe to say that few families use more beans than they do of coffee; so that the addition of one-half or 1 cent per pound up to 3 or 4 cents per pound would not be felt even by the poorest consumer.

The demand for a higher duty on beans is local, but the farmers of New York can very gracefully ask the people of the West to assist them in obtaining it. We are taxed to maintain a free water-way that brings their grain into direct competition with our own. With their low-priced land, their inexpensive modes of farming and their cheap transportation they have robbed our wheat-fields of their profits; the cattle from the plains have literally driven out our cattle-growing and beef-making industry, while the great malt houses of our region are supplied with barley from Canada and Wisconsin, against neither of which localities can we compete. Thus we have been driven from one branch of our industry to another till of late years the culture of beans has been our relief from utter collapse. But now we are threatened from another quarter; Germany and Italy are flooding our market with beans, cheaply brought in light-bound ships, and the domestic crop must be kept at home or sold at a sacrifice. Against this ruinous foreign competition do you not think we may justly ask for protection? Fifty cents per bushel I believe is the amount of duty asked for which surely is not unreasonable.

It is no exaggeration to say that the farm lands of Monroe County have depreciated 20 per cent. in value in the last fifteen years, and should our now best source of revenue be cut off, as threatened, the fall will be still greater and more rapid.

I regret that I am not able to give statistics as to acreage, product, value, consumption, etc., of the bean product which might give a clear and correct view of the subject, but which I trust others can supply. I have written to manifest my interest in the matter, and if petitions would have any weight with the committee the farmers and dealers would join in sending them.

Anything you may be able to do to accomplish the object sought will be appreciated by a large number of your constituents.

I remain, very respectfully and sincerely, yours,

PHILIP GARBUTT.

HON. CHARLES S. BAKER.

STATEMENT OF VICTOR E. PIOLLET.

Mr. VICTOR E. PIOLLET, of Wysox, Bradford County, Pa., next addressed the committee.

The CHAIRMAN. Will you state your occupation and name to this committee.

Mr. PIOLLET. I am a farmer and have been all my life. I began in 1833. My name is Victor E. Piolet.

Mr. Chairman and gentlemen of the committee, I wish to be courteous and inoffensive in everything I shall say to you. I am not accustomed to public speaking, and sometimes I offend when I really do not desire or intend to. I want to say to the committee, representing the majority of the representatives of the people of the United States in this Congress, that the men engaged in the industry in which I am supposed that we settled this question of protection at the polls in 1888. We supposed that we elected representatives here who would carry out the promises of the Chicago convention. Distinctly before the people was the pronunciamiento of the two parties—the convention of St. Louis, representing what was always termed the Democratic party, and to which I had always belonged up to that time. There is no mistake, gentlemen of the committee and gentlemen of Congress, as to the understanding of the people upon this question. They supposed they had settled it, and they supposed when this Congress met there would be no quibble, no such exhibition as has been carried on in this committee-room since the meeting of Congress; although I think it is preferable to the star-chamber committee proceedings of the Fiftieth Congress.

I repeat. We supposed we had settled it at the polls. We supposed that when Congress met they would promptly repeal the tobacco tax. We supposed they would repeal the tax on alcohol used in our manufactures. We supposed they would make our artisans in this country who are using alcohol equal to the European artisans. We supposed they would cure the outrageous drawback in favor of foreign labor. We had confidence in this, and we are invited here, and now we are going to talk to you.

I am here to say that the principal cause that has deteriorated the prices of agricultural lands, our farm lands, is the cheap labor products of the Old World, foisted upon our markets. And I undertake to say that American farms can not compete in the edible productions with the cheap labor of the foreign countries. That is the principal cause of the destruction of our labor. Now, we want the duty on all agricultural products of every sort equal to the difference in the cost of labor in the two countries. That is what the people want; that is what the farmers want, and if this Congress does not give it to us, we will have one here that will.

Now, gentlemen, you remember that. We can do more the second time than we could the first. It is pretty hard for a fellow to break over in the beginning, but after that he does not stay behind. I of course do not wish to discuss the question politically, or to make any remarks of that kind. I want to state precisely the sentiment of our people. We want to exclude from this country products that compete with us because they are produced by cheap labor in the Old World. We claim in behalf of agriculture the same right to be protected as the people engaged with capital and labor in manufactures. We claim that, as farmers, as agriculturists, we are entitled to it.

I want to say to you there would not be a manufacturing establishment of any kind in this country to-day in existence and prosperous as they are, all of them, if it was not for the protective duties which are assessed upon similar products, which exclude the foreign products made by cheap labor. Why, if that makes manufacturers prosperous, why would it not help agriculture? Now, the idea! You go through our towns; you pay your money and you select your edibles. You can get foreign sour-kraut and domestic sour-kraut. How are the Germans enabled to bring sour-kraut here? Because they have got the transportation from Germany for less than you can carry it half way across one of our States. It is the cheap labor and the cheap transportation of foreign countries that is breaking up the agriculture of this country by making it unremunerative. I state emphatically, I state it after the experience of years in practical agriculture, and I want this Congress to do just what they promised they would do, and if they do it right royally there will be an end of free-trade blatherskites.

This thing was fully discussed preceding the last Presidential election in our Northern States, you know. We had discussions all over there. We had it by land and by water. We understood when we voted what we were about. Now, I know that 25,000 or 30,000 Democrats in the State of New York voted for General Harrison. Yes, sir. When I was up there I talked there, and whenever I hung out the shingle there was no building big enough to contain the people. I tell you, at one meeting one hundred and eight Democrats raised a liberty pole and telegraphed to General Harrison that they were going to vote for him. That was in Steuben County, N. Y. If it had not been for the Mills tariff bill handed out to the country that places nearly all agricultural products free of duty on a par with European productions, there would have been a different result. It was David A. Wells's message, issued by the President of the United States, that fixed the thing.

In his annual message President Harrison stands up to the Chicago platform. If Congress will do as well as he has done we will be satisfied. Why should you not restrict by tariff duties, since that is the only way to meet this competition? Why not restrict the products of foreign labor from coming into our markets and driving us out of them? Foreign people do not pay anything towards the support of our Government; they are not interested in this Government. Our Government has for its support and defense our own people. When it was in peril we kept foreign products out. Along 5,000 miles sea-coast we kept them out, and would not allow them to come in, and would not let our people in rebellion get anything from the other side, and that did more to terminate the war than free trade. I tell you that the true policy of this country is to protect its own industries and to take care of itself. We can produce nearly everything we want here, and we never can compete with the manufacturers or agricultural producers of European countries until labor is as cheap here as there, and God grant it may never be.

The CHAIRMAN. Do you suggest an increase of duty on agricultural products?

Mr. PIOLLET. Yes, sir, I do. You have got 10 cents on barley, and foreign countries brought 10,000,000 bushels of barley into this country.

The CHAIRMAN. What do you suggest as a duty on barley?

Mr. PIOLLET. I should say 20 cents per bushel.

Mr. FLOWER. How much on malt?

Mr. PIOLLET. That is a manufactured product.

Mr. FLOWER. That is manufactured in Canada.

Mr. PIOLLET. I want this Congress to listen to the manufacturers of this country, even to the making of buttons, interfered with by foreign production made with cheap labor. Make us equal. Assess a duty equal the difference in cost of labor. I am talking of agriculture. I am talking of the products of the soil, and I am in

earnest about it because you all know that no country has ever survived the decay of its agriculture.

Mr. BRECKINRIDGE. Would you keep out all the imports?

Mr. PIOLLET. I would keep out by a high rate of duty all that interfere with us.

Mr. BRECKINRIDGE. How would you raise a revenue if you cut off all duty?

Mr. PIOLLET. There is no trouble about that, so long as you make a tariff; the surplus products of foreign countries will come here and less of them will make more revenue, and will not destroy our manufactories. The internal-revenue law secures half of the money which is paid in our national treasury.

Mr. BRECKINRIDGE. That does not raise any revenue.

Mr. PIOLLET. I do not propose to do it to that extent. It is not possible. But, sir, I will answer you this question. It is my observation that increasing of duty sometimes increases revenue.

Mr. BRECKINRIDGE. That of course is not an answer to my question.

Mr. PIOLLET. Why not?

Mr. BRECKINRIDGE. I asked how you would raise the revenue if you prohibited imports.

Mr. PIOLLET. I do not say that I am prohibiting imports, but I am going to equalize them with the labor of this country. I wish to exclude the products brought into this country as far as labor is concerned.

Mr. BRECKINRIDGE. You limit the rate at that point?

Mr. PIOLLET. Yes, sir.

Mr. BRECKINRIDGE. What agricultural products do you consider the farmers have most interest in?

Mr. PIOLLET. Well, sir, the dairy products is one of the great products of this country, mostly consumed at home.

Mr. BRECKINRIDGE. Are we not large exporters of dairy products, cheese, etc.?

Mr. PIOLLET. No; we do not export much more honest dairy products than adulterated products. When our dairy people came to Congress and asked you to prevent adulteration and to put a tax on adulterated butter of 10 cents, which would prevent its manufacture, you gentlemen down South in Congress put a tax of 2 cents on it.

Mr. BRECKINRIDGE. That is another question. That is internal taxes, and we are speaking now of the tariff. Are we not large exporters of dairy products?

Mr. PIOLLET. No; but a small percentage of our butter is exported. The home market is our reliance, and but for adulterations would be largely increased.

Mr. BRECKINRIDGE. How can the imports decrease if we are not importers?

Mr. PIOLLET. You did not let me get through. I said the dairy was one of our large industries. Our cattle and sheep industry comes next, and are among the most important of our farm products injured by the tariff laws. The duty on wool has saved the extermination of our sheep husbandry.

Mr. BRECKINRIDGE. Now, one moment, right there. Are we not large exporters of beef? You are speaking of the cattle industry; are we not large exporters of beef?

Mr. PIOLLET. Not large enough for foreign consumption.

Mr. BRECKINRIDGE. Are we importers at all?

Mr. PIOLLET. Oh, yes; you look there and see. Cattle, horses, sheep, and swine are imported.

Mr. BRECKINRIDGE. I think you must be a little mistaken.

Mr. PIOLLET. Do you think so? You look and see.

Mr. BRECKINRIDGE. We are large exporters of beef.

Mr. PIOLLET. Not so very large. I will tell you what we do do. We protect foreign cattle-producers in our markets, and they sent \$23,000,000 worth of hides here without paying any duty last year. Free hides and skins are one of the most ruinous things to the cattle industry that ever occurred. I want to say, while you have been discussing this wool business, that I understood yesterday from a gentleman here that the manufacturers and growers had come to an understanding about what would be the duty that would be acceptable all around. But in the whole discussion here the most important reason why the sheep industry should be protected has not been touched. The meat product of our sheep husbandry has been a matter of great importance to this country. The meat product of this country is not keeping pace with the increase of our population, and when these men turn round and tell you we do not increase the production of sheep because of the partial protection we have already, you must remember we are selling thousands of which no account is taken. Now, in my county, which is the largest dairy county in Pennsylvania and not especially devoted to sheep, we sent 20,000 lambs to market last summer before there was any wool on them at all or any statistical account of such. Millions of the annual increase of our flocks are not enumerated.

Mr. McMILLIN. Did they not sell for more than aged sheep of fleece would sell for?

Mr. PIOLLET. No, sir; they did not bring the price of year-old sheep.

Mr. McMILLIN. It is so in my country.

Mr. PIOLLET. I do not know anything about Tennessee; I am talking about my State in answer to the allegation that protection has not increased the number of our sheep.

Mr. McMILLIN. They sell there for \$2.50 and \$3 when sixty and ninety days old—say ninety days.

Mr. BRECKINRIDGE. To give practical effect to your ideas about beef, we imported, perhaps only in a few places on the border, about 24,000 pounds of beef.

Mr. PIOLLET. Cattle? We import and export.

Mr. BRECKINRIDGE. I am speaking of beef, not cattle. We exported—

Mr. PIOLLET. What is the use of talking about that way? Cattle constitute beef exports, do they not?

Mr. BRECKINRIDGE. I will not dispute with you about that. We exported nearly 50,000,000 pounds; therefore we are large exporters of beef. Now, you are a practical man; will you tell us how any tariff law will benefit the beef production of the farmer?

Mr. PIOLLET. If you ask how to benefit the cattle husbandry, I will tell you. If you put the duty on hides equal to the duty that is given the manufacturer of leather you can protect the cattle-growers and beef exporters to the extent of 30 per cent. on \$23,000,000 per annum. What is better to increase our manufactories and eat up our beef?

Mr. BRECKINRIDGE. That is as regards the hides?

Mr. PIOLLET. The skins of cattle constitute their value as much as their meat.

Mr. BRECKINRIDGE. It is true that is what they are wrapped up in.

Mr. PIOLLET. I pity the intelligence of a man who talks on economic questions, and who talks about "raw material." Cattle without hides I remember way back—

Mr. GEAR. Is not the hide a very large element of value in our cattle?

Mr. PIOLLET. Certainly; I will get at that. I remember way back a good many years ago I was in the Senate chamber, and in the discussion of the tariff question Senator Benton, of Missouri, said, "It is goat's wool, and the goat has not got any wool." So this idea of raw material is a fallacy. There is no such thing. You can not skin cattle alive and export them as beef.

Mr. BRECKINRIDGE. Suppose in regard to beef nobody sold the raw material except you—

Mr. PIOLLET. I will speak of beef, but not Mr. Armour's embalmed beef; for it is not exported to foreign countries, but forced on our city and country markets, and ought to be excluded.

Mr. BRECKINRIDGE. We are speaking of the American people, and of transactions at the ports.

Mr. PIOLLET. We do export a small percentage of our beef cattle and mutton sheep. In a summary of the value of agricultural exports the value of cattle and sheep are given. Under the head of animals you will find we do import cattle, horses, sheep, and swine. They are dutiable a specific duty, getting no more for a high-priced animal than a low-priced. This Congress ought to make an ad valorem duty on imports of these animals.

We are benefited largely by the exportation of beef and mutton, which is chiefly the surplus sent by our producers to the New York, Philadelphia, Boston, and Baltimore weekly markets, and if not disposed of in this way would glut these markets and destroy our home market. Our commodities of every edible character when in excess of a daily or immediate demand are reduced in price in the great consuming centers. In this way the farmers derived a profit by the exportation of beef.

Mr. GEAR. If we export these cattle we bring back the hides free.

Mr. PIOLLET. Yes. (To Mr. Breckinridge.) You do not find anything which conflicts with my statement. Imports of meats are taxed by tariff duty, and we derive the indirect benefit I have mentioned by the export of our beef and other meat products.

Mr. BRECKINRIDGE. Will you take it and read it?

Mr. PIOLLET. Do you find it? We import cattle, horses, sheep, and swine and export them also.

Mr. BRECKINRIDGE. I will let you read it.

Mr. PIOLLET. I can not here. I have got all at home and I will read it. The Mills tariff bill is carefully preserved among farmers.

Mr. BRECKINRIDGE. It says "beef" and is spelled as beef is always spelled.

Mr. PIOLLET. Now, gentlemen, I have stated this thing. We want duty on eggs. We do not want \$2,000,000 or \$3,000,000 worth of eggs brought into this country free of duty by transportation that costs very little, much less than it does to any part of our own country. We do not want bologna sausage brought here because they make it out of horse meat. We do not want cabbage or onions brought here, and we want a duty that will exclude them, and we believe that wherever Congress places a duty on these products equal to the difference in the cost of labor it will place them in our markets at a cost equal to our productions. You can get your duty, Mr. Breckin-

ridge, in various ways. You can get it on the luxuries used in this country. You can get it by charging on the clothing purchased in foreign countries and worn by men of wealth rather than on men who work by the day. There are hundreds of ways of getting enough revenue without breaking down the agricultural industry of this country. Admit the cheap labor products of foreign countries when paying a duty equal to the cost of similar labor products at American rate of wages and then we will be equal with them in our own market.

Mr. McMILLIN. Do I understand you to say that the value of all agricultural products are becoming more and more unremunerative?

Mr. PIOLLET. Yes, sir; by the free admission of foreign products.

Mr. McMILLIN. And decreasing in value until it costs more and more, and is breaking up the business of the producer. Is it your observation? Is it not true that the land values are diminishing in your part of the country?

Mr. PIOLLET. That is certainly the consequence.

Mr. McMILLIN. From your practical experience in the matter I wanted to see if it was so. It is so to a very large extent, is it not?

Mr. PIOLLET. Yes, sir; alarmingly so.

Mr. McMILLIN. That has been going on now for how long?

Mr. PIOLLET. It has grown worse for some time; year after year.

Mr. McMILLIN. A series of years?

Mr. PIOLLET. Since foreign countries have usurped our markets.

Mr. McMILLIN. Well, six or eight years?

Mr. PIOLLET. Yes.

Mr. McMILLIN. Could you give any estimate of what is the value of agricultural lands now in your part of the country as compared with what it has been—say five or six years ago—say in 1880; you may take that period.

Mr. PIOLLET. I can not state by personal knowledge, as I never sold any land. There is a depreciation of more than 50 per cent. all over the country outside of these cities and manufacturing towns where land is very valuable for urban residences and building purposes.

Mr. McMILLIN. But taking the farming country there has been a diminution of more than 50 per cent.

Mr. PIOLLET. Yes, sir; there is no sale for farm land.

Mr. BAYNE. Have not farm lands throughout continental Europe diminished more than 50 per cent.

Mr. PIOLLET. I do not know a great deal about that country and I can not answer that question, but I don't think they have so much as you state.

Mr. BAYNE. Yes, they have.

Mr. FLOWER. How much have the railroad freights from the western shipping points to Pennsylvania decreased in the same time?

Mr. PIOLLET. Not very largely; "what the products will bear."

Mr. FLOWER. What percentage? How much—50 or 100 per cent.?

Mr. PIOLLET. You have asked me a question that will take some time to answer; you know as well about it as I do; less than either sum named by you.

Mr. FLOWER. You know that to be a fact?

Mr. PIOLLET. I know they have not been reduced 50 or 100 per cent.

Mr. FLOWER. Has not the reduction made Iowa farm land on a level with yours—made it equal?

Mr. PIOLLET. I tell you how I feel in regard to that, and I think our people do. These free-trade men pump that at us all the time. We feel that if a man goes out into that new country and if he makes something we are glad that he does. He does not hurt us, and the money is kept in this country, and it increases the value of the property of this country. But when you take our market from us and give it to a foreigner we lose everything. Farm lands in Iowa have depreciated quite as much as in the States of New York and Pennsylvania. Corn is only worth 15 cents per bushel now in Iowa.

Mr. BRECKINRIDGE. This beef that you expect to benefit the farmer by imposition of taxes—

Mr. PIOLLET. I did not say anything about imposing a tax on beef. I think that a duty of 30 per centum, would, if imposed on hides, protect beef producers.

Mr. BRECKINRIDGE. You said all farm products, and that is one of them. Our exports are nearly 200,000,000 pounds. I found the other was only salt beef.

Mr. PIOLLET. Cattle and beef are synonymous terms.

Mr. BRECKINRIDGE. We exported beef on the hoof and slaughtered, 93,000,000 pounds. Will you please explain to this committee how the tariff is going to benefit the farmer upon any of his great products such as you stated you wanted to be taxed to benefit? These various products which we export, hogs, etc., which we export enormously, and wheat and articles of that kind which are our great products, being exporters and not importers, if you make the tariff a thousand per cent., how is that going to help the farmer?

Mr. PIOLLET. It will make a home market and it will let us eat our beef ourselves. I stated formerly how meat exports benefited us. Exports of cattle and sheep relieved our markets of a surplus that enhanced the home market price.

Mr. BRECKINRIDGE. A tax on these agricultural products will not do the farmers any good. Do you want a high tariff on manufactures?

Mr. PIOLLET. I said if there is anything that wants protection it ought to have it.

Mr. BRECKINRIDGE. I thought you were speaking about tariff on farm productions.

Mr. PIOLLET. I was, and on manufactures wherever competition of foreign cheap labor interfered with or threatened their prosperity.

Mr. BRECKINRIDGE. Will you explain to the committee how the tariff on farm products is going to do the farmer any good in the staple products which we export?

Mr. PIOLLET. All of them we do not export. I told you we had 10,000,000 bushels of barley brought into this country last year. But for a duty of 20 cents per bushel on wheat, all of Canada's wheat would come to our ports.

Mr. BRECKINRIDGE. I will concede barley as one of the things imported into the country, but as to the beef and pork and wheat and dairy products, how about them?

Mr. PIOLLET. You know we import a large amount of eggs, don't you, and vegetable products that pay no duty?

Mr. BRECKINRIDGE. We import a good many.

Mr. PIOLLET. I would keep them out. I do not think our biddies ought to lay against these pauper biddies of Europe, or our farmers made to compete with the cheap labor products of foreign countries.

Mr. FLOWER. Has not the western farm land increased in value while yours has decreased?

Mr. PIOLLET. I think they have decreased as much or more than ours.

Mr. FLOWER. Then will not the low price of that production come in competition with you?

Mr. PIOLLET. We are glad if they do, but they do not compete with us injuriously.

Mr. FLOWER. I want you to answer the question in all fairness. I think it is a fair question. You say you do not care for it, but it has cheapened your land and it comes in direct competition with it.

Mr. PIOLLET. We believe these industries of our locality are interfered with by these foreign products. I mean all our vegetable productions and not the products of our Western States.

Mr. FLOWER. They came from abroad and to New York and to the sea-board cities when there is a scarcity. They sent potatoes in 1881 as far west as Kansas City from Europe, as there was a scarcity. You know as a fact that year there was about \$1,300,000 duty and the average duty is about \$300,000.

Mr. PIOLLET. You can get a bushel of potatoes from England, Ireland, and Scotland for 7 cents freight; it costs us 14 cents a bushel. I am 250 miles from New York and Philadelphia; I am 80 miles from our mines. Now, it costs me to get a bushel of potatoes to the Wyoming Valley coal-fields 8 cents. It costs 14 cents to get it to New York; yet men in Scotland can bring potatoes for 7 cents. We can not ask our railroads to do that; and the railroads can not compete with the ocean transportation. We can say this, we can take care of ourselves and let Europe dispose of her surplus products as she pleases, and we can have a market for all our manufactures of all kinds in this country and supply our people and enlarge our market. There is no use talking about it and scoffing at the idea of a home market. Every little village and town where any manufacturing goes on is an advantage to the agriculture surrounding it and is a market for them. Foreign countries are taking possession of our markets and ruling us out of them. These cities, of course, are all against our farmers.

Mr. BRECKINRIDGE. Would you raise the price of potatoes 15 cents?

Mr. PIOLLET. Yes, sir; the duty ought to be 25 cents per bushel, and a duty of 30 cents per bushel on onions.

Mr. BRECKINRIDGE. How much?

Mr. PIOLLET. If I had it to say I would make it honestly and fairly at 30 cents on potatoes and same on onions.

Mr. GEAR. You suggested a duty on eggs. What would be your idea of that duty? How much a dozen?

Mr. PIOLLET. I come from an egg country and would like to know

Mr. GEAR. I would make it 5 cents; that gives you revenue.

Mr. GEAR. That would give us \$300,000.

Mr. PIOLLET. Mr. Chairman and gentlemen of the committee, in conclusion I want to say that I thank you very much for your courtesy and am sorry to have detained you so long, yet I have not said half of what I ought to have said. If these gentlemen will give me their names and write me I will answer any questions. I want, however, to say to my old associates that free-trade will never go down in this country.

STATEMENT OF HON. F. LANSING.

HON. F. LANSING, a Representative from the State of New York, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I am here to speak in continuation of the remarks made by the venerable gentleman from Pennsylvania, who addressed you in the line of agriculture generally; not to go over the whole ground of agricultural productions, but only to speak on some questions connected with that industry.

I am here to speak simply of a few specialties and to impress upon this committee that the economic or financial system that treats one branch of one industry differently from another can not be long self-sustaining. Now, I represent a district very largely an agricultural district, and I am myself personally an agriculturist. We have in our part of the State—I represent the northern part of New York immediately upon the Canadian border—some specialties in agriculture which need protection, because the production of them needs the application of more labor than to ordinary agricultural pursuits. Particularly I desire to call the attention of the committee to the fact that the raising of garden seeds is an agricultural pursuit that requires a great deal more labor than almost any other branch of agricultural industry. The ground has to be kept thoroughly clean, and the work can not possibly be done by machinery and has all to be done by hand. In the county in which I reside, and the county in which I think Mr. Payne resides, there are a great many thousands of bushels of peas and beans grown for seed-houses throughout the United States. Some years ago the tariff on peas and beans was 20 per cent. I do not now recollect the year in which it was changed, but as the tariff law stands to-day the duty on peas and beans, not for garden purposes, is 10 cents per bushel. Then the peas and beans used for garden purposes are said to be protected to the extent of 20 per cent. *ad valorem*. I believe it is 20 per cent. *ad valorem*. Now, we are very extensive producers of these two crops, both peas and beans, grown for garden purposes, and I desire to ask this committee, and I ask it through the resolutions of the meetings of farmers in my district, to put the duties upon peas and beans raised for garden purposes at 40 cents per bushel. They sell now for somewhere about \$1.25.

Our farmers have been in the habit of getting \$1.75 to \$2.25, but the lands directly opposite on the other side of the St. Lawrence River are as well adapted to the culture of peas and beans as our soil. The consequence is that the seed men come across the river and make contracts for raising these products, pay the duty upon them, and they have reduced the price of the article within the last five years from \$2.50 to \$1.25. I desire to ask that that change be made.

Mr. LA FOLLETTE. How are they able to do that?

Mr. LANSING. Simply by the cheaper labor on the other side.

Mr. LA FOLLETTE. Can you state just what the difference in labor is?

Mr. LANSING. I could not give the definite figures.

Mr. LA FOLLETTE. Can you give about what it is?

Mr. LANSING. It is a very considerable amount, because the city in which I live is right on the border of Canada and the Canadians come over for employment. Our farm hands are Canadians. They come for employment to a great extent. The labor is so much cheaper that the farmers within 5 miles of the river can raise and do raise these articles at least 50 per cent. cheaper than we can raise our productions and make a living on it. The same thing obtains in the culture of the bean. The bean culture requires the same amount of labor and the manipulation of the crop is very much like that in growing tobacco. They have to be grown by hand, and machinery can not be used.

Now, there is another thing I desire to call the attention of the committee to, and that is the duty upon barley. The duty upon barley, as it now stands, is 10 cents per bushel. I think we all know what barley is used for and used for exclusively. It is the cereal, of all others, that can by every argument, financially and morally, be taxed to the full extent of what the product will bear. Now, sir, the Canadians have got the best barley-producing section on the American continent, and that section is directly opposite to the district of my friend and myself, so we know all about it. The district of Mr. Flower also goes there. The culture of barley has within the last ten years been reduced by the competition of the Canadians greatly, so it has decreased in value at least 50 per cent. and to merely nominal crops in consequence of the abandonment, and the average in price has decreased within ten years about forty per cent. I ask for a greater amount of protection upon that.

There is another thing I am instructed by my constituents to ask your protection upon, and that is upon hay. We grow, in northern New York, a very large amount of hay for the market. The duty upon hay is now \$2 per ton, and the railroads will make contracts with Canada on long hauls so the Canadian farmers can pay the \$2 duty required and bring it into the United States and deliver it in the city of Boston and in your markets that consume all the eastern product of hay for less money than we can market it in the city of New York ourselves.

Mr. GEAR. Those are Canadian roads ?

Mr. LANSING. Yes, sir; they connect with the roads that run through our northern country along the St. Lawrence.

Mr. FLOWER. They are roads we can not reach by interstate commerce.

Mr. LANSING. I presume not. I understand the interstate-commerce laws do not apply to them. They can go to the provinces of Ontario and buy the hay, pay the duty and put that hay in New York, after paying the difference in freight, after paying the difference in importation, and have a margin over the American farmer on our side of the border. Now, of course, I understand how hard it is to adjust all the equities in a tariff bill; yet it seems to me there will be an awakening on the subject some day, and people will ask why you should give the manufacturing side an average duty of 45 per cent., while you give the agriculturists an average duty of 15 per cent. It must be protected, and to-day the farmer is the man who is clear behind and who needs protection. There are some things connected with the industry which can not be protected because we are entirely exporters of those things; but so far as this adjustment can be made, I think it behooves Congress and the party in power to say there shall be some equalization and some equitable adjustment of the burdens of taxation.

Mr. PAYNE. Do you suggest any rate on barley ?

Mr. LANSING. I should put a duty of 20 cents a bushel on barley. It is now 10 cents.

Mr. PAYNE. And on hay ?

Mr. LANSING. I should put a duty of \$4. I do not think that is an unreasonable tax under the circumstances, for hay is now worth in New York about \$15 or \$16 a ton and you see an import duty of \$4 a ton would be only a duty of about 30 per cent. But there are many articles in this schedule which run to 45 and 50. I can never understand why a special industry among agriculturists that can be protected should not have a full protection and to the same extent that the manufacturing industries have.

Mr. PAYNE. Speaking about beans, are you aware of the fact that beans in Germany are assorted and sent to this country as beans produced in this country ?

Mr. LANSING. Certainly. They import them also from Canada. They import them as grain and they are sorted in the seed houses. They are used for garden seed and pay one-half duty.

Mr. PAYNE. The same thing is done in reference to the beans as an article of food.

Mr. LANSING. Certainly.

Mr. McMILLIN. Is it possible to protect wheat? But I believe you stated that it was not.

Mr. LANSING. You could hardly protect it because we are exporters.

Mr. McMILLIN. The same thing is true of corn ?

Mr. LANSING. I should say so.

Mr. McMILLIN. And pork ?

Mr. LANSING. I should say so.

Mr. McMILLIN. And beef ?

Mr. LANSING. I should be afraid there is no protection for it.

Mr. McMILLIN. Nor for products of that kind ?

Mr. LANSING. I am willing to admit that.

Mr. McMILLIN. What is the cost of transportation from your region down to New York; that is for marketing your hay product ?

Mr. LANSING. Four dollars and fifty cents a ton.

Mr. McMILLIN. What is it from Canada ?

Mr. LANSING. They will bring hay on the long haul, by going beyond the line and at various points, I am told, to the New York hay dealers. I had a talk with a man the other day and he said that they put the freight rates very low to the Canadians on account of the amount of the hay they have there.

Mr. McMILLIN. You do not know what the figures are ?

Mr. LANSING. I could not give them exactly.

Mr. BRECKINRIDGE. But it would have to be less than \$2.50 a ton before they could undersell you ?

Mr. LANSING. Yes, sir; it must be at least that or as much as that.

Mr. FLOWER. Are you acquainted with the Adams malt house and the Watertown malt house in your district ?

Mr. LANSING. I know both of them.

Mr. FLOWER. What are they filled with now ?

Mr. LANSING. I suppose they are filled with barley imported from Canada. What the proportion is, I do not know.

Mr. FLOWER. I have received a letter on this point, which I would like to file in connection with this, from the Farmers' Alliance, stating that these malt houses were filled with Canadian barley, and that barley in that district could not be sold.

Mr. LANSING. I know the importations are made constantly.

STATEMENT OF GERARD C. BROWN.

Mr. GERARD C. BROWN, of York County, Pa., next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I appear here to say a few words as to the present condition of agriculture in Pennsylvania, one of the great agricultural States. Agriculture is greater than any one of all her leading interests. It represents more capital, employs more labor, and yields a greater annual product than any other. The census reports and those of the Agricultural Departments of the State and Nation substantiate this, and it would not have been worth mentioning were it not that the greatest activity of those representing and managing other interests have are caused the agricultural to be somewhat overshadowed.

But its present state is very unsatisfactory. The farms of Pennsylvania have largely depreciated in value in recent years, and this downward movement still continues. I am safe in saying that no single staple crop is now produced at a profit. It is no wonder then that the census of 1880 showed a loss of near \$68,000,000 in the value of these farms when it also indicated an annual loss of \$54,000,000 in the value of the product of those farms. What this depreciation may now amount to I can not inform you, there is no available data. But we see its evidences on every hand. For a farm, especially one of any size, it is difficult in many sections to find a purchaser. Land so located that it has a speculative value for building purposes will sell for a good round price, but this is not based on its productive capacity for farm purposes. This depreciation amounts to as much as 50 per cent.; certainly so in the case of the richest and most productive farms in the best farming districts of the State.

I live in York County about equal distances from York and Columbia, say 7 miles from either, 38 miles from Harrisburg, 50 from Baltimore, less than 100 from Philadelphia, somewhat further from New York or Washington, not far from the great emporiums of the country, and surrounded by some of its great manufacturing centers; a location which should afford good home markets if any can.

And yet our wheat has averaged below \$1 per bushel for some years; below cost of production. It is now, I believe, 74 to 76 cents; corn about 36 to 40 cents.

Fattening cattle, once a very profitable venture, has declined wonderfully. It is rare for feeders to get market price for corn fed to fatten stock.

Tobacco raising no longer pays, the risk and outlay of so expensive a crop being considered.

Dairying, to which many turned for refuge, even when, as is the case in our neighborhood, it is conducted under the best known system, with the most approved machinery and appliances, is not remunerative; creamery stock is too often dead stock.

Our people are noted for their industry and perseverance; they are good farmers; their skill in the management of their land is proverbial; they are wide awake and prompt to adopt improved methods of agriculture, the best farm tools and machinery available; they are liberal users of artificial fertilizers.

I think York County ranks second among the counties of the country in the amount of phosphates applied to the crops, about \$500,000 worth a year. They have more than doubled the annual production of their farms in quite recent years. They are temperate and frugal, and as a rule had saved and accumulated considerable sums of money in addition to their holdings; that is in former years and before times had become so hard. This has enabled many to tide over to the present time. These remarks apply to the farmers of all sections of the State, to a great degree.

The descendants of the Germans, the Scotch, Irish, and Quakers illustrate to-day the virtues of their ancestors who settled the valleys of Pennsylvania and made a great and flourishing State out of the wilderness. With a good soil, an excellent climate, and natural advantages second to none, they ought to command prosperity.

Yet, as a class, they are slipping backward; are losing ground instead of gaining. The retrogression is more apparent in the older, more thickly settled, and wealthier farming districts where is the greater percentage of loss.

There were more properties sold under the hammer in York County last year than ever before. In Berks County more sheriff's sales of farms than in any three previous years. This was not on account of any failure of crops, which were about the average.

Other property is not similarly affected. We find towns and villages as a rule still growing; in cities the growth is in some instances marvelous.

Country stores of ten or a dozen years ago have so flourished that now you see a fine two or three story building in the place of the shabby little grocery. A prosperity is indicated which does not characterize the farms in the neighborhood which represent a much larger investment. It is only a question of time, however, when the impoverished condition of the farmer will react on other interests.

Nor does the evident determination of the population to towns give us the needed

relief. The prices of our cereals continue to be made in Liverpool and London; their value fluctuates from day to day per advices by the cable.

The highest prices paid for our beeves, those of course are the choicest cattle, is for exportation. As to poultry, or butter, or eggs, we ship them to Philadelphia, New York, or Baltimore, because prices range higher than in our own local home markets. For instance turkeys will bring 16 cents in New York, but only 10 in York, and yet in New York they are sold in competition with those from all parts of the country, even from the boundless West.

Creamery butter, no better can be made, has not averaged over 20 cents for the season; in local markets it is often 15 or below.

The fact is prices are too low to yield a living profit, while taxes remain unreduced and the expenses of living are disproportioned to the means of meeting them.

The protective system has not, at least in the case of those farmers located near the great protected industries, resulted in the protection promised them, that of an ample and sufficient home market.

Hence the loss of profit on their products followed by the loss of value of their farms, which unless checked must result in the loss of the farms themselves.

Pennsylvania farmers are not alone "confronted with this condition." In New England the "dry-rot" is still worse. Lacking some of the advantages which enabled us to still hold out they sooner went to the wall.

I quote from a recent report: "There are eight hundred and eighty-seven deserted farms in New Hampshire with buildings on them in a fair state of repair, or that might easily be made fit for occupancy. This information has been received in reply to an official circular of the State commissioner of emigration making inquiry of the selectmen of one hundred and sixty towns. These deserted farms are in easy reach of the busy factories of New England. They have a home market with its attractions and are a sample of the way the home market enriches the husbandman."

Further as to New Hampshire I cite another authority: "Perhaps no better answer to the stock argument of the protectionists—that the farmer gains more from the local market made by manufacturing villages and towns than he loses in the increased cost of the goods he buys—can be found than a statement of the condition of some of the towns near these manufacturing cities on the Merrimac River. The Merrimac turns more spindles than any other river in the world. Within a few miles of each other, around the great bend of the river from south to east, are the cities of Nashua, Lowell, Lawrence, and Haverhill. In the farming towns of Windham, Pelham, and Hudson, N. H., situated within the bend, and so within easy access of all four of the above named cities, we ought to find prosperous 'protected' farming.

"On one main road from Lowell to Windham, 12 miles, I count six deserted sets of farm buildings, besides several which have already gone to ruin. Fields and pastures are growing up to wood; houses in which, a generation ago, sturdy manhood and womanhood flourished, are gone to utter ruin; in many school districts there are not sufficient children to have a school. The whole appearance is one of poverty and decay; to ride along our country roads is extremely depressing. In no part of New England with which I am acquainted is the decay of the farming interests so obvious and so complete as here by the manufacturing cities. Instead of the homogeneous population of thrifty, intelligent, self-respecting farmers and mechanics that occupied this section fifty years ago, we now have, in our cities, a few fine streets of residences for the capitalists and employers, and in our 'French Acre,' 'Irish Acre,' corporation boarding and tenement houses, and in our country a desert—for it is already nearly that.

"Possibly this may be 'progress,' and a modern, improved kind of progress—one that has not been brought about by rude, natural causes, but one that results from the incomparable wisdom of our legislators, who are so kindly taxing us into wealth. Our farming interests would have suffered enough from the inevitable competition with more favored sections; but the ruin has been precipitated by the tremendous burden of taxation that the farmer has borne. It is no small thing when a nation renders impossible the existence of a class that has been the source of so much energy, talent, and character as have the New England farmers."

While as to Massachusetts, Connecticut, and New York we do not have a similar official record, it will be noticed by the traveler that deserted farms are not unknown, and it is a fact that hundreds of farms can be purchased in those States for less than the cost of buildings, making the land practically free of cost to buyers.

In New Jersey, Judge Forsyter, of Pemberton, says: "The farmers are not prosperous; although they are all depending on a home market they are all going behind."

Mr. Edmund Cook testified at a late meeting of the State board of agriculture: "The farms of Burlington County if put on the market to-day would not bring the cost of buildings and improvements, to say nothing of the land."

In New York, State Assessor Wood says "that in a few decades there will be few or none but tenant farmers in this State."

In Illinois the report of the Bureau of Labor Statistics for 1887 show farm indebtedness—

1870	\$65, 721, 900
1880	103, 525, 237
1887	123, 733, 098

and states that "mortgage indebtedness of farmers for money borrowed has increased 23 per cent. since 1880, more than twice the increase of farm lands." From report of same Bureau for the next year, 1888, I quote:

"This table shows that there are 8,082,794 acres of Illinois land under mortgage besides the mortgages on 237,336 lots and on chattels. From statistics on the same page it appears that there were filed in the single year 1887 a total of 125,923 new mortgages for the immense sum of \$117,152,857, covering 2,178,532 acres of land and 65,066 lots, as well as miscellaneous property or chattels to the value of \$17,000,000. These figures of the new indebtedness for a single year are, it will be observed, more than one-fourth of the total mortgage indebtedness of the State, as estimated in the table quoted above. This fact shows that the estimated total is below the real amount, yet even the low estimate is startling.

"The population of Illinois by the census of 1880 was 3,077,871. Say that is now 4,000,000, and divide that amount by five to arrive at the number of heads of families. We have thus 800,000, which is close to the real number, as the total Illinois vote of 1888 was 748,000. Averaging among these the total mortgage indebtedness, as estimated by the State administration, it makes a debt of \$520 for every head of family in the State, while the new debt contracted in 1887 alone makes \$146.25 for each head of family.

"The condition of Kansas and other Western States is even worse."

Another report places indebtedness represented by western farm mortgages at \$3,422,000,000, or \$200 per capita for about 17,000,000 population. From Kansas a private letter from an old resident, who moved into the Neosho Valley from Pennsylvania in 1866, a good successful business man, says:

"Times are close, never so bad before. Though blessed with good crops, we can not sell for half what they are worth. During all the years I have been here I never knew things so low. Corn is 15 cents a bushel, oats 10 cents, wheat 55 cents, potatoes 22 cents, fat cows and heifers 1½ cents on hoof, hay \$2 a ton; 50 bushels of corn for a plain overcoat. To sell 25 acres of corn, or 1,000 bushels, for \$150, after hauling it 10 miles, is a hard way to make money."

But why multiply the "cloud of witnesses." No one denies the unfortunate condition of our finances, and no one can claim that the vaunted home market has materialized. It is proper for this committee to consider the facts as they are about to consider the revision of a system under which this unfortunate condition has arisen.

I do not come here with any panacea. I present admitted facts. They are stubborn. Other great and important interests, which, however, their warmest devotees will not vote as more important than agriculture, may claim that a protective tariff has benefited them, it clearly has not us. They may assert it as necessary to their existence, that, "it is the breath of life to their nostrils," it does not seem to vitalize agriculture.

If agriculture was as flourishing as manufactures ought to be with 47 per cent. tariff, then doubtless they would be told that this was the cause of their prosperity. How then can we resist the inference that it is a factor of our depression.

Now we hear the cry that agriculture must have the same protection as manufactures. Grant it—how can we get it through a tariff.

What will you favor with higher rates of duty? How can you thus help the price of any of our great staples, when we produce them largely in excess of our needs and always have a surplus to sell abroad?

If we produce 450,000,000 bushels of wheat, can consume but 325,000,000, the remaining 125,000,000 must find another market or eventually rot here, and the price wheat sells for in that market delimits the market price of the much larger portion that we do use here. The present tariff of 20 cents a bushel does not affect the price, and were it twice 20 cents, or were it \$20, it still would not increase it one cent a bushel. This illustration holds for the great staple products of our farms.

As we can't help their producers by imposing a higher tariff, I do not see how we can aid them by giving more protection to sundry minor crops, mere specialties, of which the major part can only be produced in certain localities or under peculiar conditions.

To do any real good to agriculture we must do that which will benefit the great majority, and not the small minority.

As the present tariff does not solve this problem, as its increase since 1861 has been accompanied by a decline of agricultural prosperity, it seems also to look in that direction for relief.

We might try the other way out of the dilemma and see what would be the result of reducing the tariff on those things which the farmer needs, but does not produce.

Since you ask what is my remedy, I say, knock off the tariff for surplus. Give us a tariff which is not framed to pay a bounty to other interests at the expense of the farmers who are the largest consumers and the heaviest tax-payers, which is limited to the needs of an honest economical government, and which is levied as much as possible on the luxuries, and as little as possible on the necessities of life.

This is the kind of protection we need, and I think is about all the real protection you can give us.

Mr. GEAR. What are lands worth in your country?

Mr. BROWN. There is a difference in the value of the land.

Mr. GEAR. In the average farming lands what is it worth?

Mr. BROWN. About \$50; in my neighborhood from \$50 to \$55.

Mr. GEAR. How much corn can you raise on a farm in your neighborhood?

Mr. BROWN. Forty to 50 bushels to the acre.

Mr. GEAR. Do you use fertilizers?

Mr. BROWN. Yes, sir.

Mr. GEAR. What does it cost?

Mr. BROWN. We do not use artificial fertilizers on corn. We rather use them on wheat. We use the barn-yard manure for tobacco.

Mr. GEAR. What do you get for your corn?

Mr. BROWN. About 36 cents.

Mr. GEAR. How many bushels of wheat do you make to an acre on a good crop?

Mr. BROWN. Our average crop is better than the average crop of the statistics for the State. That average is about 18 to 20 bushels to the acre.

Mr. GEAR. You use fertilizers for that?

Mr. BROWN. Yes, sir.

Mr. GEAR. Where do you live; in what county?

Mr. BROWN. Seven miles from York, in York County.

Mr. GEAR. Do you farm?

Mr. BROWN. Yes, sir; that is my business.

Mr. GEAR. How many acres have you?

Mr. BROWN. About 140.

Mr. GEAR. What do you grow on your farm?

Mr. BROWN. The principal cereal crops; wheat, corn, tobacco, are my principal crops. Besides that we raise hay to feed the stock, and I also carry on a dairy business.

Mr. GEAR. Are you engaged in any other business?

Mr. BROWN. No, sir; I never have been.

Mr. GEAR. Do I understand you to say your lands have depreciated 50 per cent.?

Mr. BROWN. Yes, sir.

Mr. GEAR. When did you buy your property?

Mr. BROWN. I came into possession of it in 1874.

Mr. GEAR. Did you buy it or how did you get it?

Mr. BROWN. Yes, sir; I bought it.

Mr. GEAR. How much did you pay for it?

Mr. BROWN. The valuation of the farm was—

Mr. GEAR. What did you pay for it?

Mr. BROWN. I could not answer that question precisely for this reason, that it was in the nature of a trade by which I came into possession of it.

Mr. GEAR. What did you trade for it?

Mr. BROWN. For other property. I estimated the farm to stand at that time at a cost of about \$75 to the acre.

Mr. GEAR. Where was the other property which you traded for this situated?

Mr. BROWN. It was a family matter among ourselves.

Mr. GEAR. It was a family trade and settlement?

Mr. BROWN. Yes, sir.

Mr. GEAR. You inherited the property?

Mr. BROWN. In that way. It was a trade among ourselves.

Mr. GEAR. What was the assessed valuation of that property?

Mr. BROWN. The assessed valuation of that property in 1870 was about \$20,000. No, I am wrong. In 1865 that property changed ownership for \$20,000, but at the present time the property is assessed at \$11,000.

Mr. GEAR. What was it assessed at in 1865?

Mr. BROWN. I do not remember the assessed value in 1865, but it sold at that time for \$20,000.

Mr. GEAR. What was its assessed value in 1874?

Mr. BROWN. About \$15,000 or \$20,000; just about the same.

Mr. GEAR. And the assessment has been reduced?

Mr. BROWN. Yes, sir.

Mr. GEAR. Have your taxes been increased?

Mr. BROWN. No, not materially. I think they are about the same rate.

Mr. GEAR. When you speak of depreciation—

Mr. BROWN. We paid a school tax a few years ago on account of building purposes.

Mr. GEAR. When you speak of depreciation, you take the value in your own county in 1865?

Mr. BROWN. Yes, sir.

Mr. GEAR. You speak of the depreciation that has occurred since 1865?

Mr. BROWN. Yes, sir.

Mr. GEAR. When it was worth \$20,000?

Mr. BROWN. It sold for \$20,000 in 1865.

Mr. GEAR. What was the premium on gold at that time?

Mr. BROWN. In 1865? I believe about 180.

Mr. GEAR. When you speak of this selling in 1865 for \$20,000, was it according to gold value or greenback value?

Mr. BROWN. By the currency at that time?

Mr. GEAR. This depreciated paper was then in existence.

Mr. BROWN. I can make this matter plain.

Mr. GEAR. I am making this matter plain.

Mr. BROWN. I wish to state that I will take the adjoining property, which will illustrate what I wish to say more definitely, because it has been sold and my property has not been sold. This property adjoining me has been sold lately. The adjoining property owners sold this land at \$70 an acre in 1845. The man who bought it built houses, built a good fence, built a new building for storing tobacco, and improved the land, so that he increased the production of the farm during that time, and that farm was sold at public auction seven years ago for \$56 an acre. Now, it had been assessed during a great portion of the time at \$90 an acre, so it actually sold at \$40 an acre less than what the man had paid taxes on.

Mr. GEAR. Does this farm produce in 1889 what it produced in 1865?

Mr. BROWN. Yes, sir.

Mr. GEAR. So it was no fault of the richness of the soil; the soil was good?

Mr. BROWN. No, sir. I would say this, that the productiveness of our soil has increased. York County, in that State, by the census of 1880, is the second county of the United States in the amount of artificial fertilizers used. Kings County, New York, and the adjoining county, was the highest. At any rate it stands high, for we spent over \$500,000 on fertilizers.

Mr. GEAR. How do you come to know of the sale in 1845?

Mr. BROWN. I have the testimony of my neighbor who has occupied it from that time, Mr. John Kellar.

Mr. GEAR. Is it mineral land or farm land?

Mr. BROWN. Farm land.

Mr. GEAR. Had it any other value than for farm land?

Mr. BROWN. No, sir.

Mr. GEAR. Was there any town near it?

Mr. BROWN. York was the nearest town.

Mr. GEAR. How far from it?

Mr. BROWN. Seven miles.

Mr. GEAR. Was it a public sale or private sale?

Mr. BROWN. It was a public sale to the best and highest bidder. It changed hands again about two years after that at about the same value.

Mr. GEAR. About what value did you say?

Mr. BROWN. About \$57 an acre; but there had been some additional buildings put on it.

Mr. FLOWER. Let me ask you right there. You heard me ask Colonel Piolet how much railroad freights had gone down since 1845?

Mr. BROWN. From our place to the market?

Mr. FLOWER. Yes.

Mr. BROWN. From our place very little.

Mr. FLOWER. Well, from the western market to York.

Mr. BROWN. They have of course depreciated considerably.

Mr. FLOWER. A third?

Mr. BROWN. I should think so.

Mr. FLOWER. Then the depreciation would be, to take Governor Boies—

Mr. GEAR. I am not named Boies. I am not the governor of Iowa.

Mr. FLOWER. You ought to be. Take Governor Gear's State of Iowa, with its low-priced land, with its elegant soil 3 or 4 feet deep with black muck—you produce products against it and have this low rate of freight which has gone down to one-third of what it was in 1865. Can not you see why the farmers' productions do not pay as much as they did in 1845?

Mr. BROWN. I think it may be——

Mr. FLOWER. Do you not think it has?

Mr. BROWN. According to the evidence, we find these people are suffering to a degree——

Mr. FLOWER. They are to-day; yes, sir. But have not their farms since 1865 gone up to an equal level with yours in Pennsylvania?

Mr. BROWN. Of course that is a long period.

Mr. FLOWER. Well, 1875, when they were \$5 an acre in Iowa.

Mr. BROWN. I think I have got this in my statement here.

Mr. BAYNE. How much has the population of York increased in the last twenty years?

Mr. BROWN. The census of 1880 gave the population at 81,000. We have not had a census since, but we know the population has increased and is very considerably over that now.

Mr. BAYNE. How about the city of York?

Mr. BROWN. The population according to the census of 1880 was 13,000, but by the town enumeration made a year ago it disclosed a population considerably over 20,000.

Mr. BAYNE. How much was the census of 1870?

Mr. BROWN. About eight thousand and some hundreds, I think.

Mr. BAYNE. How large is Columbia?

Mr. BROWN. About 8,000 in 1880, and I suppose it is about 12,000 or 13,000 now. These towns have been prosperous. I will say in this connection that, as far as my observation has gone, I have found the town business has increased and is prosperous. You will see the little dry-goods and grocery stores in a great many places where a few years ago were little bits of one-story houses, and which are now two stories; so it is evident the men are making money and living well. The man who had \$2,500 or \$3,000 and kept in the business is now living in a manner that no farmer can afford to live in.

Mr. McMILLIN. This is in the town?

Mr. BROWN. In the towns and villages.

Mr. BAYNE. You said your land is as productive now as it was in 1865 and 1875, and that in the county of York you used a great deal of fertilizers. If your lands are more productive per acre than they were ten or twenty years ago, why is it you can not make as much money out of your farm now as you did ten or twenty years ago?

Mr. BROWN. That is a problem we would like to solve. One reason is the lower prices for everything which we produce. You take wheat. We find that some years ago the average price was 80 cents, and now it is 74 and 76 cents at home.

Mr. FLOWER. The lower rates from Chicago bring that down.

Mr. BAYNE. What was gold worth in 1845?

Mr. BROWN. I can not tell you.

Mr. BAYNE. Was wheat less in 1845?

Mr. BROWN. No, sir; wheat has not been as low in the market as the average for the last five years.

Mr. GEAR. Has it never been lower?

Mr. BROWN. I believe so.

Mr. GEAR. I can tell you how much it was in 1845 in my country. It was 25 cents.

Mr. BROWN. What is it now in Iowa?

Mr. GEAR. About 60.

Mr. BAYNE. You see now that the fact is that in 1845, when your land was sold for \$70 an acre, farm products were worth less than they are now, and in 1865, when you put your farm at a very high valuation in greenbacks, wheat and everything else were at high prices because of the premium on gold. Now, when the premium was large on gold, and when the productive industries of the country, and especially that of farmers, were reduced to a minimum by reason of the great war, did not these lands bring almost any price you chose to ask?

Mr. BROWN. No, sir, for the reason this fall has been continuous since 1880. The fact of the business is these farm lands can hardly be sold in our neighborhood. If a man has land near a village and he cuts it up into lots, he can get a fancy price for them, but when a farmer attempts to sell land, it is a drug on the market. There have been more farms sold by the sheriff in York County in the last year than in the year previous, and the indications are that for this year there will be a great increase.

Mr. BAYNE. What do you think of the influence of the great agricultural lands in the Western States, in Dakota, Montana, and other Western States that have a large amount of very rich land, which is easily worked, with a great depth of soil? Would not that have an influence on your lands?

Mr. BROWN. Yes; a large influence, no doubt. And this question arises, what is the condition of the farming industry there to-day?

Mr. McMILLIN. Have you anything showing it?

Mr. BROWN. Yes, sir.

Mr. McMILLIN. Proceed with your remarks.

Mr. BROWN. It is simply a letter from a farmer of Kansas who left Crawford County twenty-five years ago. He has bought a good farm, and he says in a letter recently written that corn is bringing from 10 to 15 and 16 cents. He said he had 25 acres which average 40 bushels of corn an acre. He has 10 miles to haul this corn, which is worth \$150 for this product of 25 acres of corn, which represents virtually the work of a man and his time for a whole season.

Mr. GEAR. I beg your pardon; 60 acres is a fair crop for one man's time.

Mr. FLOWER. Were you farming in 1860?

Mr. BROWN. Yes, sir.

Mr. BLOWER. And you wore tow breeches in 1860?

Mr. BROWN. No; wool.

Mr. FLOWER. Did you wear sheep's gray?

Mr. BROWN. I wore as good cloth as now.

Mr. FLOWER. Where was it made?

Mr. BROWN. Right there.

Mr. FLOWER. On the loom, at home?

Mr. BROWN. In the factory, and that factory is idle now.

Mr. FLOWER. Did you have any looms around York County?

Mr. BROWN. In 1860?

Mr. FLOWER. Yes; in your family?

Mr. BROWN. A few old-fashioned people did.

Mr. FLOWER. I know it; but I wanted to know whether it was different from what it was in my State or not. In 1856 to 1860, in my State, the ladies of the family were making tow breeches and gray cloth. I suppose, now they buy the clothing at the stores instead of making it.

Mr. BROWN. Yes, sir.

Mr. FLOWER. And the ladies of the family are not doing anything in particular now?

Mr. BROWN. Oh, yes.

Mr. FLOWER. What do they do?

Mr. BROWN. Take it in our part of the country, the people are all at work.

Mr. FLOWER. You do not have rag carpets on the floor like in 1860?

Mr. BROWN. Yes, sir; we have them now.

Mr. FLOWER. In our State we have Brussels.

Mr. BROWN. You are more fortunate.

Mr. GEAR. You stated that in 1860 you wore as good clothes as now.

Mr. BROWN. My clothes wore longer then than now.

Mr. GEAR. Did you pay the same for them?

Mr. BROWN. I do not think I did.

Mr. GEAR. You stated that in 1874 in the trade which you counted as cash you paid \$75 an acre for this land.

Mr. BROWN. About that.

Mr. GEAR. You computed the cash on the currency basis of that time. What were bank-notes worth then?

Mr. BROWN. I can not remember just now, but think gold was 120.

Mr. GEAR. No; gold, I think, was 138 in 1874. That would make the cash value of the lands in 1874, if gold was 138, which I think it was at that time, average \$50 an acre for that land. Now your land is worth what?

Mr. BROWN. The trouble would be to get a purchaser.

Mr. GEAR. That is not the question. Answer my question. You stated it had gone down 50 per cent.

Mr. BROWN. Yes, sir; I stated it had gone down about 50 per cent.; that is a general estimate.

Mr. GEAR. Then your lands declined about \$12 an acre.

Mr. BROWN. The general estimate. I have stated my own land has not been sold and has not been put on the market, but that the land of my neighbor was sold at what was about equivalent to that percentage.

Mr. GEAR. I presume you have good butter in your country?

Mr. BROWN. Yes, we make the very best gilt-edge butter. We make butter which sells for 20 cents a pound on the market.

Mr. GEAR. Do you think the prices of your products are enhanced by the towns and manufactories around you?

Mr. BROWN. It does not look like it. We send butter to New York to sell it. We do not get that at home. The butter sold in our neighborhood sold as low as 14 cents this summer. It is the same thing with poultry. If this system was efficient in enabling us to have a home market right there at our doors, we would find it a most profitable market for our poultry right at home.

Mr. McMILLIN. How do you ship it?

Mr. BROWN. On Monday I ship my poultry. A short time since I shipped turkeys and got 16 cents a pound.

Mr. McMILLIN. What do you get for chickens?

Mr. BROWN. Eleven and one-half cents a pound.

Mr. McMILLIN. That is a pretty good price.

Mr. BROWN. Yes, sir; but right at the home market we have to sell at the same time turkeys for 9 cents a pound and chickens for 7 cents a pound.

Mr. CARLISLE. What does it cost in freight to New York?

Mr. BROWN. The freight and the commission charges go together. I can not tell exactly, but it amounts in the neighborhood of 15 per cent.—from 10 to 15 per cent.

Mr. McMILLIN. Turkeys sell in my country for 10 cents, and chickens for 6½ cents. I simply state this to show you we have low prices as well as you.

Mr. BROWN. We send our produce to New York City. It is then sold in competition with similar products of every State.

Mr. McMILLIN. They do not sell for as much at your place, less the freight?

Mr. BROWN. No, sir; not nearly as much.

Mr. McMILLIN. I do not wonder you ship to New York.

Mr. BROWN. It is for the simple reason that we can not get as good prices at home as we can get in New York City or Philadelphia. The best market is this here in Washington. The only trouble about it is that it is too easily overstocked.

Mr. McMILLIN. You say these farms which you describe as having gone down in value are within a 100 miles of Philadelphia and Harrisburg.

Mr. BROWN. It is within 38 miles of Harrisburg.

Mr. McMILLIN. And within 7 miles of York, and less than 100 miles of Baltimore, but that this home market which you have been promised so long has not succeeded in keeping up the price of land, nor the products grown on that land.

Mr. BROWN. I have given the facts.

Mr. GEAR. Then you are in favor of doing away with all these factories and letting the operatives go to work on the farms?

Mr. BROWN. We do not want that.

Mr. GEAR. Why?

Mr. BROWN. We do not consider that a reduction of the tariff, which is a reduction of the surplus, would do away with these factories.

Mr. McKENNA. You stated that these towns have all increased in population, and notwithstanding that, your produce has declined in value. Then you must be in a very helpless condition. What could help you; because there is no market for you except these people, and you say that the products of the farmers have gone down to such a point that you can not afford to raise them.

Mr. FLOWER. You want protection against the low rates on the railroads?

Mr. BROWN. We have no objection to that.

Mr. McMILLIN. Will you print these statistics?

Mr. BROWN. Yes, sir. What I wanted to say is this. We have had statements made and it has been talked over for many years, and we can say we have not received a sufficient market, which we expected.

Mr. GEAR. What remedy would you suggest for this?

Mr. BROWN. I would suggest this remedy at least: I would at least reduce the amount of the indirect tax on those things, whatever they are, which we have to buy, to an extent that would do away with the paying of a tariff to make a surplus.

Mr. GEAR. Do you say you would take away the tax on sugar, which pays fifty odd millions in direct taxes?

Mr. BROWN. I do not know—

Mr. GEAR. The tax on sugar is \$1.06 a year per head, and nine-tenths is a direct tax, because we do not raise sugar in this country. You would be benefited \$1.06 per capita by free sugar. That would be a direct relief to you.

Mr. BROWN. Yes, sir; we will acknowledge that; but there is this about it: We are aware that the tariff which is put upon sugar goes directly into the United States Treasury. I would say this: On other things we need we are taxed at a rate equal perhaps to the tariff rate we pay upon sugar, and of which only a portion goes into the United States Treasury but which costs the people of the country on the whole of that production at a corresponding ratio.

Mr. GEAR. That is a political question. This is not a question dealing with these facts.

Mr. BROWN. I do not regard it as a political question. It is all an economic question we are discussing fairly.

Mr. McKENNA. What are these things?

Mr. BROWN. Clothing, etc.

Mr. McKENNA. You have stated that clothing is cheaper than it was before.

Mr. BROWN. No, sir; I did not say so.

Mr. McKENNA. You stated that they last longer.

Mr. BROWN. It is better clothing for the farmers. I spoke of the grade of clothing farmers wore.

Mr. McKENNA. You are a pretty well dressed gentleman.

Mr. BROWN. That is all right, I know.

Mr. McKENNA. You look very prosperous.

Mr. BROWN. I do not know why a farmer has not a right to wear good clothes. He is a citizen with equal rights of other citizens. He has a right to dress as well as anybody. Now, there are gentlemen who come and say, "You farmers have musical instruments in your houses, which you did not have before. You have buggies and carriages, when you used to go afoot." I want to know who has a better right to have these than the farmer, who is the producer of all things used in this country.

Mr. GEAR. Let me ask you your age?

Mr. BROWN. I am forty-seven years old.

Mr. GEAR. Are you a married man?

Mr. BROWN. Yes, sir.

Mr. GEAR. You buy blankets?

Mr. BROWN. Yes, sir.

Mr. GEAR. When did you go to housekeeping?

Mr. BROWN. About eighteen years ago.

Mr. GEAR. Do you recollect what you paid per pair for 5-pound blankets—but you are not familiar with the prices anterior to eighteen years ago. You paid the premium on gold, and I wanted to know if you were old enough to go back to 1855 and 1860.

Mr. BROWN. I remember my first experience in farming was in 1860, the year before the war. That was on my father's farm, which my brother runs now. It is a better farm now than it was then.

Mr. GEAR. You want protection against the rich lands of the West, I am afraid.

Mr. BROWN. This is the general experience of our farmers. My object in speaking was simply to make a statement and show our actual condition.

Mr. GEAR. Can you farm in your county in Pennsylvania where you use \$500,000 for fertilizers?

Mr. BROWN. We are raising tobacco, which pays a revenue into the United States of \$700,000 alone.

Mr. GEAR. Can you raise wheat and corn on land that has been used for fifty years in competition with the great prairie lands of Illinois and Iowa?

Mr. BROWN. I do not know why we can not.

Mr. GEAR. They raise 60, 70, and 90 bushels without fertilizers.

Mr. BROWN. I do not see it. If in the production of staples they have the natural advantage on one hand, we have the advantage of the nearness to the markets.

Mr. GEAR. But you use fertilizers.

Mr. BROWN. This is used on tobacco which is a special crop. It is our great money crop.

STATEMENT OF FRANKLIN DYE.

Mr. FRANKLIN DYE, of Trenton, N. J., next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, from what I have heard in reference to general agriculture, I am reminded of the minister who took as his text "the world, the flesh and the devil." He said he would not tarry long in the world, he would pass on quickly to the flesh, and hasten on to the devil. It seems to me that the general agricultural interests are going rapidly that way, from what I have heard. I do not want to be trifling with this matter, because it is a serious one, and we are here to ascertain if possible, whether there are any means of relief. Of course I did not know my old friend, Mr. Piolett, would be here, or what these gentlemen who have preceded me would have to say on this question. So I may go over some of the statements they have made. But I will present more particularly the relations between the protected manufacturing interests and the non-protected agricultural interests as it works in my State. If you will pardon me, I will read this brief paper.

I am willing to admit that a tariff is a selfish measure. Yet there are good reasons for it.

First. Inequalities of cost of production. So long as my neighbor pays and provides for his men all the way through as well and as liberally as I do I am willing he should compete with me in the disposition of his goods in an open, unrestricted market. But, if he produces his goods, agricultural or otherwise, by peasant labor or by labor that is but poorly paid and otherwise cared for, while I, from the nature of my surroundings, pay good wages, whereby my hands can care for themselves as respectable citizens, on a level with their employer, having an equal right with me in the control of our Government, in church, school, and social matters, then I want his goods taxed to the amount of the difference in the cost of production. And this is but

an act of justice to our producing classes. Higher authority than I am has said, "If any provide not for his own, and specially for those of his own house, he is worse than an infidel."

Not only are the children of the early settlers of this country "of our own house," but by our very benignant laws all naturalized citizens, come from whence they may. So, then, our people are right, and their demands are just when they ask for such protection from foreign competition as will enable us to keep our working classes busy at paying prices. In this country they are free citizens and not peasants, and should not be paupers. They should be protected, therefore, as it seems to us, to the amount of the difference in the cost of production between the peasant and pauper labor of other countries and the cost of the same articles as produced by the free and (as compared with the classes named above) well-paid citizen of the United States. While this is a general principle, and to be equitable should have a wide application, the facts are that for the last quarter of a century our manufacturing interests have pressed to the front in this matter, and have received the attention of Congress, and tariff legislation has been chiefly in their behalf.

It has been argued that to increase the number of operatives in manufacturing enterprises would necessarily enhance the price of farm products. Could our increase of population for the period named have been confined to the latter class—or nearly so—our farmers would now be prosperous and happy. But our enormous increase of population by immigration has been largely agricultural, and, settling on the rich, productive soils of the West, have increased our agricultural products to such an extent as to overbalance any advantages that might otherwise have come to our older farming communities from the increase of consumers as resulting from protected manufactories.

Now, if the farmer is compelled to purchase his manufactured goods chiefly or wholly from protected manufactories of the United States—if he purchases the foreign article he must pay the duty—then as an act of equal justice we claim that the manufacturer and his protected laborers shall purchase all their living supplies and raw material that we do now, or may by suitable protection and encouragement produce from us.

The sentiments of the farmers of the United States, as expressed last election, means this or nothing. They feel that to protect the manufactured end of the product only will not do.

The home market, which the farmer defends for other labor, he is compelled to contend for at some points with such rivals as coolies, convicts, peasants, and women, field laborers. While we believe that a judicious schedule of tariff rates on foreign farm produce, and suitable assistance given to develop the manufacture of needed goods from raw material, now going to waste here (see Tribune extra No. 98, page 8) for the want of it, will be for the benefit of the farmers of the whole country, it will be of advantage to all classes. For it is certain that when farming as a business is prosperous, all other business is benefited.

Speaking for my own State, we are of necessity giving increased attention to hay, butter, market-garden, and poultry and egg products, and we are able to produce all that is needed, and at a fair price, if we can have our market. But if the duty on some of these products is so low—or free—that they can be brought to our shores in almost unlimited quantities as ballast, even, there is no defense for us. As for eggs, there is no good reason why we should import over 16,000,000 dozen eggs or more in one year (1886). (See Burrough, page 11. For other vegetable imports see Burrough (Dudly), same page.)

There were imported in 1887 from foreign countries the following:

Articles.	Value.	Duty.
Eggs (now free)	\$1,960,405.39	
Seeds	846,560.84	\$172,437.68
Feathers for beds	204,961.55	
Fruits and nuts	15,088,073.82	210,098.64
Flax	1,908,845.00	154,508.63
Hemp, etc	9,971,276.00	1,775,831.39
Vegetables	2,276,204.47	547,509.90
Total	32,256,327.07	2,860,386.24

I think the year President Cleveland was elected I was in one of the pottery establishments in Trenton, and told the manufacturer that he was taking all our farm hands from us. He said, "You must pay them the same wages." I said, "We can not do it; we pay all the wages we can afford to pay at the price of farm produc-

tions." Then I said, "You are protected; you know just what you are going to get, what it costs to put the material in shape for market, and consequently you know what wages you can afford to pay." What labor is left around Trenton and other manufacturing centers now is largely a poor class of colored people, and now and then Hungarians. For you know the great tide of travel has been westward. Moreover, to give continuous protection to manufacturing industries, whereby they have been enabled to reap good-paying—and in many cases enormous—profits, while not equally protecting the farmer in his products, has resulted adversely to our farmers in several particulars, as—

It has enabled the manufacturer to pay better prices for labor than the farmer is able to do. This has drawn the most efficient workmen from the farm to such an extent that we can not get help enough on our farms for the work we have to do, and it has attracted our sons to mercantile or manufacturing pursuits, clerkships, anywhere almost to escape the farm. It has decreased the price of farming lands in our older States enormously.

It is robbing the farmer of every incentive to produce more than is needed for the wants of his family by destroying his market. As resulting from this latter, merchants, mechanics, and tradesmen will soon feel, even if they do not already, the effects of the farmers' non-profitable business. The farmer is free in the use of his surplus when he has one. Give him but a fair profit, some inducement to produce more than enough for himself, and the lumber, hardware, dry goods, clothing, and shoe dealers will soon have their share of it and country mechanics will soon have abundance of work.

Another point in this connection is the farmers, as a class, are tax-payers; whoever else may, they do not shirk their tax. That they are paying more than their just share is apparent. Farmers are also interest-payers, and it is in the interest of capitalists that this industry which under favorable conditions affords the safest security be encouraged.

Again the advantages of a foreign market for our breadstuffs is not of so much advantage as might at first seem.

In 1883 we exported—

Of wheat.....	\$120,000,000
Of corn.....	28,700,000
	<hr/>
	148,700,000

The cost of production of this was 60,400,000

So we might think there was a profit of..... 88,300,000

But the facts are we exported in this wheat and corn 70,000 tons of nitrogen, 40,000 tons of phosphoric acid, and 21,000 tons of potash, worth, at market rates, \$33,000,000. Hence our real profit is only \$55,300,000, and Europe was enriched from America in 1883 to the value of \$33,000,000, and there was a corresponding decrease in the capital stock of the West, and the West is showing and feeling this loss to her soils already.

Calculating from chemical analysis, the total product of corn, wheat, oats, rye, and buckwheat sold from farms in Northern States in 1880 contained—Nitrogen, \$1,350,243; phosphoric acid, \$307,365; potash, \$166,829; a total of \$1,825,000—nearly \$2,000,000 of fertilizing material, against \$1,045,000 spent for fertilizers. A rational agriculture gives the largest returns for the expense incurred, without decreasing the capital stock in the soil.

No; give us a good home market first of all. Build up our manufacturing to this end. We have no quarrel with them; but give us our just share of protection, then if we do not succeed we will be ready to try some other plan. The farmers from the nature of their business are isolated, the one from the other. They can not bring concerted action to bear in Congress (though they number nearly half the population) as can our organized manufacturers. There is all the more need, therefore, that our law-makers look well after their prosperity. We are an agricultural people. Our safety as a nation lies in the perpetuity and prosperity of this class. Give us small farms, owned by those who till them, and we will continue to develop the noblest civil, moral, and educational institutions, and the best citizens to be found in the world.

These are the sentiments, Mr. Chairman and gentlemen, on this subject. I feel a deep interest in it. I do not know what gentlemen before me have said, and I do not think it is worth while to occupy your time any longer. We have prepared here an idea of what we think would perhaps be a fair increase in the tariff rates.

The CHAIRMAN. Leave that also with the stenographer.

Mr. DYE. (Reading:) Representing the farmers of New Jersey in particular, and those of other States in general, we hold, in the first place—

That foreign products, come from where they may, that come into competition with us in our home market should be taxed to the amount of the difference in the cost of

production between the peasant, pauper, and other cheap labor of other countries and the free, better-paid labor of this.

Second. That if the farmer, his family and employes must purchase their manufactured goods of protected American manufacturers—if we purchase the foreign we must pay the duty—then as an act of equal justice to farmers we claim that the manufacturer and his protected employes shall purchase all their living supplies and raw material that we do now, or may by suitable protection and encouragement produce, from us.

Third. In particular we ask for an increase of duty on the following articles, viz: Beans, peas, and other leguminous seeds should be raised from 10 per cent. to 25 per cent.; on split beans, from 20 per cent. to 25 per cent.; on hay, from \$2 per ton to \$4 per ton; on pickles and sauces, from 35 per cent. to 40 per cent.; potatoes, from 15 cents per bushel to 30 cents per bushel; cabbage, the duty should be \$1 per hundred heads; onions, 30 cents per bushel, and on all vegetables it should not be less than 30 per cent.; butter and substitutes, from 4 to 6 cents per pound; cheese, from 4 to 6 cents per pound; eggs, the duty should be 6 cents per dozen.

Respectfully submitted.

FRANKLIN DYE, *Secretary,*
D. D. DENISE, *Treasurer,*
New Jersey State Board of Agriculture.

Mr. McMILLIN. You have had an extended observation in your State of the farming community of the State?

Mr. DYE. Somewhat so, sir.

Mr. McMILLIN. Do you regard the farming industry there now as flourishing in its present condition?

Mr. DYE. No, sir; it is very much depressed.

Mr. McMILLIN. The tendency is towards the reduction in the values of the products of the land, and necessarily resulting therefrom a depression of the value of the land itself.

Mr. DYE. Yes, sir.

Mr. McMILLIN. Could you give any estimate of what the average reduction has been in the last eight years in purely farming lands?

Mr. DYE. I do not know that I can exactly. I might say this, which was twenty years ago. I sold a farm in Middlesex county at \$110 an acre; prices were a little enhanced then. I bought again near Trenton at \$130. I would be glad to get \$100 to-day for it; and I could not get it if put up at public sale perhaps over \$80 for it; \$80 would be about the market. That at \$130 was perhaps a fictitious value, so I will put it at \$120; and it has now been reduced to perhaps \$90.

Mr. McMILLIN. A reduction of 25 per cent.?

Mr. DYE. Yes, sir.

Mr. McMILLIN. Do you think this is a pretty fair estimate of the reduction that has occurred?

Mr. DYE. I will state, in Herndon county, that a gentleman who makes it a business told me that in 1887 he sold farms at \$100 an acre, and in 1888 he sold the same farms at \$60 an acre, and what the result is to-day I do not know.

Mr. McKENNA. You have increased in population?

Mr. DYE. Yes, sir. Of course we are not an agricultural State. I have stated in that paper all our chief products. If anything can be done it will help us very much.

STATEMENT OF BURNET LANDRETH.

Mr. BURNET LANDRETH, of Philadelphia, next addressed the committee, and said:

Mr. Chairman and gentlemen of the committee, I am here to speak of another matter of agriculture. You have heard pleadings for an increase of duty upon tobacco, and rice, and wool, and sugar, and possibly a good many other things. I desire to ask your attention for a few moments to the subject of seeds. You know that a good system of agriculture could not be carried on without good seeds to commence with. I am a seed-grower, and I come here to speak for seed-growers. A few moments ago a gentleman representing one of the New York districts spoke in regard to peas and beans. I was not aware he was going to say anything on that subject, but I was very glad, however, to have heard him. I wish to speak not only concerning peas and beans, but concerning small seeds. My firm has been in business one hundred and ten years. We have been recognized as the largest seed producers in the United States, but we can not continue unless we have some further relief in this matter; nor can others who are pursuing the same business continue because of foreign competition; not Canada alone, as the New York member speaks of, but France, Germany, England, and Italy. Italy, with its very cheap labor, is becoming a very

large seed-producing district. I have seen people working there at 15 cents a day, and working fourteen hours in a day, and they are raising everything. The duty upon seeds at present is 20 per cent. upon a portion—they are divided into three classes, a 20 per cent. class, a 10 per cent. class, and a class upon the free list. The amount of imports of the first and second class amounts to about \$250,000 a year. The amount of seeds imported upon the free list amounts to about \$2,000,000 a year, and possibly the American production of seeds in general amounts to \$10,000,000 or \$12,000,000. Of course it is impossible to get exactly at the acreage devoted to seeds in this country, but I assume it is about 75,000 acres annually, and this is land of the very best quality.

You will find the seed-grower, whoever he may be, in New England or the Western States, the most advanced farmer of his district. He sometimes cultivates tobacco with seed growing, and sometimes he is a cattle-breeder, but wherever you find him he is a leading man in his locality. He must be so, for it is the highest kind of agriculture; nothing approaches it. He must have technical knowledge; he must have fine instruments, good teams and good tools, and he must know his business. He must study the vegetable business more than the ordinary grain farmer, who raises hay, potatoes, and other products. Of course the ordinary farmer may be an intelligent man in many cases, but the seed-grower must always be an intelligent man, otherwise he could not sell his seed, otherwise no seed merchant would buy from him or trust him for a moment. Yet seed material is less protected than any other American agriculture. For instance, a man who raises hay, the cheapest and most common thing a farmer produces, has from 25 to 30 per cent. protection upon his hay. I believe that American labor should have further protection. All this growth of the farmers should have further protection. When I say this I say it for this reason: In the hay-producing region of the United States it is not worth more than \$8 a ton; the duty is \$2 a ton. This is certainly one-fourth. Hay in Philadelphia and New York will be \$25 a ton. Take other articles, wheat, rye, oats, barley, and they average from 25 to 35 per cent. protection, and yet the American grower of cabbage has only 20 per cent. protection, and turnip seed has not one cent. Why? Because of a misinterpretation of the law; because the framers of the present law omitted to name turnip seed and it comes in free under the class of unenumerated seeds. My firm has been raising 300 or 400 acres of turnip seed all my life, and we are gradually decreasing our production, and this year it will be only 250 acres, and we will have to cease growing these unless turnip seed is put upon the dutiable list.

I imagine there are about 2,000,000 pounds of turnip seed now under contract in Germany and France to come over this next autumn. This is a new business, new in the last five or six years. All of that seed was raised in America before this new decision in respect to the duty. It was raised in Kentucky, New Jersey, Pennsylvania, Delaware, Maryland, Georgia, California, and in Michigan, and in a great many other States, but the turnip-seed grower has been wiped out of existence. Take beet seed: my firm have been always large growers of beet seed and grew from 100 to 125 acres of seed. Now we can not raise them, except very little. Why? Because a very large portion of beet seed comes in free. Some framers of the provision of the tariff undertook to stimulate, as they thought, the sugar-beet industry, and they put the sugar-beet seed upon the free list. Sugar-beet seed can not be distinguished from any other kind of beet seed, and the result is it comes in as sugar-beet, although a small portion is the sugar-beet.

The CHAIRMAN. What change would you suggest?

Mr. LANDRETH. Forty per cent. on all seeds, that is, all small seeds. That is what it was fifty years ago, except on peas and beans, on which I would suggest a specific duty. The small seeds vary so in value that it is hard to fix a duty upon them, but on the peas and beans it ought to be specific. For instance, thousands and thousands of bushels of seed of beans and peas have been brought into the United States as grocery peas under the 10 per cent. tariff when they should have paid the 20 per cent. duty, which they would have had to pay for seed peas.

Mr. GEAR. Is it 10 per cent. or 10 cents a bushel?

Mr. LANDRETH. Ten per cent. So the difficulty has been to regulate the matter. The Secretary of the Treasury gave his decision that the duty should be 10 per cent. on all peas, although the law does not read that way. Of course there are some things which may enter free without injury to us; for instance, Dutch bulbs and such things, of which perhaps there is \$100,000 worth imported annually.

Mr. McMILLIN. There are exports to the amount of \$2,000,000.

Mr. LANDRETH. Yes, sir. There are also flower seeds which are of infinite production. I hardly expect we can do much toward protecting them. In producing small seeds the labor is a very great portion of the cost, and the labor required has to be intelligent labor. The labor required to the acre is ten to twenty times as great as compared with any other agricultural system. I am perfectly safe in saying it requires twenty times the labor to the acre of any other agricultural system, yet a large proportion of the production comes in free, and that which is dutiable has not

as much duty as potatoes or hay. Gentlemen, this is perfectly true, this matter of peas and beans, which can be raised in New York, Michigan, Wisconsin, Minnesota, or any of the New England States. We can raise these just as well as Canada, and we should raise them. The Canadians have cheap land, cheaper wages, cheaper production, and they have lower aspirations. The Canadian farmer does not live as an American farmer lives. He has old country ideas and old country ways, and the American is a more progressive man, and he can't work for the same wages as the Canadian. Hence the Canadian, by reason of his low wages and low land and by reason of his cheap transportation facilities, can beat the American every time unless the Americans are better protected than they are now. Of the 200,000 bushels of garden peas raised annually and almost 200,000 bushels of garden beans, it is probable that almost one-third of these articles are raised in Canada.

Mr. GEAR. They all come as commercial products?

Mr. LANDRETH. They all come in under the 10 per cent. duty now.

Mr. GEAR. Like those we use for commerce?

Mr. LANDRETH. Yes; the same as the grocers' peas and beans.

Mr. McMILLIN. You say your firm has been in business one hundred and ten years?

Mr. LANDRETH. Yes, sir.

Mr. McMILLIN. During that time what portion of the time have you had a higher rate of duty than now?

Mr. LANDRETH. I can not remember further back than 1860. What duties there were preceding that year I do not know.

Mr. McMILLIN. They were not above what they are now?

Mr. LANDRETH. Yes, sir; they were about 30 per cent., I think. Then the war came on and nearly all seeds were 40 per cent. Then they were reduced to 30 and from that to 10 per cent. Then they were divided and a part was put at 10 per cent.; then they were divided again and a part put on the free list.

Mr. McMILLIN. \$225,000 worth is imported under the dutiable class and \$200,000 free, and the American product is \$12,000,000, so it makes about 16 per cent. imported. Is yours an incorporated company or simply a firm?

Mr. LANDRETH. It is simply a firm.

Mr. McMILLIN. What per cent. do you make under the existing tariff?

Mr. LANDRETH. We are about ready to go out of business.

Mr. McMILLIN. What per cent. do you make, if you have no objection to telling us. I do not like to make an inquiry which is improper, but as a legislator I think it is my duty to get at all the facts bearing on the case that I can.

Mr. LANDRETH. We do not make 8 per cent. over our expenses. We carry on farms in Pennsylvania, New Jersey, and Virginia.

Mr. McMILLIN. Do you make as much as 7 per cent.?

Mr. LANDRETH. I can not answer that. About 7 or 8. The expenses are very heavy. On our Pennsylvania farms we have spent \$25,000 on fertilizers on 500 acres. There is no farmer in the United States who spends a quarter as much on 500 acres.

The CHAIRMAN. Do you mean 7 per cent. net on the capital?

Mr. LANDRETH. Yes, sir.

Mr. MCKENNA. If you had this money invested at interest it would bring you in 7 per cent.

Mr. LANDRETH. A man who carries on his own business expects to make more than if he put it in railroad bonds.

Mr. MCKENNA. That is what I was trying to get at. Do you mean the money invested in your business if put out and you doing nothing would bring in 7 per cent.?

Mr. LANDRETH. No, sir; some people make 15 to 20 per cent. on their business. You go into business to make that rather than put it in a corporation where the cashier might run away. I want to call attention to the expenses of running a seed farm. We spend \$25,000 in wages on that 500 acre farm; every Saturday night the money is paid out.

Mr. LA FOLLETTE. This is taken into account as one of the items of expense.

Mr. LANDRETH. Precisely; and if we didn't do that we would not carry on this system.

Mr. LA FOLLETTE. You would not make even 7 per cent.

Mr. LANDRETH. No; in response to the gentlemen who just said the imports were 16 per cent., I would state that the imports are annually growing. I know one firm in Kentucky, which has been raising 23,000 bushels of turnip seed, and now they have gone out of business. I know a dozen firms in Pennsylvania who have gone out of business, and we are ready to go out in many cases because we can not compete with this cheap seed.

Mr. FLOWER. Do you sell your seeds wholesale?

Mr. LANDRETH. Yes, sir; all over the United States and all over the world, except Europe. We sell none to Europe. When I say all over the world, I mean South America, China, and Japan.

Mr. FLOWER. You export and compete with Germany and Italy?

Mr. LANDRETH. Yes, sir; but we sell to those markets such articles as Germany, Italy, France, and Spain can not produce, which are leading seeds in the American trade, such as watermelons, cantaloups, and all those things which must necessarily be American.

Mr. FLOWER. You want 40 cents a bushel for beans and peas for seed purposes. Of course they will come in from Canada directly under that, but still the farmer sells his seed to a seed-raiser like you. He sells that to you at a certain price, which enables you to purchase this and make a profit on it, and when you go to pack that seed and sell it to the merchant, the merchant, if he does a large seed business, will make money?

Mr. LANDRETH. Yes, sir.

Mr. FLOWER. A little package of beans or peas costs 10 cents. You sell at a wholesale price, so that the man who buys those garden seeds is not affected much, whether you pay 30 cents on the seed or not.

Mr. LANDRETH. No, a pound of turnip seed will sow an acre, and it means nothing to the consumer whether that turnip seed is protected 30 or 40 per cent.

Mr. FLOWER. I mean a package of peas where you get about twenty peas for 10 cents, the retail dealer makes a little something on them?

Mr. LANDRETH. I sell thousands of them in your district.

Mr. FLOWER. I know I never bought any garden seeds unless I thought they cost about \$300 a bushel.

PHILADELPHIA, January 1, 1889.

DEAR SIR: On behalf of every American garden-seed grower with whom we have conversed since our Mr. Burnet Landreth appeared before the Finance Committee of the Senate on August 16, 1888, we ask that the tariff schedule upon garden seeds be so framed in the Senate bill as to enumerate specifically all garden vegetable seeds subject to duty.

And just here we will define what we consider the distinction between garden and agricultural seeds, Indian corn excepted, which as a sugar or sweet corn is a garden seed, while as non-saccharine it is a field seed.

Garden seeds are seeds of plants producing edible tissue without process of machine manufacture.

Agricultural seeds are seeds of plants either not edible, as grass seeds, or such as require manufacture, as wheat.

Turnip seed is a garden seed, and under a Treasury decision of two years ago has free entry, not because the tariff schedule provides that turnip seed enter free, but because of a misinterpretation of the law, by which it has had entry for the two years past as a seed not a garden seed, under the "basket clause:" "All other seeds, except medicinal seeds, not specially enumerated or provided for, free." Under this same interpretation cabbage seed might enter free.

Turnip seed, growing under the protection of 20 per cent. duty, amounted to (estimated) 1,000,000 pounds annually; under the above ruling of free entry the production has fallen to less than one-half, and will entirely cease as an American farm industry unless protection is given to the seed farmer.

The American contracts now standing for turnip growing in France, Germany, and England for crop of 1889, it is estimated, amount to about 1,000,000 pounds.

This seed, placed upon the same schedule as cabbage, carrot, onion, parsnip, radish, and other seeds, with which it should properly be classed, would again be grown largely in the New England, Middle, Southern, Northwestern States, and California.

No objection can be raised by the ordinary farmer or consumer to the duty of 20 per cent. which the framers of the present law intended to place upon turnip seed, as but 1 pound of seed is required to sow an acre, and as the ordinary products of the farmer are protected by a duty ranging from 20 to 40 per cent.

Imported turnip seed, costing 10 cents per pound, at a 20 per cent. duty, would simply be raised to 12 cents, an increase so small (2 cents per acre to the consumer) as to be unworthy of consideration, while making all the difference between a profit and a loss to the American grower. The one pound of turnip seed sown to the acre by a farmer under a duty of 20 per cent. would simply be subject to 2 cents duty, while if the same farmer put in an acre of imported wheat the duty would be 25 cents, or twelve times as much. This is protection to the grain farmer, but none to the seed grower.

Under the present construction of the tariff, the official records of imports show an entry of dutiable seeds to the value of \$149,876, and those of the free list to over \$1,000,000. The potato grower is protected by a specific duty equal to 33 per cent. The grain farmer has 25 per cent. protection on wheat, 33 per cent. on oats, 25 per cent. on corn. The garden-seed grower who pursues agricultural work to a most intense degree has only 20 per cent. on one-fifth part of the seed imported; thus the

actual protection is but 5 per cent. on seeds in general. Certainly the important interest of seed growing should be fostered as much as potato culture.

As seed farmers and seed merchants, and importers, we venture to suggest a schedule which would simplify the present enumeration of seeds, a subject always with difficulty understood by revenue officials. We suggest that under the one general heading, "seeds," there be enumerated specifically every dutiable variety of garden vegetable seed, and thus avoid any possibility of misconstruction. For example:

Seeds: Beet (sugar-beet excepted), broccoli, Brussels sprouts, cabbage, carrot, cauliflower, celery, collards, cress, cucumber, egg-plant, endive, kale, kohlrabi, leek, lettuce, mangel-wurtzel, melon, mustard, onion, okra, parsley, parsnip, pepper, pumpkin, radish, salsify, scorzonera, sea kale, sorrel, sage, squash, summer savory, sweet marjoram, sweet basil, spinach, thyme, tomato, turnip. All the above being at 30 per cent. Beans, 25 cents per bushel of 60 pounds; peas, 25 cents per bushel of 60 pounds; flowers, free; sugar-beet, free; Dutch bulbs, free.

Very respectfully submitted.

D. LANDRETH & SONS.

Hon. WILLIAM B. ALLISON,
United States Senate, Washington, D. C.

STATEMENT OF J. H. BRIGHAM.

Mr. J. H. BRIGHAM, of Ohio, addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, my first desire is to express my thanks for the courtesy shown the organization which I represent for the special hearing given to us.

The CHAIRMAN. Please state your organization.

Mr. BRIGHAM. The organization is the National Grange, Patrons of Husbandry.

Mr. LA FOLLETTE. What is your connection with the grange?

Mr. BRIGHAM. I am master of that organization. At the last national grange at San Francisco, a legislative committee was appointed, consisting of Dr. Trimble, secretary, the Hon. Leonard Rhone, of Pennsylvania, and myself, and we were directed to appear before committees of Congress and ask for such legislation as had been asked for by our organization. I will say in regard to the organization that it is national in its character. We have State organizations in nearly every State. The membership embraces men of all political parties and religious beliefs, and of course in presenting the views of that organization and in representing them, I would only refer as their representative to those matters upon which they are substantially agreed. Of course on the question of protection or free-trade, the difference is as radical as with men in other avocations, but they are substantially agreed that whatever may be the policy adopted for other industries and interests of the country, the same should apply to agriculture. That is, if the policy is to be protective, and the laborers in the mines and in the factories and in other industries are to be protected, that those who labor on the farm shall also receive protection. The opinion is quite general among the farmers that heretofore they have not received the per cent. of protection accorded to the other interests, and I am here to-day to ask that in the revision of the tariff especial attention be given to the agricultural interests, and wherever protection can be accorded to the agriculturists, that it ought to be given.

I notice in looking over the list of imports that there is a large amount of agricultural products imported into this country which ought to be produced by our farmers, and I am inclined to think they would be produced by our farmers if adequate protection was given; and what we desire to do at this time is to ask for the farmers of the United States that there be such a duty imposed as will protect our farmers in their products and encourage them in producing these commodities that are natural to the climate and soil of this country. I will call attention to a few items on which we ask protection and submit in writing afterwards a list of those things we think should be protected.

The CHAIRMAN. That permission will be granted.

Mr. BRIGHAM. These notes that I have here are not very well prepared, but we will submit afterwards a complete statement. I find we imported in 1887, 10,336,875 bushels of barley. We have imported for the last two or three years somewhere about that amount, about 10,000,000 bushels, and there is no reason in the world why the farmers in the United States should not grow all the barley used in this country; and certainly there can be no legitimate interest in the country that would be injured by protection upon that article.

Mr. PAYNE. What rate do you suggest?

Mr. BRIGHAM. High enough to protect it.

Mr. PAYNE. But how much?

Mr. BRIGHAM. Twenty-five cents a bushel. It was 15, and it was reduced in 1883

to 10. If the farmers can produce this barley they need not produce so much wheat and other grains, and probably they may receive a better price for their other grains as well as for barley. Our English friends propose to buy all the breweries and make our beer, and they will use this barley; and I for one am inclined to make them pay a fair price for that barley. We find that of barley malt 209,967 bushels were imported in 1887, and about the same amount in 1888 and 1889. The duty upon that is 20 cents per bushel. We would ask that that be increased to 30 or 35 cents. We ask an increase upon beans per bushel. There are some sections of the country where the land is not as fertile as in other sections, and there they raise beans.

Mr. PAYNE. How much duty do you suggest on beans?

Mr. BRIGHAM. About 50 cents a bushel. I do not suppose my suggestion will be law, but I should think it should be 50 cents a bushel upon beans. I have conferred with some farmers and that is their idea. Peas should have about 25 cents. I believe that is their idea. Of hops, 1,666,829 pounds were imported and the duty was 8 cents a pound. We think we ought to grow all the hops also that are used in this country. We would ask about 12 cents a pound on hops. There was imported of hay in 1887, 78,722 tons, and about the same amount has been imported in other years. The duty is \$2 per ton. One of the items upon which the New England farmers make a little profit, if on anything in farming, is hay. They suffer particularly from the imports; that is, if there is any suffering about it; and we ask a duty of \$4 a ton upon hay. Of potatoes there was 1,430,918 bushels imported in 1887. The amount of importation varies somewhat in different years. The duty on potatoes is 15 cents per bushel.

Mr. LA FOLLETTE. How much was imported in 1888?

Mr. BRIGHAM. I have not got it here.

Mr. LA FOLLETTE. I have the figures and will give them. There was over 8,500,000 bushels imported in 1888, amounting to about \$3,500,000 worth.

Mr. BRIGHAM. I have not the report of 1888; what we ask for is an increase of duty upon potatoes to 25 cents. Hides are imported free, and if there is any agricultural industry in this country that is depressed, and from which the farmers now derive no profit it is in the raising of cattle. We find that there are about \$24,000,000 to \$25,000,000 worth of hides imported every year.

Mr. GEAR. Are these mostly beef hides?

Mr. BRIGHAM. I think so; the reports seem to indicate that. We ask that the men who graze cattle and produce hides under existing circumstances be accorded some protection and we would ask for about 10 per cent., not an extravagant duty, but 10 per cent. We think that might prove to be some relief. I think our farmers would be satisfied to try that. The importations are very large, and amount to more than any other product, considerably more than the importation of wool.

Mr. GEAR. Where do you get those figures?

Mr. BRIGHAM. From the Bureau of Statistics.

Mr. MILLS. The consular reports are out for 1889, and they give all those things.

Mr. BRIGHAM. The wool men have been very ably represented before you by those who are better qualified to speak for that industry than I am; but I will say that the farmers generally, in our organization especially, would indorse, I think, what is asked for by the wool-growers who have been before your committee. Of course I say this with the understanding that we are asking for the same protection that is accorded to others. There are some of our farmers who do not believe at all in protection, but they are all agreed that if other interests are protected the wool-growers should have adequate protection. Eggs are now free and we find a large amount imported. We ask for a duty of 5 cents per dozen upon eggs. They enter into general use and I know some consumers might object to that, but there are none but what can produce them if they desire to do so.

Mr. LA FOLLETTE. That is true of woolen goods. They enter into general use.

Mr. BRIGHAM. Yes, sir. Apples are now free, but I can not give the amount of apples imported.

Mr. LA FOLLETTE. Have you the amount of eggs imported last year?

Mr. BRIGHAM. Eggs were imported in 1887 to the amount of 1,960,939 dozen, and in 1888 2,312,478 dozen. We would ask a protection upon apples. Our fruit-growers along the Atlantic coast are anxious to have some protection for fruits. Perhaps 20 to 25 cents a bushel would be a fair protection upon apples. There are some other fruits I have not specified, but which I will specify in the paper I will submit to you, and state what we think ought to be given. There are some fruit-growers along the coast who think there should be a duty upon bananas for the reason that they think the foreign takes the place of our fruits.

Mr. GEAR. We do not grow bananas in this country at all.

Mr. BRIGHAM. We grow a few on the extreme coast.

Mr. MILLS. Oh, yes; we grow bananas on the coast of Texas, Florida, and Louisiana.

Mr. BRIGHAM. We do not of course object to a duty if it is needed for the protec-

tion of the industry. We are willing they should have protection. I think some protection upon flax and raw silk—I have not figures prepared—will be some advantage to us. Upon live animals we have not a large importation. I have not the figures; but I have seen from the reports that a very large number of animals are imported, largely from Canada.

Mr. FLOWER. By the farmers themselves?

Mr. BRIGHAM. Some import them, but not largely. They are imported more particularly for use in the cities.

Mr. FLOWER. Milch cows and work horses are imported by the farmers in northern New York.

Mr. BRIGHAM. They perhaps bring in some; but it is the general desire that those who raise horses in this country should receive some protection.

Mr. GEAR. You mean cattle imported for use, but you do not include those imported for breeding purposes.

Mr. LA FOLLETTE. This thing has been perfectly plain. These claiming to be imported for breeding purposes are not standard or registered animals, according to the statistics.

Mr. BRIGHAM. It would be no great hardship for us to ask a suitable duty upon all animals, because when a man imports horses that cost from \$1,500 to \$2,000, he would not consider it a great hardship to pay \$20 duty.

Mr. LA FOLLETTE. You pay such a duty on that horse as would be a protection against an ordinary animal.

Mr. BRIGHAM. Yes, sir.

Mr. FLOWER. The duty is now 20 per cent.

Mr. BRIGHAM. I think it is.

Mr. LA FOLLETTE. This 20 per cent. does not prove to be any interruption to the importation.

Mr. GEAR. The importation of horses from France and England is a very large industry in my State.

Mr. BRIGHAM. We are not asking that especially; but I say I do not think they would object particularly to a specific duty.

Mr. LA FOLLETTE. Do you not think that the law could be so framed as to evasions by requiring that these imported animals for breeding purposes should be registered animals and pedigreed animals?

Mr. BRIGHAM. I think so. Such animals as are registered as thoroughbred, so that there should be no evasion of the law.

Mr. LA FOLLETTE. Under the rules now they are compelled to admit anything that can be used for breeding purposes, and in that way they bring in anything and everything. They drive great herds of sheep into this country from Mexico just for shearing the wool.

Mr. MILLS. That is a fraud. That is not done as a justification under any law; it is simply smuggling, the same as any other smuggling.

Mr. PAYNE. They do that from Canada and everywhere.

Mr. GEAR. Seven or eight hundred breeding horses were imported from Europe into my State this year.

Mr. LA FOLLETTE. The average horse imported for the last eleven months for breeding purposes was only about \$275 to each. Hence, when they bring these horses and sell them for \$1,500, and \$2,000 apiece, it is quite apparent that many are brought in here that are quite worthless, and are not used for breeding purposes.

Mr. BRECKINRIDGE. Are you through with that paper?

Mr. BRIGHAM. I will submit at a future time the details I wish to present to the committee.

Mr. BRECKINRIDGE. I ask that because I desire to ask a question or two.

The CHAIRMAN. If you desire to submit any paper, it must be done in a very few days.

Mr. BRIGHAM. I will attend to it.

Mr. BRECKINRIDGE. The position of the grange, if I understand it, is that if there is to be protection it should be all round.

Mr. BRIGHAM. Yes, sir.

Mr. BRECKINRIDGE. That is the position of the grange?

Mr. BRIGHAM. That is the position of the grange, and the only position an organization representing all parties could take.

Mr. BRECKINRIDGE. And all pursuits.

Mr. BRIGHAM. No, sir; none but farming.

Mr. BRECKINRIDGE. I misunderstood your point. What is the membership of your grange.

Mr. BRIGHAM. I could not tell you, as the membership varies somewhat. We have had enrolled in that organization, I think, 26,000 suborganizations. They probably would average 50 to 75 members, but what is the total membership at present, I could not say.

Mr. BRECKINRIDGE. Where is this membership principally located—in what States?

Mr. BRIGHAM. The representation is strongest now, perhaps, in Michigan, in Ohio, in Pennsylvania, in New York. The New England States are also quite strong in membership. Texas has quite a large membership.

Mr. GEAR. How much has Iowa?

Mr. BRIGHAM. It has not a large membership in the grange at the present time, but the Farmers' Alliance is very strong in membership there now.

Mr. GEAR. There is a very strong Farmers' Alliance, somewhat on the character of your organization?

Mr. BRIGHAM. Yes, sir.

Mr. BRECKINRIDGE. Does the Farmers' Alliance participate with you in convention?

Mr. BRIGHAM. No, sir; we have not had a union or meeting, although we have interchanged courtesies, and I think the farmers in the alliance are substantially agreed with the members of our association upon these questions.

Mr. BRECKINRIDGE. What is the principal product produced by the members of the grange. What do they produce and sell most largely?

Mr. BRIGHAM. They produce all sorts of agricultural products. The production of States varies in different localities.

Mr. BRECKINRIDGE. But every State has some principal crop.

Mr. BRIGHAM. Of course in the South cotton is the principal crop among the members of the association. In the Northwestern States, probably wheat, oats, and potatoes; in the Middle States, corn and stock, wheat and potatoes. In the New England States it is largely hay, poultry, butter, dairy products. The cattle industry is very low in the East, in the New England States, as I understand it, at the present time.

Mr. BRECKINRIDGE. Now, throughout the States our order is located in, what are their principal products for the purpose of sale—wheat, beef, pork, and dairy products, such as cheese and butter and things like that?

Mr. BRIGHAM. That is true of the Central and Eastern and Northeastern States, probably?

Mr. BRECKINRIDGE. Now for your grange as a whole. What is it that sells most largely of those great staples I speak of other than the small products, fruits, etc., that you have enumerated. I presume, for I think there is no doubt of it, that in some sections they raise quite extensively of wool, but I believe in the older States it amounts to a good deal less than the chickens and eggs—that it is merely an incident.

Mr. BRIGHAM. It is an important industry in Ohio, California, Oregon, Michigan, and several other States.

Mr. BRECKINRIDGE. But I speak more particularly of the older States. Our observation is that the wool crop has enormously declined in the older States, however much it may have risen in the Territories. I want to get at the point of what constitutes the great bulk of what we have to sell, which I think we have covered. If protection is to be all around, is it not a fact, where you protect, for instance, manufactures, agricultural implements, or machinery, or bagging, or binding twine, that you protect every dollar's worth of stuff the manufacturer has to sell, that being the total product and the only product of his factory?

Mr. BRIGHAM. I believe if we received the same protection the result would be as for instance when the farmer grows a surplus of wheat, corn—

Mr. BRECKINRIDGE. That is not the point. I am speaking of applying it to all products. When you come to the subsequent question of surplus and exports, that is another proposition, and that is not the one I reached at that time. Now, is it not a fact that the farmers produce a surplus of all these great staples and crops, such as beef, wheat, pork, and things of that sort?

Mr. BRIGHAM. Yes, sir, I think so.

Mr. BRECKINRIDGE. Therefore it is not a fact that protection is absolutely inoperative upon the great bulk of what the farmer has to sell?

Mr. BRIGHAM. I would not say in every instance that it is inoperative.

Mr. BRECKINRIDGE. I am speaking of this instance.

Mr. BRIGHAM. I can not say what the absolute effect would be if the duty was removed from wheat. Of course I know we export wheat, but if the duty was entirely removed I do not know but what the northern district of Canada and other countries that grow wheat with cheap labor might send in their wheat and compete with us in our markets; but at the present time I do not think the duty upon wheat increases the price of wheat to the farmer, but it prevents importations.

Mr. BRECKINRIDGE. I will state in that connection a year or two ago I had the matter very carefully analyzed by the Department of Agriculture, and what we knew must be the case from every reason in the matter proved to be the case, and that was, that we only exported those products with the reasonable expectation of doing a little better than we could do at home. Therefore it was selling for less at home than abroad.

The method of protection as now applied is simply a tax against imports, and I want to ask you as a practical man if by that mode of applying protection it is totally inoperative upon the bulk of what the members of the grange have to sell, can you not suggest some other mode by which they can get some of the benefits of protection? It would seem to be idle to adhere to a mode that provides no protection at all upon the bulk of what we have to sell. Have you another mode of applying the idea of protection so you can get some benefit from it upon the bulk of your sales?

MR. BRIGHAM. We recognize the fact that upon many of our commodities we do not think we get very much protective benefit, and for that reason we are asking for an increase of duties on imported farm products.

MR. BRECKINRIDGE. I am directing you to another point.

MR. BRIGHAM. I know what your point is.

MR. BRECKINRIDGE. Then I would be obliged if you will please address yourself to the point I am asking about.

MR. BRIGHAM. I am going to come to that.

MR. BRECKINRIDGE. I am not asking about free trade or protection.

MR. BRIGHAM. The general policy of the Government we disagree upon; but many farmers believe—although there is a difference of opinion—that they get some indirect benefit from a protective system. That is, he gets a better price for his wheat and his meats, etc., than he would under a system that did not afford protection to our people.

MR. BRECKINRIDGE. Of course you know you are wandering entirely from my question. My question is, can you suggest some mode by which the farmer will derive a positive, actual benefit, as the manufacturer does, on the bulk of those things which he has to sell. I am not asking you a question in regard to free trade or protection, but ask you if you can give some mode of protection that will accomplish this result.

MR. BRIGHAM. If it was decided to put a bounty on all these products we would get the benefit of that.

MR. BRECKINRIDGE. Would you take a bounty at one central point as enhancing the price upon one article? Would you not think it was just as fair to adopt any other mode to enhance the price to one as to another?

MR. BRIGHAM. There has been no general expression of our people upon this question of bounty that would be a guide to me in this matter; but I think our people generally would not favor a bounty upon any commodity that we produce in sufficient quantities to supply our people. There are many of them in favor of bounties. Take sugar, for instance: Many of them are in favor of free sugar, with a bounty sufficient to give the producers all the encouragement necessary to increase the production, if possible. The same is true of other commodities that are not raised in quantities sufficient to supply our people, and it is undecided yet whether they can or not.

MR. BRECKINRIDGE. I understand you to say, as presenting the opinion of your order, that they have a general idea that some indirect benefits accrue from the tariff upon the price of those articles which they export—

MR. BRIGHAM. No, sir; I did not say so.

MR. BRECKINRIDGE. What did you state?

MR. BRIGHAM. I stated we hoped for some direct benefit from a duty upon these agricultural products that are now imported into this country.

MR. BRECKINRIDGE. I was speaking of those articles you export; not of those you import.

MR. BRIGHAM. I do not wish to express an opinion as to the direct benefits that may come from a duty.

MR. BRECKINRIDGE. I do not say that. I speak of the idea of the indirect benefit. That was my word.

MR. BRIGHAM. I have heard it mentioned by farmers that they think they get an indirect benefit from the building up of other industries of this country; that they get more for their products here.

MR. BRECKINRIDGE. I am speaking in regard to your great products; these staples you spoke of. Now I understand you further to say, going a step beyond that idea you have just expressed, these same gentlemen who hold to that belief are not prepared, however, to formulate a demand for such a bounty upon that part of their products which they export as would give them the same increase in price as is usual to articles that are usually imported and protected by the tariff.

MR. BRIGHAM. There has been no action by any organization composed of our grangers that would justify me in asking that. We have not declared for it. Perhaps some organization somewhere may have asked for it, and possibly one or two different States; but there has been no such general demand as to justify me in asking it from our organization.

MR. BRECKINRIDGE. I understand you to say you are not prepared to suggest any feature in legislation by which these great products that they sell can be advanced in

price further than what may be derived under the general idea of advantage they receive under the present protective system.

The CHAIRMAN. He wants that present protective system, as far as the farmers' interests are concerned, in effect to its full extent.

Mr. BRECKINRIDGE. That is apart from my question. I am speaking only of these products—

Mr. LA FOLLETTE. He proposes to increase the prices of these staples by developing a diversity of industries—

Mr. BRECKINRIDGE. Let him answer his own questions.

Mr. LA FOLLETTE. I was asking if he does not propose by a protective duty more generally and adequately applied to farm products to develop a diversity of which will relieve the overproduction of these staples by the protective system.

Mr. FLOWER. If I understand it, he proposes the farmer shall get his share of this protection.

Mr. BRECKINRIDGE. I fully agree with him that protection should be all around or not at all; but what I am trying to get out of the colonel is the mode by which he expects the farmer to get that protection.

Mr. FLOWER. He does not get that now, but he wants to get it.

Mr. BRECKINRIDGE. There is no doubt about that; but the farmer does not want to be put off by jugglery.

Mr. BRIGHAM. No, sir; we do not want any foolishness about it.

The CHAIRMAN. Do you think the putting of wool on the free list was to the interest of the farmers as proposed by the last Congress?

Mr. BRIGHAM. No, sir; I do not think so; and I do not think the farmers thought so. Now, we hope to get some benefit to the wheat-grower, if we can have protective legislation to induce them to grow all the barley used in this country, and to produce all the poultry, eggs, and live stock used in this country, whenever land is devoted to the raising of barley and other products and stock, it will not be devoted to raising wheat. We would like to discover some crop or some product we can raise that will enable the farmers to meet their obligations and expenses without growing so much wheat. We do not think it is an advantage to us to grow so much wheat.

Mr. BRECKINRIDGE. I understand your idea is that by stimulating the production of certain agricultural products we now import we will produce those things and displace a certain amount of those products we now export.

Mr. BRIGHAM. That is it, we would not devote so much of our land and labor to the producing of these products we send abroad which are selling at a low price.

Mr. BRECKINRIDGE. Unless the production of these imports is enough to take up enough land to stop the production of what we now produce of wheat, pork, etc., this stimulus would not be operative as far as affects those articles.

Mr. BRIGHAM. I do not presume it would stop entirely the raising of wheat and meat, but the surplus would not be so great.

The CHAIRMAN. Do you not think an increased duty on barley would enable you to lessen the import?

Mr. BRIGHAM. I think so.

Mr. FLOWER. It is claimed by some gentlemen at this table that a protective duty cheapens the article to the consumer. Now, sir, if you had this protection which you desire on everything raised by the farmer, if that be true, would it not tend to cheapen what is raised by the farmer?

Mr. BRIGHAM. The ultimate effect might be that, but the immediate effect would be probably to increase the price as it has in other cases.

Mr. FLOWER. You have had twenty-five years of it; that is, on things that are protected.

Mr. LA FOLLETTE. But it has not been adequate on farm products.

Mr. BRIGHAM. On some things it has not. I think as a general thing the farmers are complaining not so much about the prices they pay for things as the prices they are getting.

Mr. GEAR. They get things reasonably cheap.

Mr. BRIGHAM. It is not the prices we pay for things we complain so much of; but if we could get better prices for the things we sell we would be happy. The thing we complain about is we have to sell our products at less than cost at present prices, and if we must combine to do so we are going to ask for everything else to be very cheap.

Mr. GEAR. You are something over fifty years of age?

Mr. BRIGHAM. Just about.

Mr. GEAR. The price of merchandise is much cheaper than it was twenty or twenty-five years ago?

Mr. BRIGHAM. I think so.

Mr. GEAR. They have been discussing the tariff on wheat. You are aware that Winnipeg, and Assiniboine, and the provinces of the northwest are great wheat-producing countries, and produce from 40 to 50 bushels to the acre?

Mr. BRIGHAM. Yes, sir.

Mr. GEAR. I have been there and I have seen it.

Mr. BRIGHAM. Yes, sir; I know it.

Mr. GEAR. I was up there four years ago, and they were producing—

Mr. FLOWER. They have taken it in since then.

Mr. GEAR. Oh, no. It is about 350 miles from the Minneapolis mills to the Winnipeg country, which produces a large amount of wheat, and the amount of wheat is constantly increasing, because that climate and country is peculiarly adapted, as we all know, for wheat. If you did not have a tariff of 20 cents a bushel on wheat what would prevent the Canadian farmers from shipping their wheat to the Minneapolis mills and coming in direct competition with Iowa and Minnesota farmers?

Mr. BRIGHAM. Nothing, if they could make money.

Mr. GEAR. Now, would he not come in direct competition with the Iowa and Minnesota farmers by doing so?

Mr. BRIGHAM. Certainly. We are willing the duty should remain there for any future exigencies.

Mr. GEAR. Would not that have a tendency to lessen the price of the Iowa, Wisconsin, and Minnesota wheat?

Mr. BRIGHAM. Yes, sir; if they ship the wheat and sell it for less than we could.

Mr. LA FOLLETTE. During the discussion of the Mills bill here in the House last session I know that telegrams were sent to two points, one just across the Canadian border up in that section of the country you speak of, and the other just on this side of the border, asking for the price of wheat on the same day. The reply came that the price of wheat on this side was 6 cents per bushel higher than on the other.

Mr. GEAR. This protection you are asking for on these industries is for the purpose of bringing about a diversity of farming.

Mr. BRIGHAM. That is one of the purposes.

Mr. GEAR. The American farmer ships a large amount of wheat and dairy products abroad. Does he not come right in competition, face to face, with these products raised by cheaper labor in Europe than we have in this country?

Mr. BRIGHAM. Yes, sir.

Mr. GEAR. Therefore, is it not better for the American farmer to sell all to our own people and have the benefit of this home market?

Mr. BRIGHAM. Giving my individual opinion I should say this—

Mr. GEAR. I am asking for your individual opinion. You represent farmers, and it is fairly supposable you are chosen for the higher place you are in—

Mr. BRIGHAM. I said in the outset that there are many members of our organization who differ radically from my own individual views.

Mr. GEAR. But you represent a certain class of men engaged exclusively in certain agricultural pursuits, and you are chosen for that place, I have no doubt, by reason of your special fitness.

Mr. BRIGHAM. I do not know about that.

Mr. GEAR. I consider you qualified to answer for the agricultural interests you represent. You were speaking about a bounty on sugar. It is true, I take it, which no gentleman will dispute, that we have had a tariff on sugar for one hundred years, varying from 24 per cent. at its lowest to 80 per cent. at its highest point. It is also true that we have not produced during this one hundred years an average of 10 per cent. of the sugar we consume. Therefore, the idea of some of your people, of many of the people who are in favor of free sugar, would be that we should give a bounty on sugar for the purpose of stimulating that industry both in cane and for the ultimate purpose of stimulating the production of sorghum and all sugar of this country. Is not that your idea?

Mr. BRIGHAM. I think our people generally favor that.

Mr. GEAR. You think the people generally in this country favor it?

Mr. BRIGHAM. I speak more particularly for the farmers.

Mr. GEAR. I represent farmers here, as my people are all farmers.

Mr. BRIGHAM. I have taken a little pains to investigate—

Mr. GEAR. You think that is the general conclusion among the farmers?

Mr. BRIGHAM. Yes, sir.

Mr. GEAR. I agree with you.

Mr. BRIGHAM. I think it is pretty nearly unanimous.

Mr. FLOWER. Do you reside in Michigan?

Mr. BRIGHAM. No, sir; I reside in Delta, Ohio.

Mr. FLOWER. Do you raise any beet sugar there?

Mr. BRIGHAM. No, sir.

Mr. GEAR. One more question—I do not know what your politics are—you say there is a difference of opinion among your people, and of course we understand that—would not the passage of the proposed Mills bill in your judgment have been a serious blow to the agricultural industries of this country in a large degree?

Mr. BRIGHAM. A great many of our people feel that way and others do not.

Mr. GEAR. Would not the putting of wool on the free list be a great blow to the agricultural industries of this country?

Mr. BRIGHAM. I think a great many farmers felt in the drafting of that bill that there was an unjust discrimination against the farmer's interests. They felt that way, but not all of them.

Mr. GEAR. Was anybody in favor of putting wool on the free list?

Mr. BRIGHAM. Yes, sir.

Mr. GEAR. But the effect of putting beans on the free list is that you want to be protected by a duty of 50 cents a bushel on them now?

Mr. BRIGHAM. The farmers felt that there was a discrimination against the agricultural interests.

Mr. FLOWER. What is the average price of beans in this country?

Mr. BRIGHAM. I do not know that I can give you the average price, but it runs from about \$1 to \$2.50 a bushel.

Mr. FLOWER. Our farmers in the State of New York are great bean raisers, and they get about \$2 a bushel; is not that one of the the best crops that the farmer can raise at \$2 a bushel?

Mr. BRIGHAM. I do not know.

Mr. FLOWER. Is there anything better?

Mr. BRIGHAM. I do not know. They are not raised in our section at all.

Mr. GEAR. Let me ask one question there. I do not know whether the gentleman is familiar with the culture of beans, but Mr. Flower represents a bean district and Mr. Payne represents a bean district. Is not the bean crop one of the most perilous crops a farmer can raise?

Mr. BRIGHAM. It is so considered in our country.

Mr. FLOWER. You have not the climate to do it. The bean crop is a safe crop in New York; all the money they get they get from their beans. I am not alluding to the seed peas and beans, but the regular old Boston bean.

Mr. GEAR. It is not so certain as a corn crop or other crops. All our competition comes from Canada.

Mr. PAYNE. Oh, no; they raise them in Germany and France, where we are getting competition.

Mr. FLOWER. Where we get the competition is right from the Canadian bean, and it drove us out of the market.

Mr. BRECKINRIDGE. Have you ever made a calculation to determine how the farmer classifies the wool in all the older States, so as when he has received his protection on the wool and paid what the wool tariff requires him to pay extra on the clothes to see whether he is out of pocket or not?

Mr. BRIGHAM. The farmer who does not grow wool—

Mr. BRECKINRIDGE. No; the farmer who does.

Mr. BRIGHAM. I have figured on that some. I could not give the result of my figuring exactly; but I do not think it takes a wool-grower a great while to figure that it is to his detriment to put wool on the free list.

Mr. BRECKINRIDGE. Are you prepared to show that in these older States the wool-grower does not pay out something like \$2.50 on his clothes for every dollar he receives with that duty on his wool?

Mr. BRIGHAM. I think I can show that he does not.

Mr. BRECKINRIDGE. Can you incorporate that in your remarks?

Mr. BRIGHAM. Our extensive wool-growers—

Mr. BRECKINRIDGE. Take the average wool-grower as you have given in your official reports in the States of, say, Illinois, Michigan, Ohio, Pennsylvania, New Jersey, New York, and you can give Iowa if you like, and Kansas and Minnesota, and see that this is incorporated in your remarks: How much a wool-grower pays for his clothing and how much a wool-grower gets on the wool on an average.

Mr. BRIGHAM. Of course, it would be impossible for a farmer to estimate that exactly. We do not know exactly how much wool there is in a suit of clothes.

Mr. BRECKINRIDGE. You could get exactly what the consumption of woollen goods is in this country.

Mr. BRIGHAM. Of course a man who makes wool-growing the great industry on his farm and keeps two or three hundred sheep—

Mr. BRECKINRIDGE. I am not speaking of that man. I am speaking of the average of the farmers in the States mentioned. You have farmers in your State who grow wool.

Mr. BRIGHAM. A great many farmers do not grow any sheep at all.

Mr. BRECKINRIDGE. So it does not hurt that man.

Mr. BRIGHAM. It might. We take this view of it, that when a man does not grow wool and raise sheep he has got to do some other thing, and in doing that thing he is increasing the surplus already in the market and cheapening the price.

Mr. BRECKINRIDGE. Do I understand you to say the sheep are kept in the older States to the exclusion of other products on the farm?

Mr. BRIGHAM. If we reduce the number of sheep we should certainly raise something else to take their place. They require considerable land for fodder, hay, and forage crops. If they dispose of the sheep they must raise more cattle, which they can not do now at a profit. What the farmer is hunting for is for the Lord to point out something which he can raise with a profit.

Mr. BRECKINRIDGE. In regard to sheep, what I understand you to say is perfectly true of the ranchman and the man who has several hundred sheep, but it is not true in any sense of the man who keeps twenty-five, thirty, or forty sheep, that if he keeps them that reduces any other crop on his place. Now you are better informed about that than I am.

Mr. BRIGHAM. The farmer who keeps several hundred sheep reduces his other crops; but the farmer that raises twenty-five or thirty sheep does not see any reason why, if the woolen manufacturer is to be protected, he could not be protected on the wool he raises.

Mr. BRECKINRIDGE. Is not that the way in which most of the farmers keep the sheep in most of these older States—in small flock?

Mr. BRIGHAM. No, sir; you will find a great many farmers with no sheep at all. I have been in the Northern States a good deal during the last two or three years and I think that is true there, except in the great West. But to take my own county of Fulton, which, of course, I am more familiar with than any other. It is a county well adapted to raising grain of all kinds. It has a very rich soil. Yet there are farmers who keep sheep, and where they do keep them they keep them in considerable flocks.

Mr. BRECKINRIDGE. I am asking in regard to the condition of the Grange district. I want a general idea.

Mr. BRIGHAM. You visit Kentucky and you will find there farmers will grow a few sheep largely for the early lambs that go up into the Cincinnati market. They will perhaps not have over fifty in a flock.

Mr. BRECKINRIDGE. Take these States you have mentioned where the Granges exist; is it more general to keep sheep in large flocks than in small ones?

Mr. BRIGHAM. I think the farmers, where they keep sheep at all—of course there are exceptions to all rules—keep flocks ranging from fifty to four hundred and five hundred. Of course some large wool-growers run into thousands, but very few in Ohio.

Mr. BRECKINRIDGE. What would you take to be the average flock of this region?

Mr. BRIGHAM. The average flocks of Ohio and Michigan run from seventy-five to one hundred, I think.

Mr. BRECKINRIDGE. Is it as much in the other States of which you have spoken?

Mr. BRIGHAM. In the New England, with the exception, perhaps, of Vermont, they do not raise sheep for the wool to any extent now, but they keep a few mutton sheep.

Mr. BRECKINRIDGE. More in regard to size than for other purposes?

Mr. BRIGHAM. Yes, sir; for that reason they only keep a small flock of ewes for the early lambs.

Mr. BRECKINRIDGE. Am I to understand that outside of Ohio, Michigan, and these older States you have been speaking of, the flocks will average smaller than they will in those two States of Ohio and Michigan?

Mr. BRIGHAM. Yes, sir; and I presume it is true of New York, and, of course, along the sea-coast, where they keep flocks at all they keep them for the mutton, lambs, etc.

Mr. BRECKINRIDGE. I am speaking of size, not purpose.

Mr. BRIGHAM. I say for that reason they would not keep large flocks where they do not make a point of raising them for the wool.

Mr. PAYNE. Do you speak of personal knowledge of New York State?

Mr. BRIGHAM. Partly, as I have traveled in New York somewhat in the past few years, representing the farmers; but I could not speak decisively of New York; but I have got an impression that sheep in northeastern New York would be the same as New England; yet I am guessing at it.

Mr. PAYNE. I think you are right about northeastern New York.

Mr. BRECKINRIDGE. What difference does it make to the farmer, so long as we are selling wheat upon the world's market, whether that meets the Manitoba wheat at Minneapolis or Liverpool?

Mr. BRIGHAM. The difference would be this: Perhaps the wheat could come in from this country you speak of (I can hardly pronounce the name), Manitoba, the transportation would be less than across the ocean.

Mr. BRECKINRIDGE. If it reaches Liverpool as cheaply?

Mr. BRIGHAM. Then it does not make any difference at Liverpool, if it is the same grade of wheat.

Mr. BRECKINRIDGE. That is whether it meets it at Minneapolis or meets it at Liverpool?

Mr. BRIGHAM. In regard to wheat, of course we are not asking any increase of duty.

Mr. BRECKINRIDGE. I am asking in regard to the wheat question as to the effect of the duty.

Mr. BRIGHAM. I hope I make myself understood in regard to this wheat. There is very little wheat imported into this country.

Mr. BRECKINRIDGE. I am speaking of the Minneapolis market and the Manitoba wheat.

Mr. BRIGHAM. It is not probable the wheat-grower would be in favor of removing the duty from wheat for fear there would be importations which would decrease his price.

Mr. BRECKINRIDGE. I am speaking of the effect of its meeting, since meet it must, either at Minneapolis or Liverpool, whether there is any choice of where you shall meet it.

Mr. BRIGHAM. As the case stands at the present time I do not think it would make any material difference.

Mr. BRECKINRIDGE. Does not the miller when he grinds that wheat and exports get a drawback on all the duty paid on it?

Mr. BRIGHAM. I understand that he does. I think that is true of all commodities.

Mr. GEAR. When the Canadian and American wheat goes into the market of the world, which our friend here has discussed so much, does not that wheat come also in competition with wheat from the Black Sea, and with wheat from India, which is produced by still lower-priced labor?

Mr. BRIGHAM. Yes, sir.

Mr. GEAR. One other inquiry in regard to wool. You are a wool-grower, and raise sheep?

Mr. BRIGHAM. Yes, sir.

Mr. GEAR. Did you raise sheep prior to 1860?

Mr. BRIGHAM. No, sir.

Mr. GEAR. Are you familiar with the prices obtained at that time?

Mr. BRIGHAM. Not personally, but I know something near it. I did not have any wool or anything else to sell then.

Mr. GEAR. Did not you know at that time in a general way as every man who reads the history of his country does, we had at that time an ad valorem tariff on wool, and is it not true that wool was much lower at that time than it is to-day?

Mr. BRIGHAM. At some periods before 1860 it was lower, and at other periods it was higher.

Mr. GEAR. But from 1850 to 1860.

Mr. BRIGHAM. I could not give an intelligent answer without looking it up.

Mr. FLOWER. It must have been lower.

Mr. GEAR. But it is higher now?

Mr. BRIGHAM. Yes, sir. Further back I remember my father sold—

Mr. GEAR. But it is higher now than it was at that time in a general way?

Mr. BRIGHAM. Yes, sir; I think it ran from 20 to 26 cents a pound for unwashed wool at that time.

Mr. GEAR. Is it not also true that merchandise manufactured of wool is much lower now than it was in those days?

Mr. BRIGHAM. Generally I think it is.

Mr. GEAR. A large percentage?

Mr. BRIGHAM. That is my recollection.

Mr. BRECKINRIDGE. I will just ask that the colonel insert in his written paper the price of wool between 1850 and 1860 and the prices of wool at later periods as they are given by the Department of Agriculture.

Mr. GEAR. I would suggest in connection with Mr. Breckinridge's suggestions that in those days the large bulk of wool was sold sheep-washed, and that now the inviolable rule is to sell the wool unwashed.

Mr. BRECKINRIDGE. He could find out officially these facts, as I am not familiar with them.

Mr. BRIGHAM. We sell wool washed in our section.

WASHINGTON, D. C., *January 24, 1890.*

SIR: In accordance with promise we herewith submit a list, as supplemental to our remarks of yesterday before your committee, asking for duties and increase of duties upon agricultural and horticultural products imported, viz:

Amount of duty asked.

Cattle.....per head..	\$5.00	Beans.....per bushel..	\$0.50
Horses.....do.....	20.00	Peas.....do.....	.25
Sheep and hogs.....do.....	.50	Potatoes.....do.....	.25
Bristles.....per lb..	.20	Green fruit.....per ct..	.25
Butter.....do.....	.05	Preserved fruit.....do.....	.30
Cheese.....do.....	.05	Dried fruit.....do.....	.30
Eggs.....per dozen..	.05	Canned fruit.....do.....	.20
Hair.....per ct..	.10	Hay.....per ton..	4.00
Hides.....do.....	.15	Hops.....per pound..	.12
Barley.....per bushel..	.25	Pickles and sauces.....per ct..	.35
Barley malt.....do.....	.35	Sumac, double present duty.	

Wool, same as asked for by the Wool Growers' Association.

This list does not include all articles produced by farmers which should be protected, but those only to which we desire to call especial attention.

Very respectfully,

J. H. BRIGHAM,

JOHN TRIMBLE,

Of Legislative Committee, National Grange.

Hon. WILLIAM MCKINLEY,

Chairman Committee on Ways and Means.

WASHINGTON, D. C., *January 27, 1890.*

SIR: In answer to the question of Mr. Breckinridge, of your committee, we beg leave to submit the following: The question was, in substance, "Have you ever figured out what was the effect of the wool tariff upon the farmer?"

Answer: The importations of manufactures of wool for the fiscal year ending July 1, 1889, according to the Bureau of Statistics, Department of the Treasury, amounted in round numbers to \$52,700,000, and at the usual calculation of 3 pounds of wool in the grease to the dollar's worth of the manufactured product was equivalent to 158,000,000 pounds of wool. The importations of wool by the same authority for the same year are given at 126,787,606 pounds.

The Department of Agriculture estimates the total amount of the domestic product at 260,000,000 pounds. The importations of ring waste, noils, etc., may have slightly increased the sum total, but we have here an aggregate of 540,000,000 pounds as the consumption of wool by 65,000,000 of people, an average of 8½ pounds per head, and in a family of five persons this would amount to 41 pounds. The duty levied upon clothing wool is 10 cents per pound, and that amount is quoted in illustration of what protection to the wool-grower costs the consumer, and it is asserted that wool in this country is advanced in price just that much over the markets of the world. That was the intention of the law and what the wool-grower expected. But the market quotations of Montevideo prices in the London market on July 1, 1888, and of Michigan X, the same grade of clothing wool of domestic production in the Philadelphia market on the same date, shows a difference of but 3½ cents, notwithstanding the cost of transportation, handling, etc., and the tariff of 10 cents per pound. This was under the law of 1883, as it has been administered, admitting scoured wools as wastes and noils at a duty of but 10 cents per pound, and a fair article of clothing wool as third-class wool, paying a duty of but 2½ cents per pound. But admitting that the price was advanced 10 cents per pound by the duty, the increased cost to each head of a family would be \$4.10.

The census of 1880 shows there was over 42,000,000 sheep in this country that year, owned by 1,000,000 people, an average of 42 sheep to each flock owner. The average weight of fleeces is given at 5 pounds, or a clip of 210 pounds to each owner, and if the price was advanced 10 cents by the tariff, the amount to him was \$21, as compared with a cost to him of \$4.10, or a balance in his favor of \$16.90. The other farmers in the land can well afford to pay this increased cost, supposing that it is thus increased for the reason that these 42,000,000 sheep required not less than 85,000,000 acres for their sustenance, and if not utilized for wool-growing could and would have been used to grow wheat, corn, and beef, and have added millions to the large

surplus of those products, which now exist principally because there are to-day 10,000,000 fewer sheep in the country than there were in 1884. But it is a fact no one will deny, the 260,000,000 pounds of wool raised here helps to keep prices down. Destroy this competition and wool will be higher, but we will have no sheep upon which to grow it.

J. H. BRIGHAM,
JOHN TRIMBLE,

Legislative Committee, National Grange.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

WASHINGTON, D. C., January 27, 1890.

SIR: In reply to the second question of Mr. Breckinridge, of your committee, in regard to prices existing before the war and those now paid for wool, we answer: On page 109 of the Treasury Department report on "wool and manufactures of wool" the average prices of wool on July 1 of each year from 1824 to 1887, inclusive, is given.

At first view there seems to have been great variation, the limits being \$1 in 1864 to 32 cents per pound in 1885. A careful analysis of this table shows that when there was a protective tariff on wool, or whenever there were devastating wars and thereby an increased demand, prices advanced, and when there was peace and a low duty on wool, and the American farmer brought into competition with the outside world, prices declined. During the fifties prices were high under a low tariff, but during that time the armies of Europe and Asia were in the field.

During the late war in this country prices in currency was greatly advanced, and notwithstanding the tariff of 1867, 1868, 1869, and 1870, prices declined, caused by our own Government putting in the market 4,585,982 pieces of clothing on hand at the close of the war. When this had been absorbed, by 1871, prices advanced to a paying basis under the protection of the tariff, and remained so until the legislation of 1883, which was so loosely worded as to admit of frauds at the ports of entry, and prices have been since then so low that the flocks of the country have been reduced. The belief that wool-growers will be protected, and the low price of cereals, cattle, and hogs, incline the farmers to increase their flocks, and thus reduce the area devoted to crops. We see no reason why the flock-master should not have the same protection accorded to manufactures.

Very respectfully,

J. H. BRIGHAM,
JOHN TRIMBLE,

Legislative Committee, National Grange.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

VIEWS OF J. W. BOLLINGER.

Mr. Chairman and gentlemen of the committee, about a fortnight ago two eminent Pennsylvania grangers journeyed hither to stand before you in the interests of the grangers of the "old Keystone." Mr. Brown, of York County, told the tale of the farmer's gloom and despair, and Mr. Piolet followed in an attempt at a remedy for the ills which beset the brethren whom they represented. I do not know if Mr. Brown was in sympathy with his co-worker's remedy or not, but if he is I am certain of this one thing, that the majority of his constituents of York County are emphatically not. Mr. Piolet's remedy reminds me of the man who attempted to lift himself over a fence by the straps of his boots, and in order to make the fact more plausible he asks that there be another rail added to the height of the fence. Mr. Brown and Mr. Piolet are not alone engaged with laudable zeal in helping the granger brethren from this slough in which they find themselves. An eminent co-worker hailing from Ohio has since been here, and with marvelous backwoods simplicity asks that the farmer be extricated from the mire of despair by adding additional weight to his already intolerable burden.

I do not come representing a grange or any organized association, but speak for and in behalf of farmers, millers, and all the wage-workers engaged in agricultural pursuits; for that vast army of more than eight millions of able-bodied, sturdy, brawny, intelligent, hard-working people who form the solid base of all our national wealth, whose labors are so little appreciated and so illy repaid; in the interest of that host who by far out-number the combined employed of whatever occupation, profession, engagement, or calling they fill in the length and breadth of this beauti-

ful land of ours. Not only are the material interests of this greatest class of workers depressed by the burdens legislated upon them, but in spirit and in person they bear the marks of despair, as slaves always do. Why, sir, their toils never cease. Day after day the farmer is early and late, and night after night the miller stands faithfully by his post of duty; consequently their education is more limited, they are poorer clad, enjoy less social enjoyments, toil harder, and have more hours of harder work for less pay than any workers upon God's beautiful earth. And why is this so? Is it because they are fitted for nothing higher mentally? Some of the brightest examples on the bench or at the bar came from the plow, and may have dusted the flour from off their hats to take their seats in the judiciary or to grace the halls of legislation; let these give the emphatic "no" to all such insinuations.

Perhaps you readily admit these facts set forth and ask, why this depression? My answer is, increased cost of living in consequence of protective taxes. Not only must he pay from 20 to 100 per cent. on every form of household purchases, including wearing apparel, as his protected neighbors do, but also upon all manner of farming implements, live stock, mill machinery, building materials, hardware, lumber, etc.; being the greater consumer of these, certainly becomes the higher tax-payer. Unfortunately, the miller and farmer interests are identical. They bear unequal portions of the burdens, without any of its supposed benefits, together. Their product to a considerable extent competes, with the markets of the world; the price of their principal products are made for them in a foreign market without their advice or consent, and between the unremunerative prices they can obtain for their products, and the high tariff taxes they are obliged to pay upon the cost of their living. The life-blood of their business is being squeezed out; they are being ground to powder between the upper and nether millstone taxation and low prices. That this is so I need only to point to the rapidly increasing indebtedness of farmers and millers, and the often repeated sheriff sales, or to the enormous piles of mortgages registered against farms and mills all over the land, and particularly so in the great West, and their inability to meet their obligations as they become due.

I am aware that many bright promises are biennially held out to farmers and millers to hoodwink them into voting for Congressmen who will continue this galling taxation; none are more deceptive than the so-called home-market theory. Congress has no control over the home market, from the fact that it does not, nor can it, regulate the foreign, and from the marketing of our surplus in the foreign market to a very great extent is regulated the home market; it is a hoodwink; it can not be done; this so-called home-market theory is all bosh of the worst kind. Frequently you are told that farmers are protected and that they reap many substantial benefits from protection. Yes, gentlemen, I know something about farmers being protected. The country in which I reside I can safely say stall-feeds more cattle for the beef market than any other in the United States, and many of them are exported and go into the market of the world. I know that when our buyers go to Buffalo, N. Y., to purchase stock cattle for winter feeding that they must pay a protective duty of 20 per cent. upon Canadian cattle, and that price with tax added forms the basis for other cattle either from Ohio or Virginia; therefore Canadians have the advantage of 20 per cent. over our feeders who ship to foreign markets, and here again the foreign to a great extent rules the home market. When farmers want to improve their stock by importing thoroughbred breeders from England or elsewhere they have to pay 20 per cent. on cattle and 25 per cent. on horses, swine, sheep, etc. So, too, when they wish to improve their grain, grass, or vegetables by importing seeds, 35 to 40 per cent. is asked of them as a reminder that they have a parent Government which takes gentle care of their every interest to protect it.

The farmer is also asked to pay the "lion's share" of the twelve millions of taxes annually collected from imported sugar, to protect a few Louisiana cane raisers; he also helps along the Carolina rice farmers in the same way; he does not back down when the Michigan and Wisconsin lumbermen ask him to stand by them to the tune of \$2 per thousand feet as a tax to help enrich their bank accounts; nor is he forgotten when the final "round-up" is made of six millions annually on tin that he may have his house or mill well covered; and that his pork, beef, lard, vegetables, corn, and fruit may be properly clothed with a can for export or home use, and that to protect an imaginary tin mine to be discovered way out West somewhere, perhaps in the dim future, of which the farmer hears about every second year, about the time Congressmen are elected. They are asked to pay \$5 in protected woolens to protect 5 cents in sheep culture; they are forced to join in a voluntary contribution of 40 per cent. for tariff tax on jute, manilla, and sisal-grass, that they may have bags into which to put their phosphate, and that they may have twine to properly bind their sheaves, and sacks to sack their grain for the mill, and paper bags into which the miller can put his flour, that, too, without the semblance of protection, for we can raise neither manilla, jute, nor sisal-grass. Yes, gentlemen, the farmers and millers are protected to the full; it is a little expensive, but they will not object to that so long as they have

a correspondingly good article furnished them, which will always please and satisfy, and cause them to vote right, even though it keeps them poor.

And now, Mr. Chairman, a few remedial suggestions and I am done. You can not by legislation control the price of the market into which we are compelled to sell, nor do we expect you to; the only thing you can do for us is to legislate so that farmers and millers can live cheaper and produce their products cheaper, thereby giving them a greater margin. I would first suggest that tin be placed upon the free list, thereby lifting a burden of more than six millions from not only the farmers and millers, but would cheapen the living of all users of can goods. Three-fourths of all tin imported is used for cans, and all are for the product of the soil except fish. Much of this would necessarily result in the benefit of the farmer and despoil the interest of none. Secondly, lumber should be free, which would benefit the farmer and miller by cheaper houses, barns, mills, mill machinery, farming implements, fences, etc. Free lumber would, to a certain extent, protect our forests, and they in turn would protect our valleys from calamitous floods and our streams from protracted drought. For the special benefit of the farmers and millers, who use great quantities of bagging, twine, rope, and paper sacks, and for all users of burlap for packing and baling, I would vote jute, manilla, and sisal-grass as free as the air we breathe or the light that shines at noonday; perhaps it would break the iron grip of the bag trust, the twine and cordage trust, or the manilla paper combine. I believe that the benefits derived from cheaper clothing, woolen goods, etc., would fully compensate two-fold for any loss we might sustain in sheep husbandry, and that our woolen manufactories would increase two-fold, as our leather manufacturing interest did with free hides; therefore, I would vote freedom to wool. For the improvement of the curing qualities of American salt, and the cheaper use in the dairy or the meat and fish curing establishments, I would admit the competition of the world. Cheaper chemicals would make cheaper phosphates for the use of our farmers, and would greatly benefit his cheaper production.

The tax on sugar and rice seems to me a very fruitful source for cheaper living. A comfortable reduction, not entire freedom, would be about what the farmers' would like. As the benefits of production are limited and so sectional, and the burdens so universal and great, it would be wise to at least give the matter careful examination. For the benefit of farmers, especially of the eastern States, who feed cattle, I would suggest that all stock cattle of two years old or more, and less than 1,100 pounds in weight, be admitted free, eliminating all competition of fat cattle by the present duty. For the improvement of horses and cattle I would admit thorough-bred breeders of a value of \$500 and upwards free, and continue to debar all cheap stock by continuing the present tariff. The farmers could be greatly relieved by a lower tax on glass and hardware especially used by them, including cotton ties. Free fishing and free fish would give us cheaper living. I might give you many more, but hope this will suffice. Thanking you kindly for the privilege of these suggestions and the patience you have manifested, I am, gentlemen, with great respect, your humble servant,

JESSE BOLLINGER.

HANOVER, PA.

STATEMENT OF ALEXANDER J. WEDDERBURN.

ALEXANDER J. WEDDERBURN, a resident of Alexandria, Va., representing the State Grange of Virginia and the National Grange, at the request of the secretary of the National Grange, addressed the committee as follows:

Mr. Chairman, it is not without great reluctance that I appear before your committee on behalf of Dr. Trimble, of the legislative committee of the National Grange, and as the representative of the farmers of Virginia, to ask at your hands relief from the burdens borne by our people. I am not here as the representative of class legislation; on the contrary, I appear before you protesting against all legislation that savors of that character.

The American farmer is the most conservative and most easily satisfied of all of our people. He has supplied soldiers for our armies, raised bread to feed them, paid taxes to buy the latter and to pay the expenses of our Government. He has done this, and his labor has enabled the American people to meet the problem of specie resumption, and to accumulate a surplus of many millions in the Treasury, after meeting all legitimate expenses of the Government. It is true that he has not complained while supplying the sinews of war to our people, nor has he resisted when told that he must submit to the burdens laid upon him for the benefit of the country.

Patriotic, patient, and long-suffering, the farmer has waited and hoped. As long as money sufficient to meet the needs of his expenses was obtainable he paid all demands upon his purse or labor, with little more than a grunt of dissatisfaction. Content in his own apparent independence he cheerfully met all drafts upon him, feeling proud that it fell to his lot to sustain his Government.

Now, sirs, this should change. The farmer from necessity begins to realize that the burden of taxation is robbing him of his toil, and of the little accumulations left him by industrious ancestors. In looking over the country we find agriculture languishing, farm mortgages increasing, and the American farmer from being the most independent and prosperous of human beings, fast becoming only a little better than the European serf, who eats brown bread and drinks poor beer, never daring to hope for meat or other luxury.

Are you, sirs, as representatives of American freemen, ready to aid such a state of affairs? I trust not.

I do not care to detain you longer with these views, but will add with Mr. Piolet, who appeared before you a few days since, that the farmer needs and demands equal protection, and that it lies within his power to secure what he needs. I am not here to plead the cause of the American hen, or even of the cabbage, or more succulent potato, all of which of right should be heard, and need protection equally with the steel, iron, and woolen manufacturers. But I desire to say that more by accident than design, but in the line of my duty, I came into this room yesterday and heard a good portion of the argument used before you, all of which I found, no matter whether it was in favor of free trade or protection, bore with equal weight and adversely upon the farmer. Every argument adduced before you seemed to have but one single aim, and that was to enrich some one at the expense of the agriculturist.

Referring to three of the witnesses who came before you yesterday. First, I listened to the gentleman who desired you to increase the tariff on the pipes of the poor smokers, and let the wood from which these pipes were made come in free. When asked as to where this brier root came from, and where it was produced in this country, the witness, as you remember, stated the roots were the product of France and Italy, and that the product produced in this country was that of a few negroes in North Carolina, who sold to the country merchants and they to the manufacturers.

Now, sirs, as a Southern man, I claim that, although this supposed-to-be-enlightened manufacturer seemed inclined to insinuate that, because only the negroes of North Carolina were interested in protecting this article, it should be free. On the contrary, I think that these ignorant wards of the nation are more entitled to your guardian care than the rich and educated manufacturers, who would add to their wealth at the expense of the poor ignorant North Carolina negroes.

The next gentleman that I remember was one who was advocating free wool and protected woolen goods, again striking at the farmer for the benefit of the manufacturer. I would say, sirs, that the farmers of this country would be satisfied to have the tariff taken off of his wool, provided an equal amount is taken off of the manufactured goods that he consumes. It seems that what is "sauce for the goose should be sauce for the gander."

The third, and a most important subject broached here, and which elicited but little attention in opposition thereto, was the application of Mr. Waugh to have 65 per cent. tariff put upon the sulphuric acid imported.

I will explain to you what this means, and leave it to your ideas of equity and fairness whether such an outrage should be perpetrated upon the farmers of the country. Sulphuric acid is largely used in the manufacture of fertilizers; it is a product, the residuum of which, whether copper or sulphate of soda, nearly, if not quite, pays the cost of production, and it is sold at \$7 a ton. Now, 65 per cent. on this means \$4.55 per ton. As it takes 1,000 pounds to every 1,000 pounds of acid phosphate rock or 1,000 pounds of bone dust used to dissolve either of these products, it will be seen that the result would be to increase the cost to the farmer of his dissolved phosphate or dissolved bone at least \$2.27 one-half per ton. As about 1,000 pounds of dissolved phosphate or dissolved bone is used in the manufacture of every ton of complete manure, it will be plain that the cost of this important article would be increased not less than \$1.14 per ton if the suggestion was carried out. At a low estimate the amount of South Carolina, dissolved phosphate, dissolved bone, and complete commercial fertilizers used by the farmers of the Eastern, Middle, and Western States is not less than 1,000,000 tons, and the increased cost to them would very nearly reach \$2,000,000 each year. Further comment is unnecessary.

Recognizing the fact that the country has declared in favor of protection, in appearing before your committee the farmers of the country would enter their protest against unequal taxation, but in so doing they know that differences of opinion exist on this subject, and we believe as, our declaration of purposes says, "That difference of opinion is no crime." Therefore, in appealing to you for protection, for our class, we ask that if it is necessary in your opinion to protect our manufacturers and wage-workers, that you grant a proportionate share of protection to the money-producing, tax-paying farmer, and as you can not do this by levying a protective tariff on his cotton, corn, wheat, hogs, and beef, all of which he exports, we come before you to ask that this surplus, drawn from the farmer (not for the needs of Government—it can not use the immense sums collected; but for the benefit of the manufacturer) be equitably divided among our class by a system of bounties to the agricultural

producer on what he raises over and above his individual needs, so that the inequalities now existing may be equalized and the surplus distributed among that class from which it is drawn without equity or justice.

Mr. LA FOLLETTE. I want to ask you if you know what quantities of crude potash salt are imported into this country and used for fertilizing purposes only?

Mr. WEDDERBURN. I do not. I can find that out and let you know within two or three days. This matter was sprung upon me yesterday, simply by hearing these gentlemen trying to have a duty put upon sulphuric acid, which I knew would cost the farmer from \$2,000,000 to \$3,000,000 per annum.

Mr. LA FOLLETTE: I know that the Secretary of Agriculture has had a great deal of correspondence with the Treasury Department with reference to that subject. Yesterday I wrote a letter to the Secretary asking him to furnish copies of that correspondence. The Secretary of Agriculture contends that under this clause of the free list "guano manures, and all substances expressly used for manure," crude potash salts ought to come in free. The Treasury Department has, however, ruled otherwise. I happened to be at the Department a couple of days ago, and had a conversation with the Secretary about it. He suggested that it was a proper matter for the consideration of the committee. I therefore asked him that the correspondence be laid before this committee with a view of seeing whether the law should be corrected to provide for the free importation of crude potash salts to be used for fertilizing purposes only.

Mr. WEDDERBURN. I will say that I know a great deal about this fertilizing business, having been for about twelve years representing the grange in the manufacture of it. I know that these potash salts which you speak of enter very largely into the composition of the farmers' product at the rate of an average of about 300 pounds per ton. Therefore, when you calculate the output at about 1,000,000 tons, you see that you bring it up from 250,000 to 400,000 tons, as the amount imported. I have seen the law and I have seen the ruling of the Secretary of the Treasury, but it is at this minute a little cloudy in my mind. His ruling with regard to the matter has certainly cost the farmer a very considerable sum. I think the intention of the bill was clearly that it should be admitted free of duty, and I was also told so by Secretary Rusk himself. There is no doubt that the committee here ought to try to add to the fertility of our soils. The American soil is being drained every day of its fertility, and you will find that our crops are being shifted across the Mississippi and farther west all the time, and the result is that we are getting poorer and poorer all the time. If you are going to cripple agriculture in this way, instead of building it up, where are you going to get your money to carry on your Government?

Mr. LA FOLLETTE. If you will carry forward your investigation with reference to this subject still further, and submit something to the committee in writing upon it, I have no doubt the committee will be glad to have you do so, and will look into the subject.

Mr. WEDDERBURN. I will let you know all about this inside of three or four days. I have the information amongst my papers in Alexandria.

Mr. LA FOLLETTE. Let your paper cover the manufacture, if any, in this country of the crude potash salts for fertilizing purposes only.

Mr. WEDDERBURN. I think it all comes from Germany.

Mr. LA FOLLETTE. I wish you would investigate that, and let your paper exhibit the fact as to whether or not any of it is manufactured in this country, and if not, the quantity which is imported into this country, and the sole purpose for which it is used.

Mr. BAYNE. What are the principal chemicals used in making fertilizers?

Mr. WEDDERBURN. The three elements which are considered most beneficial to the soil are ammonia, potash, and phosphates. The ammonia is derived from blood and tankage, fish scrap, sulphate of ammonia, or anything of that kind. The phosphates are derived from animal bone, and the South Carolina phosphates are those which are principally used. The West India phosphates are also used to some considerable extent.

Mr. BAYNE. What is the use of sulphuric acid in fertilizers?

Mr. WEDDERBURN. It is used to dissolve South Carolina phosphate and bone. The rock is taken out near Charleston, and analyzes something like bone; but it is insoluble when it is ground, although it analyzes about 60 per cent. of bone phosphate of lime. By actual experiment it was found that it is not a fertilizer at all until it is treated with sulphuric acid. It is treated with about 1,000 pounds of sulphuric acid to about 1,000 pounds of ground rock.

Mr. BAYNE. The amount of that acid used is about one-half the weight of the rock?

Mr. WEDDERBURN. Yes, sir.

Mr. BAYNE. Can it not be used over and over again?

Mr. WEDDERBURN. No, sir; it loses in treating probably 10 or 12 per cent. If you take a little flour and put water into it you could not use that same water over again.

Mr. BAYNE. Would it work in the same way?

Mr. WEDDERBURN. Yes, sir.

Mr. BAYNE. So that the sulphuric acid which is used in dissolving that rock is not put upon the market again?

Mr. WEDDERBURN. No, sir; it is just the same as if you made up a piece of bread, the water and flour could not be used over again.

Mr. BAYNE. Sulphuric acid is at present on the free list?

Mr. WEDDERBURN. Yes, sir; I think so; I am pretty certain of that.

Mr. BAYNE. The most of the commodities produced by the farmer, I believe, are exported?

Mr. WEDDERBURN. Yes, sir; except what is consumed in this country.

Mr. BAYNE. I do not mean that the larger part is exported, but that we export more or less of nearly all of the articles which he produces?

Mr. WEDDERBURN. Yes, sir.

Mr. BAYNE. Therefore, these articles are not susceptible of protection by the tariff?

Mr. WEDDERBURN. I do not think so.

Mr. BAYNE. Can you tell me any other way by which the farmer can be protected except by reducing the taxes upon what he consumes or by paying him a bounty?

Mr. WEDDERBURN. I do not know of any other way.

Mr. BAYNE. We have propositions here to pay bounties to people who want to engage in the shipping business and in other branches of business; but do you know of any proposition to pay a bounty to those engaged in agricultural pursuits?

Mr. WEDDERBURN. I don't know of any except this proposition I made here this morning. Give him a bounty on what he raises over and above what he needs for his own consumption, and divide the surplus out amongst them in that way.

Mr. BAYNE. Are you a practical farmer?

Mr. WEDDERBURN. I have been publishing an agricultural paper and been connected with the grange movement for twenty years. I am an officer of the State grange of Virginia, and I own and have run, for a long time, a farm.

Mr. BAYNE. Are you running it now?

Mr. WEDDERBURN. No, sir; I am conducting my paper.

Mr. BAYNE. You are a newspaper man?

Mr. WEDDERBURN. Yes, sir.

Mr. BAYNE. Do you want sulphuric acid admitted free of duty?

Mr. WEDDERBURN. Yes, sir. I think it would cost the farmer about \$2,000,000 a year to put a duty on it.

Mr. BAYNE. Do they manufacture sulphuric acid in this country?

Mr. WEDDERBURN. Yes, sir.

Mr. BAYNE. What proportion of it do they manufacture here?

Mr. WEDDERBURN. I am not prepared to state. The trouble is that I came here unprepared to discuss this matter fully. Mr. McKinley told me yesterday this would be the last day, or I should have been prepared to answer any question in regard to the matter.

Mr. BAYNE. We have plenty of the raw product in this country?

Mr. WEDDERBURN. I think there is a great deal of the raw product here. There is a great deal of it in our State.

Mr. BAYNE. If we give a reasonable protection to it may not that industry flourish in this country?

Mr. WEDDERBURN. It will probably protect about fifty to one hundred manufacturers and four or five thousand workmen at the expense of five or six million farmers.

Mr. BAYNE. You are not in favor of protecting the industries?

Mr. WEDDERBURN. Not this industry, certainly.

Mr. BAYNE. Are you in favor of protecting any industry?

Mr. WEDDERBURN. If you are going to take off the tariff on wool we want you to take it off of woolen goods.

Mr. BAYNE. Are you in favor of protecting any industry?

Mr. WEDDERBURN. If it was protected I would be.

Mr. BAYNE. What is your individual opinion with reference to it?

Mr. WEDDERBURN. My individual opinion is that protection, so called, protects the manufacturers and combines and trusts, and takes everything out of the pockets of the American farmers.

Mr. BAYNE. You are not very much in favor of protection?

Mr. WEDDERBURN. No, sir; I am not.

Mr. BAYNE. Your sympathy with the farmer does not go to the extent of desiring the protection of these farm products?

Mr. WEDDERBURN. Yes, sir; I would like to have you protect eggs, to protect the American hen.

Mr. BAYNE. Would you put a duty on eggs?

Mr. WEDDERBURN. I believe I would go that far, and put a duty on eggs to protect the American hen.

Mr. BAYNE. Fifteen million dozens of eggs are imported?

Mr. WEDDERBURN. A good many of them are imported.

Mr. BAYNE. You are in favor of protecting the products of the farm?

Mr. WEDDERBURN. I am in favor of exact justice to each class, and I have stated distinctly in this argument that we are not in favor of class legislation at all.

Mr. BAYNE. Are you in favor of a duty of 80 per cent. on sugar?

Mr. WEDDERBURN. Individually, sir, I think not. I would be in favor of a bounty on sugar raised in this country to protect the home producer.

Mr. BAYNE. How about rice; are you in favor of 100 per cent. duty on rice?

Mr. WEDDERBURN. No, sir; I am not in favor of such a duty as that.

Mr. BAYNE. Are you in favor of protecting the iron ore produced in Virginia?

Mr. WEDDERBURN. You are getting me out of my own grounds now. I do not know I do not believe in protecting one class without equally protecting all in proportion. very much about this question and I don't pretend to know it; but I will tell you this: Mr. BAYNE. And suppose that all along the line we protect everything we can produce in sufficient quantities in this country for home consumption, would you in that event be in favor of protecting the production of sulphuric acid?

Mr. WEDDERBURN. Yes, sir; if everything else was in proportion.

Mr. BAYNE. I mean if we take everything along the line that we can produce in this country in sufficient quantities to supply the home consumption, would you, in that view of the situation, be in favor of protecting sulphuric acid, on the assumption that we can produce sufficient to supply the demand?

Mr. WEDDERBURN. The assumption seems to be so at variance with anything I can understand to be the facts of the case that I can hardly answer it. I have stated here in this paper plainly the position which we come before you to support, and I am authorized to make this request by the secretary of the National Grange. I read him this paper last night, and I state that we come here and say that we recognize the fact that the American people have declared in favor of protection, and we recognize the fact that you gentlemen who are protectionists and have a majority in Congress. We recognize that fact, and we do not come here to try to argue with you in favor of giving us free-trade. We simply come here to ask you to give the farmer equal justice and equal protection, and not to make him bear the burden more heavily than any other class. We go further than that, and say that you can not give him this equitable adjustment by protecting his corn and beef which is exported, and therefore we ask you to give us a bounty upon what we raise. Put on your tariff if you choose, and bring your surplus into the Treasury, but we want you to give it out amongst the people. Therefore we ask that you give it back to the people from whom you took it unjustly and inequitably. It would be foolish for us to come here and ask you to give us free-trade, even if we were in favor of such a thing.

Mr. BAYNE. Why do you ask for free sulphuric acid?

Mr. WEDDERBURN. Because, by not doing so you are protecting forty or fifty manufacturers and from 1,000 to 5,000 laborers, and you are taxing millions of farmers in this country who use fertilizers to the extent of about \$2 per ton on all they use.

Mr. BAYNE. Would you have clothing put upon the free list because there are only a few manufacturers as compared with the consumers?

Mr. WEDDERBURN. I say that if you intend to put wool upon the free list, then in that exact proportion reduce the tariff on woolen goods.

Mr. BAYNE. Do you want wool on the free list?

Mr. WEDDERBURN. No, sir; I am not individually anxious to have wool on the free list; but if you put it on the free list and do not reduce the tariff on woolen goods then you strike at the farmer.

Mr. BAYNE. Would you have all woolen goods put upon the free list as well as wool?

Mr. WEDDERBURN. If you put one upon the free list I would have you put the other also.

Mr. BAYNE. Do you want it that way; would you have it that way?

Mr. WEDDERBURN. I never thought of it in that light at all.

Mr. BAYNE. It has never occurred to you?

Mr. McMILLIN. The point that you make is that the present system taxes the iron that the farmer uses, and does not give him the benefit of protection on the pork which he produces?

Mr. WEDDERBURN. That is it, sir.

Mr. McMILLIN. It taxes the clothing he wears, and does not give him any relief on the wheat he has to put in the market?

Mr. WEDDERBURN. Yes, sir.

Mr. McMILLIN. It taxes everything he has to buy and in that way raises the price, and gives him no relief on the things which he has to sell?

Mr. WEDDERBURN. Yes, sir.

Mr. McMILLIN. I think that is about what it amounts to myself.

Mr. LA FOLLETTE. I think you put the sulphuric acid matter in strong form, and that you are right.

Mr. BRECKINRIDGE. This system of taxing imports is incapable of giving any relief to the farmer on the articles which he exports?

Mr. WEDDERBURN. The tariff of 40 cents a bushel on corn coming into the country don't help the farmer any on what is going out.

Mr. BRECKINRIDGE. If it was \$40,000 a bushel it would not help him any more.

Mr. WEDDERBURN. No, sir.

Mr. BRECKINRIDGE. Therefore it has got to be supplemented by an additional favor or a bounty on those things which he produces to give him any compensation for the high prices he pays on those things which he buys?

Mr. WEDDERBURN. That is what I have been trying to say.

Mr. BRECKINRIDGE. There are therefore but two modes by which the farmer can be benefited; one is by a reduction of the taxes on those articles which he consumes, or by paying a bounty on those articles which he produces, it being produced in surplus in this country.

Mr. WEDDERBURN. Yes, sir; that is it.

Mr. GEAR. Do you know that we have a million or two of men engaged in these industries in this country?

Mr. WEDDERBURN. Yes, sir.

Mr. GEAR. Earning fair wages?

Mr. WEDDERBURN. Yes, sir; I suppose so.

Mr. GEAR. That is a good thing for the country, in your opinion?

Mr. WEDDERBURN. Yes, sir; I wish we had more of them.

Mr. GEAR. Suppose, for instance, that by some means these men were discharged from their labor; or in other words, suppose that they could not get employment in the different manufacturing trades and industries; what, in your judgment, in the natural course of things, would become of that class of people?

Mr. WEDDERBURN. If they were discharged I suppose they would either have to go to farming or go to tramping, one or the other.

Mr. GEAR. I agree with you. Now, if they went to farming they would come in direct competition with the farmers?

Mr. WEDDERBURN. Yes, sir.

Mr. GEAR. Would they not thereby reduce the price of farm products?

Mr. WEDDERBURN. No, sir; I think the price of farm products is reduced by speculating in futures and by the lack of the proper export facilities.

Mr. GEAR. If the millions of men who are engaged in these different industries were engaged in farming they would be direct competitors with the farmers and they would necessarily increase the farm products?

Mr. WEDDERBURN. They would more or less increase them, I presume.

Mr. GEAR. Would they not thereby increase the surplus of farm products, and thus reduce the price?

Mr. WEDDERBURN. I don't think that has anything to do with it, sir. I think that the reduction of farm products is due more to speculation and gambling in futures and to a lack of a foreign market for our farm products than to anything else.

Mr. GEAR. Would not that be the natural result?

Mr. WEDDERBURN. No, sir; I don't think so. You will find that it is the lack of a foreign market for our goods. If you will open the German market and allow us to sell our pork there —

Mr. GEAR. That is a matter for the German Government.

Mr. WEDDERBURN. No, sir; it is bad legislation in this Government.

Mr. GEAR. Suppose that these men become tramps, then society would have to support these tramps, would it not?

Mr. WEDDERBURN. It is not necessary to turn these people out.

Mr. GEAR. Answer my question. You say that they would either have to become farmers or tramps, and I agree with you. Now suppose they became tramps, would not society have to support them?

Mr. WEDDERBURN. I will admit that.

Mr. GEAR. Then it would add to the taxation of the people and also to the taxation of the farmers themselves.

Mr. WEDDERBURN. The whole trouble about that question is—and I am speaking individually and not for the Grange—that I do not believe that protection helps the laborer at all. I do not think it amounts to a row of pins to him. I think the system is one which accrues to the benefit of the manufacturer at the expense of the laborer and of the farmer.

Mr. GEAR. Then why does a man who does a day's work in this country get \$1.25, on an average, as against 30 cents a day in Germany, for the same class of labor, and 15 cents in Austria and 15 cents in Italy and 10 cents in India?

Mr. WEDDERBURN. I suppose it is owing to the question of supply and demand.

Mr. GEAR. Is it not better for us to pay \$1.25 than to have our workmen get the wages they get in Germany?

Mr. WEDDERBURN. I agree with you there. I would like to have them get \$2.50 a day; but I don't believe you will get it in this way.

Mr. GEAR. Do you think that free-trade will increase wages?

Mr. WEDDERBURN. I am not here to argue for free-trade now. I am only asking for equal and exact justice for the class of people I am here representing.

Mr. BAYNE. According to my recollection there are about seven million men engaged in farming in this country?

Mr. WEDDERBURN. Yes, sir; about seven million.

Mr. BAYNE. There are about four millions engaged in manufacturing; that is, workmen?

Mr. WEDDERBURN. Yes, sir; between three and four millions.

Mr. BAYNE. Suppose that by crippling the manufacturing industries of this country one-half of these men now in the employ of the manufacturers should go to farming; that would largely swell the farm production of the country; it would add 28 per cent., would it not?

Mr. WEDDERBURN. Yes, sir.

Mr. BAYNE. It would give us a still greater surplus of farm products than we now have, would it not?

Mr. WEDDERBURN. It looks as if it would, sir; I should think so. It would certainly increase it to some extent.

Mr. BAYNE. That is reasonable.

Mr. WEDDERBURN. Yes, sir.

Mr. BAYNE. It would take from the consuming class and make producers of two million men, and that with their families, say four to a family, would be eight millions of people who would cease to be entirely consumers and become producers as well as consumers of farm products. Now, the consumption of farm products in this country, leaving out cotton, is about 95 per cent. of the entire production of the country. You are aware of that?

Mr. WEDDERBURN. I do not recollect exactly what the percentage of home consumption is.

Mr. BAYNE. It is about 95 per cent. of the entire production of the country, leaving out cotton. We export a beggarly 5 per cent. of our farm products. Ninety-five per cent. is consumed at home. Would you destroy the mining and manufacturing centers, which yield a home market of 95 per cent., to protect the farmer, and at the same time bring into competition with the farmer a million or two million or three million of men?

Mr. WEDDERBURN. You put a direct question to me and I will give you a direct answer, and then I will answer in my own way. To answer it directly I would say, no. But, on the other hand, if I were to answer it in my own way, I would say this: Let us take the New England manufacturing States, which are presumed to supply the home market for the products of agriculture, and you will find that in these very States agriculture has gone back steadily; that the products of the New England farmer has been brought into competition with the products of the Western farmer, and he has not gained one single thing by this home market.

Mr. BAYNE. I do not think you understand the situation with reference to New England.

Mr. WEDDERBURN. I am talking about the New England farmer.

Mr. BAYNE. The home market is a market for the whole country, and whether the wheat consumed there is produced in New England or in Pennsylvania, or in Virginia, it makes no difference on the hypothesis of the protectionist.

Mr. WEDDERBURN. The fact, it seems to me, is this: We all agree that with the greatly increasing wealth in this country and with all the immense prosperity that is talked about, the farmer is steadily and yearly going backwards. His farms are yearly decreasing in value. His farm products are sold for less each year, and he is mortgaging his farm, and becoming poorer and poorer every year. There is some cause for it, but what it is I don't know. All that we ask is that if you propose to protect these other gentlemen, do not tax the agricultural classes to pay this protection; but if you do so, all that we ask of you is that you give it back to us in the shape of a bounty upon what we raise. The more we raise the better it is for the country.

Mr. BRECKINRIDGE. That would not break down protection?

Mr. WEDDERBURN. No, sir; not at all.

Mr. BAYNE. As a representative of the farming interests it would be well for you to look up the subject of the gradual trend of population to the cities and the vast increase of urban as compared with the rural neighborhoods and population. You will find that the outlook for the farmer in this country is encouraging, and all that he has got to do is to have a little patience.

Mr. WEDDERBURN. Do you think that drawing the population from the country into the cities is any advantage to the agriculturist; do you think it helps or encourages them, or makes the condition of affairs better.

Mr. BAYNE. I think that every place where a mining center or manufacturing center is established and where a great population gathers enhances the value of the farm products around that section of the country and enhances the value of butter, eggs, garden truck, wheat, corn, potatoes, and everything produced on the farm; and that is the experience of every community and it is common sense as well.

Mr. WEDDERBURN. It seems so; yet the statistics prove to us that agriculture is steadily going backwards.

Mr. LA FOLLETTE. Does it prove that agriculture is decreasing in the New England States?

Mr. WEDDERBURN. I can bring you the figures, I think, to show that the agriculturists of New England have gotten into debt and that the value of farm products is steadily decreasing; and, further, that the agricultural lands in New England are depreciating in value.

Mr. BAYNE. They are not here to complain at all about it?

Mr. LA FOLLETTE. Do you know that in Maine the yield of corn in 1887 was worth \$23 per acre, while in Wisconsin it was worth only \$10? Do you know that the yield in wheat was worth in Maine \$12.80 per acre, and it was worth but \$6.59 per acre in Wisconsin, and in Iowa \$6.10 per acre?

Mr. WEDDERBURN. No, sir; I have not seen those figures.

Mr. LA FOLLETTE. Do you know that in all of the New England manufacturing States the yield per acre is more by from 25 to 50 per cent. than it is in the States which are purely agricultural States, without reference to their location?

Mr. WEDDERBURN. Do you mean the proportion per acre?

Mr. LA FOLLETTE. I mean that with even a less production per acre—for there is a much less production per acre in Maine than there is in the State of Iowa—they receive more for the crops.

Mr. WEDDERBURN. I do not understand really what you say. I understood you to say that the production was greater per acre.

Mr. LA FOLLETTE. The production in dollars is what I mean; the value of the crop. What causes the difference?

Mr. WEDDERBURN. Transportation companies step in and take all the profit from the farmer.

Mr. LA FOLLETTE. Take it right on that point. The water transportation from the State of Wisconsin to Buffalo is quite insignificant when the Lakes are open. You know that?

Mr. WEDDERBURN. Yes, sir.

Mr. LA FOLLETTE. Do you know what it is per bushel?

Mr. WEDDERBURN. No, sir; I do not.

Mr. LA FOLLETTE. It is something like 4 or 5 cents per bushel. Now, we can lay our produce down in Buffalo for 4 or 5 cents per bushel, and in New York City, through the canal, for a trifle more; and yet in the State of New York corn was worth to the farmer \$18.80 per acre, while in Wisconsin it was worth \$10 per acre, and in Iowa it was worth \$8 per acre, with twice the yield to the acre. Now transportation does not account for that difference in value to the farmer per acre. It must be due somewhat to his having a near market close to the farm and to savings on commission and profits of middlemen.

Mr. WEDDERBURN. I rather differ with you there.

Mr. LA FOLLETTE. I want to convince you that the value per acre shows plainly that your statement that the farmer in the West, where there is no manufacturing, is better off than the farmer in the East, where there is manufacturing, is incorrect.

Mr. WEDDERBURN. I don't think I said any such thing. I don't think I said anything about the farmers in the West being better off than those in the East. I do not think the farmer in any section is prosperous.

Mr. LA FOLLETTE. You referred to the fact that the farmers in New England were being driven out of their business because the manufacturers were protected.

Mr. WEDDERBURN. I will state that the agricultural values in the great States—New York, Pennsylvania, and New Jersey, all of them manufacturing States—have decreased in their taxable values in the last ten years \$500,000,000. That is a fact, and I can prove it.

Mr. McMILLIN. You will give that in your statement?

Mr. BAYNE. And give the sources of your statistics when you file it?

Mr. WEDDERBURN. Yes, sir.

Mr. McMILLIN. It was never discovered until it was set forth in the album of agricultural statistics that Maine was a greater corn State than Illinois?

Mr. WEDDERBURN. I don't know anything about that.

Mr. McMILLIN. I never heard it until I saw that album.

Mr. LA FOLLETTE. The statistics to which I call your attention are taken from the report of the Commissioner of Agriculture, Hon. Norman J. Colman, recently the Democratic Commissioner of Agriculture.

Mr. GEAR. And it is an album from which the gentlemen in the House quoted in the last session as standard authority.

Mr. McMILLIN. You say that the tendency has been continually towards the reduction of the value of farm products?

Mr. WEDDERBURN. I say that the assessed value of farming lands in these States—that is, in New York, Pennsylvania, and New Jersey, which are manufacturing States—have decreased \$500,000,000 in the last ten years.

Mr. McMILLIN. You have heard the Representatives from these States testifying here before the committee. Were you here when they were examined?

Mr. WEDDERBURN. No, sir; I was not here.

Mr. BRECKINRIDGE. Is corn sold by the acre or by the bushel?

Mr. WEDDERBURN. In my country it is sold by the bushel.

Mr. BRECKINRIDGE. Do you think that the tariff makes it yield more per acre in one place than another?

Mr. LA FOLLETTE. It furnishes a near market. The statistics from which I read are on page 432 of the last report of the Commissioner of Agriculture, and they show the yield per acre in all the farming products, by States, in dollars and cents.

Mr. BRECKINRIDGE. Under that statement how much wheat does Maine produce?

Mr. LA FOLLETTE. The Commissioner of Agriculture has answered your question in this statement.

Mr. BRECKINRIDGE. He did not hear my question. Mr. Wedderburn, do you believe all this talk which Mr. Bayne has been getting off here about this reduction of these onerous taxes throwing people out onto the big road?

Mr. WEDDERBURN. I believe that if the taxes were reduced there would be more employment for labor, and the more money we have in circulation the better it would be for all classes.

I will state to the committee that I am not here to make any argument except to ask for equal protection for the farmer, and to ask you, if you are going to tax him for the benefit of the manufacturer, that you give it back to him in the shape of a bounty.

STATEMENT OF CORNELIUS MORRISON.

CORNELIUS MORRISON, a resident of New York City, addressed the committee as follows:

Mr. Chairman, I represent the importers of brewers' rice, particularly in the city of New York. Last week the rice-packers came here to maintain that the duty on rice should be retained as it now is. The New York merchant wishes to have the duty changed. He claims that there are only 7,000,000 pounds of broken rice produced by North and South Carolina and Louisiana. The breweries of Milwaukee, Wis., and the Anheuser-Busch Company of St. Louis—either one of these breweries—will consume the entire output of the American crop. We import into the United States about 30,000,000 or 35,000,000 pounds of broken rice, and the duty is 29 per cent. ad valorem. The duty is ascertained by sifting the rice through a sieve of twelve meshes to the square inch, and the rice must be such as to go through these meshes. We do not want the duty changed on whole rice. We want it continued, although it is 2½ cents per pound, or 115 per cent. But we have asked for the reduction of the duty on broken rice since 1862 or 1863, when the duty was increased. If the United States should allow rice to be imported in vessels in a rough state, cleaned, and then sold for re-exportation to the South American Republics, we think it would be advisable.

The island of Cuba contains only a million and a half inhabitants and consumes 3,000 boxes of rice, or 240 tons, per day; and the Spanish Main consumes about 500 tons per day. If we were allowed clean rice in bond, under the supervision of the Government, and re-export it, it would probably start a new business, which would require a capital of from \$3,000,000 to \$5,000,000 in plants worth from \$100,000 to \$500,000 apiece for the purpose of cleaning the rice. Then the small vessels going from the United States into the West Indies and the Spanish Main would all take 100 or 200 boxes of rice, and take American manufactures and products with them, which they now can not take, because they have no ballast. The rice supplied now to the West Indies is supplied from Liverpool, Bremen, Rotterdam, and Amsterdam, where they have large mills. We think that if this rice could be brought into New York it would furnish a new industry, which would give employment to a capital of from \$3,000,000 to \$5,000,000, and this rice would be used largely as ballast for the small sailing vessels between the ports of the United States and the West Indies. We buy from Brazil \$60,000,000 worth of goods per annum and sell her less than \$10,000,000. We buy from Cuba \$15,000,000 and sell her less than \$5,000,000. We think that if such a provision could be put through, allowing them to clear rice in bond, it would be brought to New York in large quantities and be cleaned there, and in that way it would start a new industry, by means of which we could get some of the Spanish and West India business, of which we now get none.

MACARONI.

STATEMENT OF JOHN F. SCANLAN.

Mr. JOHN F. SCANLAN, of Chicago, Ill., appeared before the committee and read the following paper :

To the Chairman and Members of Ways and Means Committee of Fifty-first Congress :

GENTLEMEN: I beg to respectfully present the prayer and petition of many citizens of the United States, who by reason of their expert knowledge have engaged in the business of manufacturing and selling macaroni, vermicelli, Italian pastes, pastines, German egg noodles, and like products. They have invested a large amount of capital in machinery, buildings, and materials necessary for the manufacturing and selling the said products, which capital is now very much impaired by reason of the arbitrary and sweeping act of the Forty-eighth Congress, that removed the entire duty from macaroni March 3, 1883.

The result of that act has been that the American manufacturers are gradually going through the process of being exterminated as such manufacturers by reason of being brought into free competition with the vast capital, poor paid labor and low money interest of the old-established manufactories of Europe, and the American manufacturers must finally lose their business and the capital invested if your honorable body do not come to their relief by re-enacting the duty that has been a part of our tariff laws since 1866, excepting the periods of two years, from 1872 to 1874, and six years from 1883 to the present date.

We are but asking protection for our industry which almost amounts to positive right by reason of the long-established, old, and judicious import duties placed on our class of goods in the infancy of our nation, and continued through even the so-called free-trade periods of 1833 to 1841 and 1846 to 1860.

To illustrate how careful were the early legislators of our country in protecting this industry, and how wisely they reached out with a view of domesticating and fostering the manufacture of this dainty and toothsome food—now found upon the tables of every civilized peoples, and more generally used by the people of this country than any other nation—I beg to call your attention to all the tariff acts passed by Congress from 1816 to 1846, which imposed a duty of 30 per cent. on imported macaroni. The act of 1857 reduced it only to 24 per cent., the act of 1861 increased it to 30 per cent., while the acts of 1862 to 1872 increased the duty to 35 per cent., in the latter year, in the act of June 6, macaroni was placed on the free list; the result as we think of a mistake, oversight, or the want of not fully understanding the importance of retaining the duty on that class of goods, for the succeeding Congress, on June 22, 1874, re-imposed a duty of 2 cents per pound on all imported macaroni, vermicelli, and like products.

It was under the wise and encouraging duties placed upon imported macaroni from 1861 to 1883 that the principal part of the present invested capital embarked in the manufacture of the American goods, and a fair share of compensation fell to the men who risked their money, time, and experience.

Under the above duties and until the act of 1883 went into force the home manufacturers were fast introducing American goods into general use, overcoming that prejudice that should be unknown under the Stars and Stripes—that foreignfobia of believing that an imported article must be better than the domestic, when, as in the case of our goods, the very reverse is the fact. The act of 1883 threw the American manufacturers back to again become a struggling industry, holding on to a part of their business by sacrificing some of the profits made during the period of tariff duties.

To illustrate how injurious to American manufacturers has been the result of placing macaroni on the free list, I will compare the imports of that goods under the tariff period with the free-list period.

In 1878 we imported into this country macaroni and vermicelli, 1,966,504½ pounds, valued at \$154,541.05; in 1879 we imported 1,603,743 pounds, valued at \$126,849.79; in 1880 we imported 2,269,828 pounds, valued at \$185,217.21; in 1881 we imported 2,270,776 pounds, valued at \$178,506.59; in 1882 we imported 2,877,961 pounds, valued at \$227,331.55; in 1883 we imported 2,783,761¾ pounds, valued at \$214,104.85.

At once, when macaroni was placed on the free list, the amount of imported goods increased, with a corresponding decrease in the output of the domestic article.

In 1884 it increased to 6,393,459 pounds, valued at \$408,417.85; in 1885 we imported 6,500,609 pounds, valued at \$404,893.10; in 1886 we imported 6,929,719 pounds, valued at \$399,529.29; in 1887 we imported 8,866,977 pounds, valued at \$500,970.20; in 1888 we imported 10,238,499.50 pounds, valued at \$578,096.50, and in 1889 we imported 10,414,002 pounds, valued at \$576,577.50; being an increase in six years of over

four times the amount in pounds imported under tariff duties, with the American output reduced to one-half its capacity in 1889, and 10 to 15 per cent. of American manufacturers driven out of business in the latter year, while the cost of the article to the consumer still remains at the same price as it was when this Government received 2 cents per pound on all imported macaroni.

The men who have now gained large experience in this business, and who have large sums of money invested in machinery that can not be utilized in any other business, do not ask that a duty be imposed on foreign goods for the purpose of increasing the price of the home product wholesale or retail; they simply ask that American citizens, who pay taxes to support this Government, who are sworn to defend the Stars and Stripes if needs be with their lives, shall have a higher privilege in this market than that of foreign traders, owing allegiance to foreign governments.

American manufacturers have the experience and capital, with as perfect machinery as there is in the world; they ask to be allowed to supply the American market with American macaroni, made from American farina, by American citizens, and to be in part protected against the product of foreign labor, that is receiving one-fifth to one-seventh of the daily wages that is to be paid to American employes.

Give us, if you can—and I pray God forbid that you could—laborers who are paid only from 10 to 60 cents per day, as the Italian laborer is paid, with whom we are forced into free competition, and American manufacturers can compete with the world without any duty; but so long as American labor must have bright homes, plenty of good food, carpeted parlors, and all that go to make up a higher civilization than prevails in other countries—which can only come through well-paid labor—so long should American law-makers throw the influence of American laws around the labor and capital of this nation.

To impress you with the justice of our request and the necessity of re-enacting import duties on foreign macaronis, if you would preserve the home manufacturers from total extinction, permit me to give you a few facts—the number and location of macaroni manufactories in the United States, cost of material, labor, packing, preparing for and selling it to the consumers, compared with the expense of foreign competitors.

There are some fifty-eight factories in this country, large and small, located at New York, Brooklyn, New Jersey, Philadelphia, Boston, Cincinnati, Cleveland, Chicago, Milwaukee, St. Louis, Pittsburgh, Brardwood, New Orleans, Denver, San José, San Francisco, Los Angeles, and Oakland, Cal.

From the best estimate at my command I learn that the average capacity of these factories is about 20 barrels of flour per day. In consequence of the large importation of foreign goods the output of these factories is now reduced to an average of 10 barrels per day.

To convert 10 barrels of flour into macaroni and prepare it for the market it requires the labor of fifteen men and women, hence this increased importation, by reason of the decreased output, throws out of employment about one thousand men and women in this country, not to speak of the increased employment this business would give if we had control of the business of the entire home market.

Again, fifty-eight factories under the reduced output consume only 176,400 barrels of flour per year. If running at the full capacity of 20 barrels a day each it would amount to 348,000 barrels, double the amount now consumed.

Here, then, are two great losses resulting from the placing of macaroni on the free list; the American farmer sells 176,400 barrels of flour less, while the American workingman loses over \$300,000 (in round numbers) per year in wages, and the nation has to yearly find a large sum to pay that portion of the foreign balance without any return to the American consumer, as the wholesale and retail price of macaronis during the last ten years clearly show by not varying in price during that time from 9½ to 10 cents wholesale and 15 cents retail.

The cost of flour used in these goods in Europe and this country is about the same, for the reason that the flour used in the commercial article imported into this country is made from cheap India and Russian wheat and dark in color, while the flour used in American goods is made from the best spring wheat. It will be gratifying to you to know that American spring wheat makes the best flour in the world for macaroni, and the product of our young sister State Dakota is the best in America for this use.

Cost of manufacturing macaroni and preparing it for market.

The macaroni product of 10 barrels of flour, deducting waste and shrinkage, will amount to 1,764 pounds, at present prices of flour, amounts to.....	\$44. 10
Cost of labor in the factory to make the same.....	11. 68
Salesmen, rent, coal, cartage, insurance, book-keeper, wear and tear, machinery, water, gas, incidentals, etc.....	28. 38
1,764 pounds will pack 70½ 25-pound boxes—cost of wooden boxes, labels, paper, printing, etc., 30 cents per box.....	21. 15
Total cost.....	105. 31

The market price of macaroni in 1-pound packages is 6½ cents—\$1.60 for 25-pound box.

Seventy and one-half boxes (product of 10 barrels of flour) amounts to 112.80
Cost of material, labor, incidental expenses for same..... 105.31

Net profits..... 6.49

To sell American goods we have often to sell at 6½ cents per pound.

This is the result of one day's work reduced output of a \$50,000 plant and the expenditure of \$105.31 in converting 10 barrels of flour into macaroni, taking the chances of finding a market and getting returns from same. These figures are taken from the experience of Canepa Bros., Chicago, who have the above sum invested. Of course they could not keep above water but for the fact that they are practical men, working very hard, and really performing the labor of four hired men. Their experience will prove to be the experience of all manufacturers in the United States. While by reason of our class of goods being imported free, foreign macaroni of an inferior quality is sold all over the country. This firm as well as all others engaged in the manufacture of macaroni in this country could make a handsome return for the money invested without increasing the cost to the consumer, if they were permitted to supply the home market to the extent of their capacity, by reason of the decreased cost of the increased output.

I would call your particular attention to the fact, that about the same date, 1883, that our Government placed macaroni on the free list, the Italian Government commenced paying bounties on all of that class of goods manufactured in Italy and exported to a foreign market.

It may have been a mere accident that both these laws went into force at the same time; however that may have been, the free importation of macaroni into our country and the paying of export bounties by the Italian Government on that same class of goods has dealt a staggering blow to American manufacturers during the past seven years, which, if permitted to continue without our Government intervening by protecting home manufacturers, it will be but a matter of a short time when the manufacturing of American macaroni will be a thing of the past, then, as our past experience proves, the foreign manufacturers will have entire control of our market and will charge our people just what prices they choose.

Free importation encourages the sale of foreign goods because—

(1) The vicious impression of the people who think foreign goods are best is encouraged.

(2) Italian bounties of 2.50 francs per hundred kilos—about one-half a cent per pound—allow the importers to give inducements to the wholesaler, who uses the situation to beat down home goods below living figures.

(3) Italian dealers to get rid of surplus stock, when the opportunity occurs, consign 500 to 1,000 boxes to some man they have known in their native land and let him peddle it to the retailer at the best price he can, thus depriving the wholesaler and middle-men from participating in legitimate profits, all of which is encouraged by placing this article on the free list—seven-eighths of the value of which is labor.

Give the American manufacturers who have their capital invested in machinery and factories an opportunity of supplying the home market by restricting the importation of foreign macaronies and they will supply the consumer with a better article than the foreigners can at the same price. [Here samples of foreign and American macaroni were exhibited to the committee.] The labor that cost American macaroni manufacturers \$27.68 to convert 10 barrels of flour into 70½ 25-pound boxes of macaroni, cost in Italy \$6.15 (a liberal allowance), add to which the dry and genial climate of that country permits the goods to be sun-dried, while in this country large, airy, steam drying-rooms are necessary to bring the paste to perfection.

In conclusion, gentlemen, we ask you to impose a duty of 2 cents per pound on all macaroni, vermicelli, Italian paste, pastnes, German egg noodles, and like products imported in bulk, and 3 cents per pound on all like goods imported in 1-pound and 2 pound packages.

This will increase the consumption of the home product without increasing the cost to the consumer. It will increase the consumption of American flour to the benefit of the farmer and miller. It will increase the consumption of American paper used in packing. It will increase the amount of the product of the American engraving and printing presses by the consumption of the large amount of labels. It will increase the number of wooden boxes, requiring more labor and more nails, and finally it will increase the happiness of a great number of American homes by reason of the happy Saturday nights that will result from steady and well-paid labor employed in producing American goods for the home market.

Finally, the large sums of money now required to pay for the imported macaroni will remain at home to swell the supply of the circulating medium required to keep in motion the internal industries of this nation, without which medium no nation can keep up in the march of modern civilization, commerce, and comfort.

Signed in behalf of American manufacturers.

JNO. F. SCANLAN.

Following is a list of the principal manufacturers of macaroni in the United States:
 NEW YORK—*New York City*.—W. Hill, Aug. Chligioner & Co., P. Daussa, A. Husica, V. Motto, E. Belling, E. J. Lombardi, Achilla Starage, C. B. Ressorito, A. Regensberger. *Brooklyn*.—Dalet & Knowlton, A. Zerega, V. Savareza Bros., A. Castrucci & Son.

NEW JERSEY—*Jersey City*.—Neebahr V. Spagiolo.

MASSACHUSETTS—*Boston*.—M. Battaglio.

PENNSYLVANIA—*Philadelphia*.—Frank Cuneo, Guano & Raggio. *Pittsburgh*.—Geo. Plaffman.

OHIO—*Cincinnati*.—K. Zohbauer, E. Niederman, A. Schneider, Jr. Werdeman & Co., L. Hendrick, P. F. Jonte, E. H. Streilmier, John Spala. *Cleveland*.—Geo. Plaffman.

ILLINOIS—*Chicago*.—Canepa Bros., Luige Mardi, Thos. Meyer, Mecello & Co., Rocco Lovece. *Braidwood*.—P. Rossi.

MISSOURI—*St. Louis*.—Ghiglione & Rossi, John Spala.

WISCONSIN—*Milwaukee*.—N. Moustad, R. Loreoz & Son.

LOUISIANA—*New Orleans*.—J. Sambola, J. Langles & Co., James J. Reys.

COLORADO—*Denver*.—F. Magga.

CALIFORNIA—*San Francisco*.—A. Techranz Piccinelli and Pasiglia, J. P. Tenthoray & Co., Rareime & Co., G. Quiroli, Poiner Macaroni Company, C. R. Musto, C. R. Spiolo, L. Valente. *Los Angeles*.—F. Bargaletta. *Oakland*.—Giacomette & Co. *San José*.—S. Barocchi & Co.

The CHAIRMAN. Do you remember what the Senate bill did with macaroni?

Mr. SCANLAN. I have not had time to look it up.

The CHAIRMAN. It put on a duty of 2 cents a pound I believe. Do you suggest any duty?

Mr. SCANLAN. I suggest 2 cents a pound upon all goods imported in bulk; and 3 cents a pound on imported 1 and 2 pound packages.

Mr. McMILLIN. What is the price in this market of macaroni at the present time?

Mr. SCANLAN. The jobbing price is $6\frac{1}{2}$ cents a pound. The per cent. of duties levied since 1816 has been $24\frac{1}{2}$ to 35 per cent.

Mr. McMILLIN. When was the duty removed from macaroni?

Mr. SCANLAN. March 3, 1883.

Mr. McMILLIN. You say there has not been a reduction of the price to the consumer?

Mr. SCANLAN. No sir.

Mr. McMILLIN. How is it, if there is no reduction of the price, that the American producer has been driven out of the market?

Mr. SCANLAN. To the consumer there has not been a reduction. I have stated the wholesaler used the foreign imported macaroni to beat down the jobbing prices of American goods.

Mr. McMILLIN. And you say there has been no reduction in the price?

Mr. SCANLAN. No sir; macaroni is sold at 15 cents a pound.

Mr. McMILLIN. And it costs 6 to produce it?

Mr. SCANLAN. Six and one-half cents is the jobbing price.

Mr. McMILLIN. You demand a duty of 2 to 3 cents a pound?

Mr. SCANLAN. Yes sir.

Mr. McMILLIN. That would be $33\frac{1}{2}$ to 50 per cent. duty?

Mr. SCANLAN. Two cents will be about $24\frac{1}{2}$ per cent.

Mr. GEAR. It would be 30 per cent.

Mr. SCANLAN (correcting). It will be 30 per cent.

The CHAIRMAN. You say that since the removal of the duty in 1883 there has been no reduction in the price to the consumer?

Mr. SCANLAN. No, sir.

The CHAIRMAN. Whatever reduction was made by reason of the duty has gone to the dealer and wholesaler?

Mr. SCANLAN. It has gone to the wholesaler and retailer.

The CHAIRMAN. And has increased his profit to that extent.

Mr. SCANLAN. In some instances it has gone in this way to get rid of surplus stock. A number of the Italian dealers ship to people not in business here, private individuals, 500 or 1,000 boxes, and they peddle it out.

Mr. FLOWER. If the price had not gone down, you would not make as much money as you do?

Mr. SCANLAN. The price has gone down to the manufacturers.

Mr. FLOWER. Why don't you run both ends of that business, the wholesale as well as the other?

Mr. SCANLAN. That would require more capital than we have, and bring down on our heads the opposition of the wholesale trade.

Mr. FLOWER. If there is so much profit in the wholesale, why don't you enter the business of wholesaling your own goods?

Mr. SCANLAN. Our experience is confined to manufacturing, and the circumstances of trade forbid it.

The CHAIRMAN. You can not manufacture as cheaply as they can on the other side?

Mr. SCANLAN. No, sir; and you must remember wages are one-fifth to one-seventh lower on the other side.

Mr. FLOWER. What is to prevent you having an agency in New York or Chicago, where you could sell your goods at wholesale?

Mr. SCANLAN. It would require a large amount of capital. Our capital is wholly employed in manufacturing, and if we go into the business of selling to retailers the wholesalers, who are our medium of reaching a market, would refuse to buy and use their influence to injure our goods, destroy our trade, and drive us out of the market.

Mr. FLOWER. What is there to prevent you having an agency in New York? It would not require \$1,000 capital.

Mr. SCANLAN. If we sold to the retailer, then the wholesaler would not buy of us at all, and the law of limitation would prevent us from being at all places at once.

Mr. GEAR. Is it your idea to employ labor in this country, where you sell your product, instead of Italian labor?

Mr. SCANLAN. Yes, sir.

Mr. FLOWER. Have you ever made any other goods where you got 250 per cent. profit?

Mr. SCANLAN. We do not make 250 per cent. profit on these goods; the differences between the manufacturers' prices and the consumers' is about 150 per cent.?

Mr. FLOWER. What other business pays 50 per cent.?

Mr. SCANLAN. There are kinds of business; take, for instance, the confectionary business.

Mr. FLOWER. Manufacturers in New York and all these large cities have agents and consign goods to them, and they sell them. If I were an American manufacturer I would make that profit, and you can do it without much trouble.

Mr. SCANLAN. I never saw a time when the manufacturer could go into the market and break the profits of the wholesaler without breaking himself, and all these agents which you refer to sell to the wholesaler.

Mr. FLOWER. What per cent. of the macaroni consumed in this country is made here?

Mr. SCANLAN. About 10,500,000 pounds were imported last year. Probably an equal amount or more is manufactured in this country. We have no official data. Importations have increased over four and a half times since the tariff was removed from macaroni.

Mr. FLOWER. You are making in the neighborhood of one-half the amount sold here?

Mr. SCANLAN. Yes, sir; about that.

Mr. CARLISLE. You say it costs $6\frac{1}{2}$ cents?

Mr. SCANLAN. No, sir; that is manufacturers' price in the market. In Chicago it recently sold for $6\frac{1}{2}$ cents, while the foreign goods sold for $6\frac{1}{2}$ cents.

Mr. CARLISLE. What did you say it costs to produce it?

Mr. SCANLAN. It costs \$105.21 to produce 70 boxes of 25 pounds each. That leaves a profit of \$6.42.

Mr. CARLISLE. What do you assume that you sell it at?

Mr. SCANLAN. I assume that we sell it at $6\frac{1}{2}$ cents. That makes about one-half of a cent a pound profit.

POTATO STARCH.

STATEMENT OF ALDEN SPEARE.

Mr. ALDEN SPEARE, president of the Boston chamber of commerce, then read to the committee the following paper:

BOSTON CHAMBER OF COMMERCE.

Boston, January 7, 1890.

To the Committee on Ways and Means:

The undersigned respectfully represent that they are manufacturers of potato starch; that a large proportion of the factories in the United States for such manufacture are located in Maine, Minnesota, New Hampshire, Vermont, and northern New York; that the present duty on potato starch is 2 cents per pound; that the substance known as dextrine in commerce is a simple transformation of starch by means of roasting, and that practically 300 pounds of starch when roasted will produce 200 pounds of dextrine; that this process of roasting is done entirely in foreign countries, where the economic conditions for raising potatoes and the manufacture of

starch are greatly superior to those which pertain to this country, and those conditions, coupled with the fact that dextrine pays a duty of only 1 cent per pound, have caused an almost entire suspension of the manufacture of dextrine in this country; that starch and dextrine are practically the same in chemical composition and are used in commerce for the same purposes; that by reason of the inequality in duty on starch and dextrine your petitioners are at a great disadvantage in our home market.

Wherefore they respectfully suggest that the duty on dextrine be placed at 3 cents per pound.

EUSTIS & ALDRICH.

Mr. SPEARE (continuing). That is the statement of Messrs. Eustis & Aldrich, the largest manufacturers of potato starch in the country. The following resolutions were adopted by the chamber of commerce:

"Whereas the aforesaid statement shows a manifest injustice both to the manufacturers of potato starch and those who did and still desire to continue the manufacturing of dextrine, an industry which has been practically annihilated by the present tariff; therefore,

"Resolved, That we heartily indorse the suggestions that the duty on dextrine be made at least 3 cents per pound, and the request of Messrs. Eustis & Aldrich and this resolution be presented to the Committee on Ways and Means by our president.

"Attest:

"ALDEN SPEARE,
"President."

Let me give you a little explanation of this matter of potato starch. It takes 250 bushels of potatoes to make a ton of starch, which, as you see, is hardly $2\frac{1}{2}$ cents a pound for the potatoes themselves. Up to the tariff law which went into effect in 1883 dextrine was placed at a proportionate duty, and we had a large industry; from 5,000 to 8,000 tons of dextrine were annually manufactured in the United States. Every one of those dextrine factories has gone out of existence, and not a pound of dextrine is made in this country, displacing the 5,000 tons of raw starch, and giving to Germany the raising of the potatoes and to England the making of the gum, so that the present tariff has annihilated the manufacture of dextrine in this country. I will read the provisions of the law as to dextrine.

Page 88, No. 27, "Dextrine, burnt starch, gum substitute, or British gum, 1 cent per pound."

Page 130, No. 293, "Starch, including all preparations, from whatever substances produced, fit for use as starch, 2 cents per pound."

Mr. BAYNE. What is dextrine?

Mr. SPEARE. Dextrine is worth 3 or 4 cents a pound—200 pounds of dextrine being equal to 300 pounds of starch.

Mr. BURROWS. Is the present duty on starch sufficiently high to be protective?

Mr. SPEARE. Sometimes it is and sometimes it is not. In 1887 we imported 4,000 tons. We import more or less every year from New Brunswick. Potato starch can be laid down at $2\frac{1}{2}$ cents a pound, without duty.

Mr. BURROWS. What is the price to the trade of foreign starch?

Mr. SPEARE. There has been none imported this year.

Mr. BURROWS. Do you know the price in London?

Mr. SPEARE. I do not; but, as I say, it can be laid down here at $2\frac{1}{2}$ cents a pound, without duty.

Mr. BURROWS. How many bushels of potatoes were consumed last year in the manufacture of starch in this country?

Mr. SPEARE. About 8,000 tons.

Mr. BURROWS. Do you know what proportion that is of the entire potato crop of the country?

Mr. SPEARE. I do not. Potatoes can only be manufactured into starch when they can be sold at from 15 to 25 cents a bushel and when they are in proximity to railroads or cheap transportation.

Mr. BURROWS. Is there any particular grade of potatoes required for the manufacture of starch?

Mr. SPEARE. No, sir. Of course, some produce more starch than others, but they are taken as they run.

Mr. BRECKINRIDGE. What is the proportion of corn starch as compared with potato starch?

Mr. SPEARE. Immensely more; I should say five times as much, at least.

Mr. McMILLIN. You propose to raise the duty to what point?

Mr. SPEARE. On dextrine to 3 cents a pound.

Mr. McMILLIN. It is now 2 cents?

Mr. SPEARE. It is now 1 cent a pound.

Mr. McMILLIN. Then you propose to have the duty on dextrine advanced per 200 cent?

Mr. SPEARE. Yes; simply for the reason I have told you—that under the present tariff this industry has been annihilated, and the raising of potatoes for it has been given to Germany and the manufacture of it to England—both being taken from this country.

Mr. McMILLIN. My constituents habitually produce two crops of potatoes from the same ground; where that is the case can not potato starch be manufactured?

Mr. SPEARE. No, sir. You can not make potato starch except in cold climates; it sours immediately.

VIEWS OF ISAAC ALLEN.

HOLLEY, ORLEANS COUNTY, N. Y., *January 14, 1890.*

SIR: I saw in the Rochester Union, January 11, under head of "tariff hearing," a statement from a northwestern New York man concerning beans; tariff was too low for champion pease and beans. Now, sir, I have lived in the heart of this region all my life a farmer, and from before and since the war, a period of thirty-five years, I have raised beans, and as farm crop. During this time, and with the same amount of land, no crop has yielded the revenue as obtained from beans. The price has varied from 75 cents to \$5 per bushel, the latter in time of war. A few uneasy, crazy ones, who by neglect have failed to obtain the highest price this year, \$2 here, are anxious to do something, I can not conceive what, but want 50 cents tariff for protection on the bushel. This year is an exceptional failure in the apple crop, and you are aware, no doubt, this is a wonderfully favored spot for the apple, and farmers, many of them, this year are pinched for money in consequence, and some of them, who had they been minus this God send of beans, would have been financially sorely crippled. German beans or any foreign beans can not compete with us, for they are of an inferior quality, and any man that knows beans, and how to grow them and sell them, knows, unless from selfish motives purely, that it is morally wrong to raise the tariff on beans. The member from this county will no doubt be made aware of the effort here by some to petition Congress to raise this tariff. I would like to see the argument in its favor. If this brief statement of facts, as they are believed to be beyond contradiction, are worthy of consideration, I shall feel rewarded; if otherwise, to the waste basket.

Yours, truly,

ISAAC ALLEN.

Hon. R. P. FLOWER.

MEMORIAL FROM NEW YORK FARMERS.

FALCONER, CHAUTAUQUA COUNTY, N. Y., *February 1, 1890.*

DEAR SIR: Inclosed please find resolutions adopted by five or six granges; also reasons why the farmers should have help. This is the sentiment of the people of this county.

Yours,

WILLIAM HARTSON.

Hon. WILLIAM MCKINLEY, JR.,
Chairman Ways and Means Committee.

Resolved, That it is the sense of the members of Kennedy Grange, 496, of Chautauqua County, N. Y., in convention assembled, that it is the duty of the Congress of the United States to enact such tariff laws as will protect the agricultural classes from competition with foreign product produced by cheap foreign labor. We appreciate the fact that the protection enjoyed by our manufacturing industries inures greatly to the benefit of the farming interests by affording a home market for our products. We desire, however, to urge upon Congress the necessity of greater protection for the products of our farms that we can produce successfully here, that come in direct competition with the products from abroad; to that end we ask that not only shall duties be levied upon competing farm products now admitted free of duty, but also that the duties be raised upon those products of the farm that are now being brought into this country to the extent of many millions of dollars annually; we also ask that the duties be raised on manufactured articles that are manufactured from products of the farm. We believe in American markets for American production, and ask that the farming interests shall be placed upon the same plane by a tariff tax as the other industries of our country.

On motion the foregoing resolution was adopted.

H. B. CROSBY, *Master.*
V. PAGE, *Secretary.*

JANUARY 22, 1890.

Hon. WILLIAM MCKINLEY,
Ways and Means Committee:

We, the farmers of the county of Chautauqua, State of New York, petition your honorable sirs to consider at once the insufficiency of present tariff duties upon the commodities hereinafter mentioned, and to use all reasonable efforts at the present session of Congress to secure the relief hereinafter asked for: Barley, 20 cents per bushel; buckwheat, 20 cents per bushel; beans, 50 per cent.; beef, 5 cents per pound; eggs, 5 cents per dozen; fresh fish, 2 cents per pound; hay, \$5 per ton; lard, 3 cents per pound; barley-malt, 40 cents per bushel of 34 pounds; peas, 50 per cent.; potatoes, 30 cents per bushel; poultry, dressed, 20 per cent.; railroad ties, 10 cents each; straw, \$2 per ton; telegraph poles, 20 cents each; oleomargarine, 20 cents per pound; also 3 cents per pound on hides.

UNION GRANGE, No. 244, JAMESTOWN, N. Y.,
 LE ROY WHITFORD, *Master*.
 A. A. VAN VLECK, *Secretary*.

REASONS FOR INCREASED DUTY.

First. For the reason that the tariff tax does, where there is an importation of the article, help the producer or manufacturer of that article the amount of the tax.

Second. For it is a sad fact that the farmers in this country along the line of Canada, Nova Scotia, and New Brunswick have a hard time to make the year's ends meet.

Third. Because it should not be expected by our Government that the farmers of this country can produce their crops and sell them in competition with the low-priced labor of the world.

Fourth. For in hiring their help they have the competition of good protected industries of this country to compete with.

Fifth. For in purchasing their necessary manufactured articles for use where there is an importation of the same class of articles they have the tariff tax to pay as the importation fixes the price.

Sixth. We ask that the manufactured articles that are manufactured from the products of the farm, if there is an importation of them now, the tariff tax on them should be raised.

Seventh. If all of the necessary articles for use are produced or manufactured here it will keep the money that is paid for them here and the mechanic and laborer will get their share of it.

Eighth. There is no class of persons in the world that labor harder and economize than the farmers of this country, and if our Government will grant the request, make a strong tariff tax, our country will be prosperous.

WM. HARTSON.

BROCKPORT GRANGE.

BROCKPORT, N. Y.

DEAR SIR: I have the honor, as secretary of Brockport Grange, No. 93, to mail you the following resolutions:

F. M. GREENE, *Secretary*.

Hon. CHARLES S. BAKER, M. C.

At a meeting of Brockport Grange, No. 93, Brockport, N. Y., the following preamble and resolutions were unanimously adopted, and ordered that a copy be sent yourself and Senator Hiscock, with the request you present the same before the committee upon revision of the tariff. This grange is one of the largest in the State, having over 330 members, containing many of the most progressive farmers of this part of Monroe County, and largely represents the opinions of the western New York agriculturists upon this question.

F. M. GREENE, *Secretary*.

Whereas the most important farming industries in western New York, viz, bean, barley, and potato raising, are at the present time severely depressed; and

Whereas such depression is caused by Europe and Canada flooding our markets with their cheap beans, barley, and potatoes:

Resolved, That we, the members of Brockport Grange, No. 93, do most earnestly request our Representative in Congress, Hon. Charles S. Baker, and our Senator, Hon. Frank Hiscock, to use all honorable means in their power to have incorporated in the

new tariff bill now being perfected a duty upon beans of not less than 50 cents per bushel; upon barley a duty of not less than 25 cents per bushel; and upon potatoes a duty of not less than 25 cents per bushel; which duties will afford us only reasonable protection against the cheap labor of Europe and Canada.

Respectfully presented to your honorable committee by Brockport Grange, No. 93
F. M. GREENE, *Secretary*.

ACTION OF PENNSYLVANIA FARMERS.

LANCASTER, PA., *February 5, 1890.*

DEAR SIR: By request I send to you the resolutions presented by Hon. John H. Landis and passed by the Agricultural and Horticultural Society of Lancaster County at its regular monthly meeting on Monday, February 3d, 1890. Lancaster County is perhaps one of the largest agricultural counties of the United States, and therefore more deeply interested in this great question of the day than any other county.

You will please give the subject embodied in these resolutions your due consideration.

I am, respectfully, yours,

JOHNSON MILLER,
Secretary.

Hon. WILLIAM MCKINLEY,
Chairman Committee on Ways and Means.

Resolved, That we most earnestly protest against any further reduction of tariff duties imposed upon such agricultural products that can be successfully grown in this country.

Resolved, That we demand as full and as complete protection of all farm products as is given the most favored manufacturing industries.

Resolved, That we ask an increase of duty upon all leaf tobacco suitable for wrappers. If stemmed, a duty of \$3 a pound; if not stemmed, a duty of \$2.

Resolved, That we demand an increase of tariff duties upon wheat, corn, rye, barley, oats, wool, flax, hemp, potatoes, onions, beans, peas, cabbage, hops, hay, eggs, butter, poultry, meats, and live stock.

Resolved, That we advise the enactment of a law forbidding the fraudulent importation of cattle and other live stock on the pretense that they are brought into this country for breeding purposes.

Resolved, That a copy of these resolutions be forwarded to our Representative in Congress, the Hon. Marriott Brosius, and that a copy of the same be sent to the Hon. William McKinley, chairman of the Committee on Ways and Means of the National House of Representatives.

Hon. J. J. Belden, of New York, submitted for the consideration of the Committee on Ways and Means the following letter from a constituent:

AMERICAN TEASELS.

MARCELLUS, N. Y., *February 7, 1890.*

DEAR SIR: Replying to your favor of 29th ultimo, teasels are an agricultural product used in mills for raising a nap on certain kinds of woollens. They are set in a cylinder which revolves rapidly, the cloth moving against it which raises the nap and is called "gigging." Afterwards it is sheared. Kerseys, meltons, broadcloths, certain kinds of cassimers, and the back of fine worsteds are gigged. They are sold by the pound, and the aggregate value annually is about \$125,000. They are used in small quantities by considerable numbers of manufacturers, but not in large quantities, excepting a few instances. There is not a manufacturer in this country that a tariff on teasels would work any hardship.

Yours, truly,

W. H. GULLUP.

Hon. J. J. BELDEN.

POTATOES.

REASONS WHY THE IMPORT DUTY ON POTATOES SHOULD BE INCREASED TO 25 CENTS PER BUSHEL.

Potatoes, like similar vegetables, must find a market in close vicinity to the grower. The cities on the Atlantic seaboard therefore, draw their supply of potatoes from the seaboard States. In years when the conditions are favorable and the crop is good the farmer gets from 40 to 50 cents per bushel at his railroad station, and, with a fair crop this pays him; but in years where there is a partial failure of the crop and prices would naturally be higher, he is met by the foreign potatoe, which under a 15 cents duty will always seek the market when potatoes are worth 60 to 65 cents per bushel in New York, and the freight on a bushel of potatoes being less from Liverpool than from 150 miles distant from New York the American farmer gets no advantage that would naturally accrue to him on account of a partial failure of the crop, and in such years he must lose money on his potatoe crop, and be discouraged from continuing the cultivation of the potatoe. The increase of duty to 25 cents per bushel would therefore reduce the competition of the foreign potatoe to the extent of 10 cents per bushel, and would not be imported unless the price of potatoes in New York reached 70 to 80 cents per bushel. This statement is from a farmer growing potatoes on the eastern shore of Maryland and Chester County, Pa.

JOHN W. WOODSIDE.

PEAS, BEANS, AND BARLEY.

DEXTER, N. Y., *December 17, 1889.*

DEAR SIR: At a meeting of the farmers held in this town on Wednesday last there was a committee appointed to confer with you in relation to the revision of the tariff on peas, beans, and barley. I being appointed one of that committee I thought I would write you on the subject. I believe I do not exaggerate when I say that every farmer in this and adjoining counties are in favor of a higher rate of tariff on the above-named articles. There is only 10 per cent. ad valorem duty on peas and beans. I will give you the difference in price paid in this county and in Canada for one kind of peas.

The different seed-houses in this county paid on an average \$1.20 per bushel for Champion peas. Some of the seed-houses had the same variety grown in Canada for 80 cents per bushel.

The freight per bushel from Canada was less than the farmers paid to freight them from the different stations to the seed-houses.

No. 1 barley has sold in Canada from 35 to 37 cents per bushel. The duty I believe is only 8 cents per bushel.

Barley is now selling in Watertown for 45 cents on account of the importation from Canada.

The Waite Bros. have stocked the Mundy malt-house, also two in Adams, mostly with Canada barley, because it can be bought cheaper in Canada than here.

At a former meeting there was a committee appointed to visit the different seed-houses in this county to ascertain their views in regard to raising the tariff on peas and beans.

That committee visited every seed-house in this county, and with one exception every one was in favor of having the tariff raised.

None, I believe, wished it less than 25 per cent.

W. H. Grenell, a large dealer at Pierrepont Manor, thought the farmers could not be protected unless the duty was 50 per cent.

Fred Lansing was waited upon by a large number of farmers before he went to Washington and he will do all he can for us.

Every favor from you in this matter will be thankfully received by the farmers.

Yours, respectfully,

LYMAN ACKERMAN.

Hon. R. P. FLOWER.

TREES AND SHRUBS.

FLUSHING, N. Y., *January 22, 1890.*

GENTLEMEN: I ask a duty of 30 per cent. on imported trees and shrubs, and would respectfully present the following reasons therefor:

I have been a grower of trees and shrubs for more than fifty years and have noticed the prosperous condition of nurseries while protected by a tariff and their struggles, if not decadence, during a period of non-protection.

The last period of struggle and decadence is almost coincident with the removal of the duty by the private effort of a few amateurs and without the knowledge of the growers. The result is that great numbers of foreign growers advertise in our newspapers and send their traveling agents over our country, taking orders at prices which are impossible to American labor and must inevitably drive many nurserymen out of the business. They also flood our auction rooms with their products of cheap labor and allow them to be sold at prices ruinous to American interests.

To obtain the number of nurseries in the United States I have written Mr. Charles A. Green, secretary of the Nurserymen's Association of the United States, who possesses, by his office, exceptional opportunities for reliable information. From his reply I quote: "We have record of five thousand nurseries in the United States, and I estimate that there are five thousand not recorded."

Of these many employ some hundreds of men each, and others fifty or twenty-five or less. I think that 250,000 would be a low estimate of the number of nursery employes, and that \$300 to \$400 per year would be a low estimate for the wages of each. Thus the nursery business represents the labor of 250,000 men, worth \$75,000,000 to \$100,000,000 per annum. The true estimate may possibly be much higher.

The nursery interest would be a largely-growing one under reasonable protection, but, in competition with foreign labor, it suffers more than any other, because the wages abroad of land laborers are lower than those of any others.

The nurseries are scattered over the country and it is difficult to get them together for concerted action.

They feel the situation very strongly, however, and many are firm in the belief that the 30 per cent. duty placed upon trees and shrubs in the bill introduced last year will be found in the one now under your consideration. The few on the Canadian frontier who may desire otherwise are but a small fraction of the whole number. On the behalf of all the nurserymen I would respectfully urge my request.

Yours, very truly,

S. B. PARSONS.

The COMMITTEE ON WAYS AND MEANS.

EXPORT OF OLEOMARGARINE.

PROVIDENCE, R. I., *January 21, 1890.*

SIR: We would respectfully call your attention to the following statements relative to the export features of the oleomargarine laws.

(1) We are now compelled to pack the oleomargarine which we manufacture expressly for export in packages which must contain not less than 10 pounds each. If the goods are intended for a warm climate they must be packed in tins.

The law requires that when a tin package is used it must be covered with a wooden jacket securely fastened to the tin. That provision serves not only to make the goods objectionable to the dealer, but increases the weight, and entails a double expense both in the cost of the package and the freight.

(2) The trade in the countries to the south of us, demands that oleomargarine shall be packed in tins ranging from one-half to 5 pounds. In fact our correspondents have informed us repeatedly that if we could sell them oleomargarine in packages to suit their wants, the export trade could be increased at least 500 per cent., because the American make of oleomargarine is preferred to all others.

The smaller packages are preferred for the following reasons, viz:

(a) All classes of people can purchase it when in packages ranging from one-half to 5 pounds, because the cost of such packages represents an expenditure within their means.

(b) Unless oleomargarine is used in a hot climate within a reasonable short time after being opened it becomes like butter, unfit for use.

(3) Prior to the passage of the oleomargarine act, the American product had the preference over all others, and the trade was rapidly increasing. At this date we have lost nearly all the ground we had gained, and unless Congress comes to our relief by

amending the export provisions in the law, the trade will be absolutely wiped out in those countries which are classed as within the tropics.

The question which presents itself here is, why Congress should legislate for the benefit of Holland and Germany? Such a question may seem absurd, but a close examination of the practical effects of the application of the law will clearly demonstrate that an act of Congress has actually resulted in increasing the export trade of Holland and Germany in this article, and destroying in a large measure the export trade of the United States.

(4) It surely can not be alleged that the dairy interests of this country would suffer if Congress gave us an equal chance with other countries to compete for the trade of the West Indies and South America. They would not experience a corresponding increase in their trade if Congress forbade the export of the article altogether, because Holland and Germany would immediately receive the orders which would otherwise come to the American manufacturer of oleomargarine. On the contrary a liberal amendment of the law applicable only to the export trade would result in material benefit to the agricultural and dairy interests, as they would thus find a market at home for their milk and oleo oil, which would not come in competition with their butter in domestic markets.

In view of these statements, which are self-evident, we would respectfully request that you prepare and submit to Congress the draught of an amendment to the law that would serve to remove the barrier which effectually bars us out of foreign markets.

Yours, respectfully,

OAKDALE MANUFACTURING COMPANY.

HON. JOHN W. MASON,
Commissioner of Internal Revenue, Washington, D. C.

MANUFACTURES AND AGRICULTURE COMPARED.

ALEXANDRIA, VA., *January 27, 1890*

GENTLEMEN: In response to a request of one of the gentlemen of your committee to furnish figures and authority in substantiation of my statement in relation to the depressed condition of agriculture in the manufacturing States of New England, New York, Pennsylvania, and New Jersey, I herewith submit my figures and authority, although in so doing I will further state that I desired to be just and equitable in my first statement, and that in this supplement thereto that instead of going to state reports and speeches to fish out threadbare facts, I have gone to the fountain-head of information upon this subject, and herewith submit figures kindly supplied me by Hon. J. R. Dodge, statistician of the Department of Agriculture, under date of January 25, 1890.

Such figures so recently furnished must fully bear out my position and prove beyond controversy the statements made in reply to members of your honorable committee.

VALUE OF FARM LANDS IN THE MANUFACTURING STATES.

States.	1870.		1880.	
	Acres.	Value.	Acres.	Value.
Maine	5,838,058	\$102,961,951	6,552,578	\$102,357,615
New Hampshire	3,605,994	80,589,313	3,721,173	75,834,389
Vermont	4,528,804	139,367,075	4,882,588	109,346,010
Massachusetts	2,730,283	116,432,784	3,359,079	146,197,415
Rhode Island	502,308	21,574,968	514,813	25,882,679
Connecticut	2,364,416	124,241,382	2,453,541	121,063,910
New York	22,190,810	1,272,857,766	23,780,754	1,056,176,741
New Jersey	2,989,511	237,523,376	2,929,773	190,895,833
Pennsylvania	17,994,260	1,042,481,582	19,791,341	975,689,410
Total	62,744,384	3,159,030,197	67,985,640	2,803,443,402
Average per acre		\$50.35		\$41.24

VALUE OF FARM PRODUCTS, ETC., IN THE MANUFACTURING STATES.

Statement showing the annual value of the crops of corn, wheat, oats, rye, barley, buck-wheat, hay, potatoes, and tobacco, and of all farm animals, as estimated by the Department of Agriculture.

States.	1870.	1871.	1872.	1873.	1874.
Maine	\$45,850,809	\$38,222,780	\$42,023,396	\$42,252,377	\$44,926,053
New Hampshire	29,481,771	28,134,235	28,389,437	28,336,160	28,739,908
Vermont	46,514,860	42,329,684	41,444,260	38,238,575	39,464,304
Massachusetts	47,459,001	40,055,827	39,486,576	40,016,089	41,602,862
Rhode Island	6,018,213	6,726,990	7,202,256	6,574,386	6,965,869
Connecticut	35,935,829	34,232,851	35,595,945	34,870,760	37,295,921
New York	333,070,654	311,271,887	304,462,967	274,919,262	283,054,981
New Jersey	60,734,310	58,221,422	54,905,123	53,723,651	52,254,033
Pennsylvania	263,828,920	251,125,249	245,356,687	232,877,694	229,534,613
Total	869,793,467	810,320,925	798,876,617	751,808,924	783,838,524

States.	1875.	1876.	1877.	1878.	1879.
Maine	\$42,242,820	\$39,364,540	\$37,140,943	\$33,425,308	\$34,863,230
New Hampshire	27,940,140	25,413,688	25,069,825	20,392,305	21,466,045
Vermont	36,945,947	34,541,330	33,851,040	31,085,077	31,400,824
Massachusetts	41,635,059	38,914,064	36,953,976	37,856,019	43,510,902
Rhode Island	6,045,712	6,281,192	6,472,744	5,220,105	5,626,947
Connecticut	33,746,873	28,594,701	28,243,391	25,111,544	25,679,744
New York	284,850,313	282,246,412	273,955,512	242,293,411	272,055,628
New Jersey	51,014,599	46,441,502	45,555,394	40,821,184	42,100,052
Pennsylvania	228,657,708	213,022,242	204,713,407	185,712,577	213,462,066
Total	753,079,171	714,819,671	691,956,232	621,917,530	690,165,438

States.	1880.	1881.	1882.	1883.	1884.
Maine	\$38,105,288	\$34,516,917	\$40,148,162	\$41,312,323	\$39,331,566
New Hampshire	22,602,750	20,581,187	23,891,083	22,957,958	23,370,055
Vermont	32,444,222	35,514,049	40,714,557	38,976,819	35,437,881
Massachusetts	45,106,731	32,190,063	34,842,172	35,884,104	31,207,774
Rhode Island	5,324,784	4,282,005	3,494,730	4,884,170	4,635,816
Connecticut	29,925,474	28,194,327	28,091,633	28,765,737	26,025,244
New York	292,452,790	293,145,157	310,046,624	290,385,471	289,455,219
New Jersey	48,608,215	45,148,753	45,473,057	44,372,963	42,664,991
Pennsylvania	222,816,047	241,181,212	249,997,800	245,950,297	226,355,332
Total	737,386,301	734,753,670	776,699,818	753,489,838	728,483,938

States.	1885.	1886.	1887.	1888.	
Maine	\$37,470,939	\$39,586,830	\$42,852,889	\$41,303,428	
New Hampshire	21,907,163	22,022,485	23,285,298	22,039,412	
Vermont	33,870,600	34,464,238	37,313,627	34,560,073	
Massachusetts	33,048,348	33,285,414	34,076,241	31,984,526	
Rhode Island	4,539,096	4,611,393	5,301,333	4,909,027	
Connecticut	28,229,000	26,438,384	28,309,599	26,983,870	
New York	266,885,169	266,687,102	271,478,862	270,308,533	
New Jersey	40,334,321	38,559,875	40,651,305	41,338,839	
Pennsylvania	217,229,856	215,860,041	220,395,719	220,489,655	
Total	683,420,692	681,415,762	703,604,719	693,917,393	

SUMMARY.

From these figures the following result is obtainable:

That the acreage of farm lands in the manufacturing States increased between 1870 and 1880, 5,241,256 acres, while the total value for the same period decreased as follows:

1880	\$2,803,443,402
1870	3,154,030,197

Decrease in the decade 355,586,795

Decrease per acre, 1870, \$50.35; 1888, \$41.24; equal to \$8.91 during the nineteen years, including the period of 1870 to 1888 inclusive.

The decrease in farm products, etc., was—

1870	\$869, 793, 467
1888	693, 917, 363
Total decrease	175, 876, 104
Add loss in land and we have	355, 586, 795
Or a total of	531, 462, 899

Or more than you will remember I claimed in my answer to your questions.

In presenting these important figures on behalf of our people I am not so unjust as to lay the whole blame to the door of a protective tariff, for I recognize that other circumstances combine to add to the burden of the farmer. But I do desire to emphasize the fact that agriculture in every department is depreciating in value, while other industries are increasing in the same ratio that agriculture is losing; that from being the most prosperous our industry is steadily decreasing in wealth and power, and yet at the same time this industry furnishes the wealth of all other classes; she produces the greater part of the national wealth and in turn consumes the greater part of the product of the American manufacture, furnishing home raw material for the manufacturer, a home market for his productions, and is thus doubly made tributary to the transportation companies who owe their very existence to agriculture, yet never seem to satiate their greed so long as the traffic can stand still larger increase.

It is not in the great agricultural food-producing sections of the West, covered over with mortgages to New England's usurious institutions, nor yet the cotton fields of the South, which are practically owned by the New York stock-gamblers and commercial men do I look for a depression in agricultural values, in answer to your request; but in replying to the assumption that American agriculture owes its prosperity (God save the mark) to manufacture, I go directly into the small fields and farms around these protected industries, the owners of which are rich and prosperous, and find a languishing agriculture and depreciating valuation of land and produce, an increase of debt, and a discontented and unhappy people, overburdened by direct taxation, weary and discouraged at the fact of the lack of their prosperity, which they are loath to attribute to its true cause—unnecessary and unequal taxation.

Having tried to answer as best I can your questions, I repeat that the country people look to you for relief, and if the majority of your committee and House feel constrained to follow out the policy upon which you were elected, that of protection for American industries, I beg of you not to overlook or forget that most important of all industries, agriculture, and in arranging your tariff protect such articles as have been suggested by Colonel Brigham and Dr. Trimble, of the National Grange committee on legislation, so as to protect our people when they compete with foreign underpaid labor; but in the vast majority of cases where no relief can be given us in this manner I appeal again to you to so distribute the surplus collected from the farmer that he may be incited to send abroad his products and bring foreign gold to our shores, thus adding to the national prosperity and distributing wealth not among the few, but among the vast majority of the people.*

Respectfully submitted.

ALEX. J. WEDDERBURN.

EXTRACT OF MEAT.

STATEMENT OF THE CIBILS COMPANY.

BOSTON, *January 27, 1890.*

GENTLEMEN: It is with some hesitancy that I address the Committee on Ways and Means in what must seem an individual interest, but a section of the last Senate tariff bill, in providing for an increase of duty on "fluid extract of meat," might have seriously interfered with this individual interest, and it is the hope of preventing a like clause from entering into the tariff bill to be formulated by your committee that prompts me to place before you these facts.

"The Cibils Company of the United States" are importers of a fluid beef extract, on which they now pay a duty of 20 per cent. ad valorem, and on the glass containing it 30 per cent.

* Mr. Wedderburn's figures are misleading. See page 925 for explanation.

It is not my purpose, at the present time, to ask relief from this tax, but only to beg that the present law may remain unchanged; or, if it be thought desirable to substitute a specific for an ad valorem duty, that such specific duty may not exceed the rate of 10 cents per pound on the extract, and that the duty on the glass containing it may still be based on its value, as at present, which must seem the only equitable method, as our bottles weigh about twice as much as the extract they contain; to weigh them with the extract and subject them to the same specific duty would prohibit the importation of the goods.

I speak of this as an individual interest, because I have been unable to learn of any individual, other than my associates and myself, and indirectly the invalid public, who would be affected by any change in the present law; for as a matter of fact, so far as I am aware, the "Cibils fluid beef extract" is the only fluid extract of meat imported into this country. (If there is any other, the amount imported is so infinitesimal as to have no influence on the market.)

On the other hand there is no fluid extract of meat manufactured in the United States, unless we class the "Valentine meat juice" as such; but this valuable preparation occupies a unique place of its own, and its output can in no way be affected by the sale of the Cibils extract. The raw goods of Murdock and Bush should in no sense be classed as meat extracts, as the only semblance to meat they contain is raw blood; we, of course, have nothing in common with them.

Furthermore, and I desire to emphasize this fact: it is not possible that an honestly prepared fluid beef, worthy of the confidence of the physician, should be economically made in this country; our most remote herds of cattle are still so near civilization (the facilities for transportation being so great) that the beef is worth too much as fresh meat to warrant its being put into an extract.

So that we may say that the Cibils fluid beef extract is the only fluid beef imported into this country, and that it antagonizes no present or probable domestic industry.

Why, then, should the duty be increased? There appears to be but one reason; that is, revenue to the Government. And when I assure you that the Cibils extract is prepared expressly for the sick chamber and not the bar-room or kitchen, and, in substantiation of this assertion, state that it is now the only extract included in the hospital supplies of the United States Navy, and is exclusively used in the United States Marine Hospital Service, the question must present itself: is it not unworthy of a nation to gather its revenue from its sick and disabled citizens whose power of earning has been cut off.

Should the duty on this preparation be increased our Government would be placed in this position of forcing the invalid to pay his tax, be he fortunate enough to be able to bear the burden, but depriving of its benefit the great army of the poor who, though needing it the most, would be unable to pay the increased cost, for there is absolutely no substitute for this preparation.

I believe this to be the most forcible argument we can put forth as a reason why the duty on this preparation should not be increased. I believe this to be the most forcible argument that can be put forth why any article that enters the sick room, to comfort or heal the invalid, should not be taxed.

In considering this argument there should be taken into account the material difference between the "paste" and the "fluid" extract. The advent of a fluid preparation of beef is so recent that this vast difference is probably but little understood, except by those who have had occasion to keep pace with the advance of chemical and medical knowledge during the past few years. Ten years ago the paste extract of Liebig was widely prescribed by the physician with just what benefit to the patient it is difficult to tell, it certainly afforded no nutrition. But during the past few years there has been a radical change, and to-day the enormous output of Liebig's is through the grocer and its consumption is in the kitchen and bar-room. The discriminating physician does not prescribe a paste extract.

But the physiological and therapeutical drawbacks to the value of the paste extract have been completely overcome in the fluid preparation, so that the latter finds its legitimate place in the sick room, and the output of our preparation depends almost entirely on the physician's prescription.

To fully establish the place this fluid extract holds among the more advanced thinkers of the profession, I quote from Dr. Geo. E. Fell's report of the celebrated "Baere case," included in his paper on "Forced respiration," read at the annual meeting of the New York State Medical Association, 1888:

"The 2 ounce vial of laudanum was found empty; the throat of the patient was cut, severing the trachea and anterior jugular vein; it was found also that the left arm had been incised with the razor so as to clearly expose, without opening, the basilic vein. At this time the patient was making a faint gasp once in about ten seconds, and breathing through the hole he had made in the trachea.

"As he gradually became weaker from continued movements of the bowels and frequent attacks of vomiting, attempts were made to nourish him. The most easily assimilable substances were rejected. Milk and lime water, peptonized liquids and powdered peptonoids, iced champagne, brandy, etc., were used, but the stomach would not retain them; vomiting continued; the patient approached the stage of collapse; brandy hypodermically was frequently given without marked benefit. The action of the heart was of a bounding, uncertain character.

* * * * *

"The unsuccessful attempts at feeding by the stomach had been discontinued for a time after the stercoraceous vomiting. The nourishment of the patient, however, had become a matter for serious consideration, and, at the suggestion of Dr. C. R. Jewett, half-teaspoonful doses of Cibil's fluid extract of beef, diluted with a little carbonic acid water were administered. This was the first substance to be retained; the dose was repeated, increased, and at last the patient showed signs of improvement."

I think this fully establishes the claim of the preparation to its place in dietetic therapeutics.

The individuals controlling the Cibils extract in this country are citizens of the United States, and the money expended in the introduction of the goods has gone, and is going into circulation here. The business has never netted a profit, nor has it been expected that it would for several years to come, all the revenue being expended in the still further introduction of the goods; we were looking to the future for our remuneration. But as an increase of duties would be so nearly prohibitory as to make the business unprofitable, the passage of such a law would, without benefit to any other interest, virtually wipe out of existence a business made valuable by five years of incessant labor and the expenditure of over \$90,000.

Believing that, with these facts before you, you will not allow so uncalled-for and unjust a measure to find a place in your tariff bill, I have the honor to be,

Very truly, yours,

E. D. LOWE,

President of the Cibils Company of the United States.

THE COMMITTEE ON WAYS AND MEANS.

IEWS OF TALCOTT, FRISBIE & CO.

GENTLEMEN: We respectfully urge, as the American agents for Liebig extract of beef, a reduction of present duties on said article to an amount equal to 15 per cent., and for the following, among other reasons:

First. This extract of beef has become an article of largest use among the poorer classes of our people.

Second. With the reduction of duty prayed for, it would still be undersold by imitations and American products of similar character.

Third. If the reduction asked for is made, it would inure to the benefit of the American consumer and not to the foreign producer.

Fourth. It is believed the United States Treasury would in no way suffer by such reduction, as it would be likely to result in a sufficient increase of importation to maintain the present nominal amount received as revenue on this article.

Fifth. Were there a total abolition of the present duty, and the Liebig meat extract admitted entirely free, it would, in consequence of the greater cost of its production, chemical testing, and shipping, still have to be sold in this country at a higher price than other similar products of American manufactures of any reputable and reliable character. Every reasonable commercial advantage is thus insured to the American manufacturer of meat extract.

Sixth. The Liebig meat extract is a South American product, made at Fray Bentos, Uruguay, from whence it is shipped in bulk to Antwerp, Belgium, where it is submitted to a thorough chemical test and then packed into jars, and for convenience of distribution to all parts of the world its selling agency is established in London.

Seventh. While a granting of the relief asked for does not put the Liebig Extract in unfair or unequal competition with similar American products (as its price in this market must, of necessity, still remain higher), it would reduce the price to the American consumer to the full extent of the reduction prayed for, and which reduction, it is earnestly hoped, will be granted by your committee.

Respectfully submitted,

TALCOTT, FRISBIE & CO.,
General Agents, etc., Hartford, Conn.

THE COMMITTEE ON WAYS AND MEANS.

ESSENCE OF COFFEE.

GENTLEMEN: We, the undersigned, manufacturers of essence of coffee, chicory, and other articles of a similar nature and purpose, understand that in the preparation of a new tariff law you will shortly consider the question of duties on chicory, and as the result of your deliberations on this article will be of vital importance to our business, we would ask the privilege of submitting the following for your consideration before you act finally on the question:

At the present time, and during the past several years, thousands of tons of chicory (both manufactured—packed in small packages for household consumption, and roasted—bulk, in casks and barrels), are annually imported into the United States—the importations constantly increasing in volume each year—the prices of the foreign article being sold at such prices as to wholly stop the growing and manufacturing of chicory in this country—it being impossible for the growers or manufacturers of this country to compete with the foreign competition.

Besides this, a large proportion of the foreign article, especially that manufactured and put up in small packages and a great deal of the roasted packed in bulk in casks and barrels, is largely adulterated, the adulteration consisting mainly of beet roots, roasted and ground. The German importations especially containing a large percentage of adulteration, which is made from the refuse of the beet-sugar refineries of that country.

Aside from the low duty now existing on chicory, which is so low that it is impossible for either the home grower or manufacturer to follow the business without loss, the wholesale importations of the adulterated article wholly shuts off any possibility of the developing of this industry in the United States in the future, unless some legislation is enacted that will check these fraudulent importations and a duty sufficiently high enough to warrant our farmers to grow it and our manufacturers to prepare it for consumption.

For the past several years our business of manufacturing essence of coffee, chicory, and other articles of a similar nature has been constantly decreasing, notwithstanding our prices have been so reduced that the business for the past two years has been done at an actual loss, and in the meantime the importations of the foreign goods has constantly increased in volume.

On August 31, 1889, P. C. Tomson & Co., of Philadelphia, Pa. (manufacturers, and one of the signers of this petition), wrote to the Hon. William Windom, Secretary of the United States Treasury, complaining of the importation of adulterated chicory, and in reply to this letter received from the Secretary, under date September 16, 1889, his reply "that there was no law under which he could stop this importation." The Secretary's letter is appended.

Your committee will also find on file in the State Department at Washington advices from United States Consul Andrew F. Fay, of Stettin, Germany, reporting the adulteration of chicory shipped from that port.

By a careful consideration of the foregoing we feel that you can not but see that we have no way of protection from this wrong other than by some legislation from Congress that will check this evil, for the Secretary of the Treasury informs us "there is no law that he can stop these importations," and yet on the other hand many of our States have laws enacted against the manufacture of adulterated foods, thus preventing manufacturers of the United States from making goods that could be sold in competition with the adulterated foreign article, and yet the United States Government permits the adulterated goods to come into our country, to the detriment of the agriculturist, manufacturer, and citizens at large of this country.

We can not help believing that if this matter is properly brought to the notice of your committee you will take some action towards restricting these importations, and make such recommendations to Congress as will increase the duties on chicory, so that instead of depending on foreign countries for our wants, we will grow it here, thus affording our farmers another means of utilizing some of their lands, and the manufacturers and their employes occupation.

We would therefore recommend and ask that a duty of 5 cents per pound be placed on all chicory manufactured or partly manufactured, and 3 cents per pound duty on chicory root not roasted; that the importation of adulterated chicory be prohibited by law or a duty placed on it so high that it would prohibit its importation.

The chicory industry is a very important business of some of the countries of Europe, especially of Germany, giving employment to thousands of hands in factories, besides affording farmers a valuable crop to raise, and with a duty such as we recommend this industry can be developed in the United States and the imposition on our people of the adulterated chicory stopped.

We trust the foregoing will be fully considered by your honorable committee, and that you will in making your recommendation to Congress make such recommenda-

tions in your bill that the complaints and recommendations herein set forth will be fully acted on, to the satisfaction of the undersigned manufacturers and justice to all citizens of the United States.

Yours, most respectfully,

P. C. TOMSON & Co., Philadelphia, Pa.
WEIKEL AND SMITH SPICE COMPANY,
GEO. W. WEIKEL, *President*, Philadelphia, Pa.
GEO. FLOTE'S SONS, Brooklyn, N. Y.
JEWETT AND SHERMAN COMPANY,
A. C. BRIDGES, *Treasurer*, Milwaukee, Wis.
PARRISH BROS., Baltimore, Md.

The WAYS AND MEANS COMMITTEE.

[Exhibit.]

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, D. C., September 16, 1889.

GENTLEMEN: Referring to previous correspondence in relation to your complaint of the importation of chicory adulterated with waste from beet-sugar refineries, you are informed that after an investigation of the subject it appears that there is no legal authority under which this Department can prevent such importations.

Respectfully, yours,

W. WINDOM,
Secretary.

Messrs. P. C. TOMSON & Co.,
Nos. 246 and 248 North Third Street, Philadelphia, Pa.

SUGAR OF MILK.

STATEMENT OF WILLIAM M. VAN SYCKLE.

Mr. WILLIAM M. VAN SYCKLE, of Hamburg, N. Y., addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, the several sugar-of-milk companies in the United States respectfully submit to your consideration the facts herein contained, and humbly pray that your committee, in preparing a bill to present to Congress, will place the manufactured product of sugar-of-milk on the dutiable list.

Sugar-of-milk is made from whey by evaporation at the associated creameries after the cheese is first extracted. In the practical process of manufacture less than 3 per cent. of sugar-of-milk is obtained from the total amount of whey.

There are only two countries in the world in which sugar-of-milk is made, namely, Switzerland and the United States. In the former country there are said to be nine factories. In the United States there are five factories, located respectively at Lansing, Mich., Oxford, N. Y., Burlington, Vt., Unionville, N. Y., and the factory at Hamburg, N. J.

Owing to the prevailing low prices at which the foreign article is unloaded upon the American market, the companies operating at Lansing, Oxford, and Burlington have been forced to shut down business. The company at Hamburg was the first industry of the kind established in this country. This was about six years ago. At that time sugar-of-milk wholesaled in the New York market at prices averaging nearly forty cents a pound. At the present date (December 31, 1889) the price in the same market is rated from 14 to 16 cents, figures at which no margin of profit is left to the American producer.

The great consumption of sugar of milk is of recent date. Twenty years ago there was scarcely any of it used in this country, and but very little in the whole world. It was then an article almost unknown so far as its use was concerned. In the year 1873 there were only about 2,000 pounds imported into the port of New York. The amount of importation in 1879 was not far from 54,000 pounds. The importation at the port of New York in the year 1889 was about 700,000 pounds. This amount does not include what may have been shipped to other ports. For the correctness of these figures reference is respectfully directed to the accompanying lists, which show the importations of sugar of milk for a number of years at the port of New York.

In the Medical Pharmacopœia it will be found that sugar of milk enters into some fifty-nine prescriptions. Homeopathic physicians use it as a diluent with dry medicines. Saccharated pepsin, peptonoids, and all such preparations contain about 80 per cent. milk sugar. It is largely used in the manufacture of invalid and infant foods. Added to cow's milk it makes an equivalent of mother's milk,

As stated above, the wholesale price in the American market in a few years has gone from 40 cents a pound to 15 cents. Foreign competition has done this. This great reduction in price has not benefited either the consumer or the retail purchaser. They pay the same price now as before. It benefits no one except the wholesale druggist and the manufacturing chemist.

This great reduction in price was not anticipated by the American projectors of milk-sugar factories, and if encouragement is not received by way of a protective duty, it will only be a short time before an industry of the kind will not be found on this continent.

It is a fact that milk sugar can be manufactured much cheaper in Switzerland than in the United States. Labor in that country costs scarcely nothing. The wages there are not more than 25 to 40 cents a day. For \$1,000 a whole town can be employed. Fuel also costs but very little, and much of the wood used in the making of milk sugar is stolen from the mountain sides.

With this condition of affairs the American manufacturer and laborer can not compete. As already foreshadowed, the production of milk sugar in the United States is an infant industry. It was started some six years ago. The business thus far has been one of expenditure. As yet not a dollar has been made. However, with a protective tariff placed on the foreign product, there will then unquestionably open up a profitable field for future enterprise in the business. American genius can now make as good an article as the world can produce. And there are now rivers of whey nuzzed and thrown away amply sufficient to produce all the sugar of milk that will be needed on this hemisphere.

It is a well-established principle that what we can produce ourselves we should have the exclusive manufacture of so long as it tends to the general good and welfare of the people.

It is understood to be the policy of our Government, regardless of party or condition, to foster all infant industries; and this should be doubly true in regard to the industry of sugar of milk, a business benefitting especially, the agricultural classes.

Should the proper protection on the industry be secured much of the profits realized in the business would accrue to the American farmer and laborer. Anything that tends to the use of any part of milk at factories as a matter of fact benefits cattle and milk producing communities. This can not be denied. It has been estimated that every farmer on an average supplying his milk to a creamery, where a milk sugar factory is operated, will be directly benefited fully \$30 annually.

The importations of sugar of milk the past year, if produced in this country, would have distributed among our countrymen nearly a quarter of a million of dollars under the ban of protection, whereas the Swiss producer reaped the benefits.

The American milk-sugar factory.

Cost of plant.....	\$10,000
Annual production..... pounds..	52,000
<hr/>	
Total proceeds, at 15 cents per pound.....	\$7,800
Annual operating expenses—	
Coal and wood.....	\$2,700
Labor:	
Superintendent.....	\$1,000
Fireman.....	600
Engineer.....	720
Six workmen.....	2,700
	<hr/>
	\$5,020
Whey.....	1,400
Repairs and incidentals.....	500
Interest on capital.....	500
	<hr/>
	\$10,120
<hr/>	
Net loss.....	\$2,320

Upon examination of these figures it will be seen that sugar of milk can not be made in this country without realization of profit for much less than 20 cents a pound. To properly operate a factory of the above capacity incurs fully the expenses denominated in the estimate given. The Swiss people can manufacture the product at half of this cost and still realize a goodly profit. Therefore, under such unlike conditions existing between the American milk-sugar factory and the Swiss factory there is an imperative necessity of a protective barrier in order to stop the present unfair competition by a foreign land. Such restriction on the imported articles should not be made less than from 10 to 15 cents a pound specific duty. With this amount of protection to the infant industry here sugar of milk factories would quickly multiply in the United States with a total capacity to amply supply all the demands of the market, and the home competition would safely regulate the prices at fair and honest profits.

IMPORTATION SCHEDULES.

Following is a list of importations of sugar of milk at the port of New York for the years stated herein :

1878.	October 13 cs.. 5	March 4..... cks. 4
	October 13 do.. 1	March 6..... cs.. 20
January 3..... cs.. 12	October 28 do.. 15	March 9..... do.. 17
January 12..... do.. 5	October 28 do.. 1	March 9..... do.. 36
January 18..... do.. 3	November 26 do.. 1	March 15 cks. 2
March 6..... do.. 5	December 24 do.. 1	March 20..... do.. 16
March 6..... do.. 13		March 30..... cs.. 22
June 26..... do.. 3	1881.	March 27..... cks. 2
September 9..... do.. 5	January 15..... cs.. 2	April 4..... pgs. 44
September 9..... do.. 15	January 20..... do.. 10	April 15..... cs.. 30
October 10..... pgs.. 5	January 20..... do.. 5	April 16..... cks. 5
	February 7..... pgs.. 6	April 24..... cs.. 17
1879.	February 25..... cs.. 10	May 17..... cs.. 17
March 17..... cs.. 10	April 6..... do.. 10	May 1..... do.. 16
June 19..... do.. 10	August 10..... do.. 5	May 23..... do.. 15
September 20..... do.. 6	August 31..... do.. 28	May 29..... do.. 13
October 4..... do.. 10	September 7..... do.. 4	June 12..... do.. 14
October 14..... do.. 5	September 21..... do.. 12	June 22..... do.. 17
November 25..... do.. 15	October 5..... do.. 4	June 16..... do.. 16
November 25..... do.. 15	October 5..... do.. 2	June 24..... do.. 15
	November 23..... do.. 1	August 7..... cks. 4
1880.	December 21..... do.. 5	August 7..... do.. 6
January 7..... cs.. 3		August 23..... cs.. 10
January 16..... do.. 2	1889.	September 5..... cks. 16
January 17..... do.. 3	January 7..... cs.. 10	September 5..... cs.. 12
January 2..... do.. 4	January 14..... pgs. 27	September 5..... cks. 4
February 9..... do.. 5	January 14..... do.. 46	September 25..... cs.. 21
February 19..... do.. 5	January 16..... cks. 24	October 9..... do.. 3
February 19..... do.. 10	January 22..... cs.. 20	October 30..... do.. 56
March 29..... do.. 1	January 31..... cks. 8	November 2..... cks. 6
March 1..... do.. 8	February 4..... pgs. 56	November 3..... cks. 9
April 10..... do.. 13	February 6..... cs.. 15	November 20..... do.. 9
April 9..... do.. 2	February 15..... do.. 3	December 4..... cs.. 10
June 10..... do.. 2	February 15..... do.. 20	December 9..... cks. 5
August 26..... do.. 19	February 27..... do.. 7	December 11..... cs.. 21
August 27..... do.. 1	February 27..... cks. 2	December 11..... cks. 2
August 27..... do.. 1		December 17..... do.. 10
		December 18..... cs.. 18

I desire to say that sugar of milk is a new process in this country and practically a new product upon the face of the globe. Six years ago the first that was ever made on American soil was produced. Until within the last twenty years none was manufactured anywhere in the world. It is principally used in making lacteal foods, invalids' foods, infants' foods, made from the saccharated lactine. This is imported under various names, which appear at the importation list at the port of New York. Foreign competition has forced the price down, until now it retails in New York at 14 or 16 cents, making the average price about 15 cents, a price at which it can not be manufactured in this country at all.

Now, gentlemen of the committee, to start a sugar of milk factory in this country requires a capital of about \$10,000 to properly equip a plant in order to manufacture sugar of milk successfully. At the present time there is no factory existing in the United States or anywhere else in the world that has a plant costing \$10,000. The plants now existing in the United States have been on somewhat of an experimental plan, although, sugar of milk is made here equal to anywhere else. In fact, at Hamburg this year there was manufactured about 55,000 pounds of sugar of milk. Its capacity for sugar of milk production depends upon the amount of the supply of whey from the creameries. The creameries existing throughout the United States at the present time consider whey useless, and let it run to the brook, and noise is made of it whatever. We claim that there is enough whey running to the brook which, if made into sugar of milk, would make 1,000,000 pounds of sugar of milk, which would more than supply all the demands in this country. If some tariff can be secured upon

sugar of milk then factories will start up in different parts of the United States, and we can supply the markets ourselves. Labor in Switzerland is very cheap. A man can be secured at from 25 to 40 cents a day. You can hire a whole town for \$1,000 dollars, and the wood upon the mountain sides costs them nothing. We can not run a sugar of milk factory here for nothing, nor can we hire labor at 40 cents a day.

Mr. GEAR. How many men does it take to run a sugar-of-milk factory?

Mr. VAN SYCKLE. Ten or fifteen men. They are not common laborers. They have to be skilled men, although the making of sugar of milk is not a secret industry. A description of how it is made is given in the Encyclopedia Britannica.

Mr. BAYNE. What are the average wages which you pay?

Mr. VAN SYCKLE. One thousand dollars to the foreman and \$1.50 a day to the other laborers.

Mr. BAYNE. How much sugar of milk will a gallon of whey make?

Mr. VAN SYCKLE. Three per cent.

Mr. BAYNE. Three per cent.? How much would that be in a pound?

Mr. VAN SYCKLE. I do not know how much that would be in a gallon, but not very much.

Mr. GEAR. About 4 ounces.

Mr. VAN SYCKLE. Hardly that.

Mr. BAYNE (to Mr. Gear). You know more than the manufacturer.

Mr. GEAR. He said ? per cent., so I took the weight and reduced it to ounces.

Mr. VAN SYCKLE. The process of making it does not consist simply in evaporation. It has to be crystallized.

Mr. CARLISLE. What does whey cost per gallon?

Mr. VAN SYCKLE. It costs different prices.

Mr. CARLISLE. There must be some average price, or about some average price.

Mr. VAN SYCKLE. For a large assorted creamery, milking 4,000 cows, the whey would cost \$1,200.

Mr. CARLISLE. That does not answer my question.

Mr. BAYNE. What does whey cost your company?

Mr. VAN SYCKLE. Twelve hundred dollars.

Mr. CARLISLE. You have given the amount of sugar of milk that can be extracted from a gallon of whey, and the price at which you sell us sugar of milk. My question is, What does that gallon from which you produce 4 ounces of sugar of milk cost you?

Mr. VAN SYCKLE. Three to 5 cents per hundred pounds.

Mr. CARLISLE. Three to 5 cents per hundred pounds. That would make about 3 pounds of sugar of milk.

Mr. VAN SYCKLE. A hundred pounds of whey would make 100 pounds of sugar of milk.

Mr. CARLISLE. And you get how much per pound for sugar of milk?

Mr. VAN SYCKLE. At the present time, 14 or 15 cents.

Mr. CARLISLE. Do you get that much a pound?

Mr. VAN SYCKLE. Yes, sir.

Mr. CARLISLE. Then you get 42 cents for this whey which costs 3 to 5 cents?

Mr. VAN SYCKLE. Yes, sir; not considering the cost of manufacture.

Mr. CARLISLE. Of course, I am only getting at the cost of the material of your production. You say your establishment employs ten hands?

Mr. VAN SYCKLE. It employs nine hands, I believe.

Mr. CARLISLE. How many establishments are there in the United States?

Mr. VAN SYCKLE. Five.

Mr. CARLISLE. How many hands do they all employ?

Mr. VAN SYCKLE. I do not know just the number there is employed.

Mr. CARLISLE. About the average; how much compared in size?

Mr. VAN SYCKLE. Establishments of the same capacity require the same number.

Mr. CARLISLE. Do you use the same machinery?

Mr. VAN SYCKLE. Yes, sir; and it is expensive machinery. We have engines and boilers and a great deal of tubing. The copper costs a great deal and the evaporating vats and boilers.

Mr. CARLISLE. How much did your establishment cost?

Mr. VAN SYCKLE. About \$6,000.

Mr. CARLISLE. How much sugar of milk do you make in a year?

Mr. VAN SYCKLE. Fifty-five thousand pounds.

Mr. GEAR. Do you run a creamery in connection with it?

Mr. VAN SYCKLE. Yes, sir; we have a large creamery.

Mr. GEAR. Do you run the creamery yourself?

Mr. VAN SYCKLE. The three factories at Hamburgh have a creamery representing 4,000 cows.

Mr. GEAR. Then you work up your own residuum?

Mr. VAN SYCKLE. Yes, sir; the manufacturers of sugar of milk, provided they get remunerative prices for the article manufactured, could afford to pay better prices.

Mr. BAYNE. What duty do you think should be placed on it?

Mr. VAN SYCKLE. I think it would be best not to ask for an ad valorem duty. We would like to have a specific duty of 10 or 12 cents a pound.

Mr. BAYNE. Is it used for peptonic purposes?

Mr. VAN SYCKLE. Yes, sir.

Mr. BAYNE. I guess that is the chief ingredient in these peptonized pills.

Mr. VAN SYCKLE. About 8 per cent. is sugar of milk. The public does not derive any benefit by reason of this decrease of price from 40 to 15 cents. An ounce bottle containing these pepsin lozenges retails at \$1. It contains simply an ounce, so you can see there is a big margin to the wholesale dealer if he does have to pay 40 cents a pound.

Mr. GEAR. Is there any duty on it now?

Mr. VAN SYCKLE. No, sir; none whatever. The facts are that the manufacturers of sugar of milk now will have to shut down and close up business unless a tariff is secured upon the articles, as they can not compete.

Mr. McMILLIN. What did I understand you to say you paid as wages to your hands?

Mr. VAN SYCKLE. One dollar and a half a day, and the superintendent gets \$1,000 a year.

Mr. McMILLIN. And the others get \$1.50 a day?

Mr. VAN SYCKLE. The engineer and fireman have to be paid more money.

Mr. BRECKINRIDGE. How much do you pay the engineer?

Mr. VAN SYCKLE. Seven hundred dollars a year.

Mr. BRECKINRIDGE. How much do you pay the fireman?

Mr. VAN SYCKLE. Six hundred dollars a year.

Mr. BRECKINRIDGE. And the balance you pay \$1.50 a day, except the foreman, who gets \$1,000 a year?

Mr. VAN SYCKLE. Yes, sir.

Mr. BRECKINRIDGE. You pay him \$3 a day?

Mr. VAN SYCKLE. About that a day. He gets \$1,000 a year.

Mr. BAYNE. How long has this industry been in operation in this country?

Mr. VAN SYCKLE. Six years. That is the reason it has never been on the dutiable list, as it is a new commodity. It really has not been made successful in the United States for longer than three years.

STATEMENT OF M. FLORY.

Mr. M. FLORY, of Hamburgh, N. Y., next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I do not know that I can give you any further information.

Mr. CARLISLE. Are you connected with the same factory?

Mr. FLORY. Yes, sir.

Mr. GEAR. You are a chemist?

Mr. FLORY. I am, sir.

Mr. BAYNE. What are the principal uses of swiss?

Mr. FLORY. The principal uses are for saccharated pepsin for infants' food, for invalids' food, for children, and for triturations in the homeopathic pharmacy. You can add sugar of milk to cows' milk, and you can make cows' milk resemble mothers' milk. It is equivalent to it, because the cows' milk does not contain sufficient sugar of milk; but by putting sugar of milk to the cows' milk you can make cows' milk nearly equal to mothers' milk.

Mr. BAYNE. It is medicinal chiefly?

Mr. FLORY. Yes, sir. And then it is used for invalids and for baby food. When we sold that sugar of milk first, about six years ago when we commenced, we got about 30 to 35 and 40 cents a pounds for it; but the moment the Swiss manufacturers found out that we made it here they dropped the price down, and consequently we had made our calculation that we could get along if we could get 25, 26, or 28 cents; that we could exist at that price. You know the Swiss manufacturers do not pay over 20 or 25 cents a day for labor.

Mr. BAYNE. Is their sugar of milk imported into this country pure?

Mr. FLORY. Yes, sir; some of it is adulterated.

Mr. GEAR. Do you make as good sugar of milk as that imported?

Mr. FLORY. Yes, sir; it compares very favorably.

Mr. McMILLIN. Has the tendency been downward abroad for the last ten or fifteen years?

Mr. FLORY. It is only since we commenced making it here.

Mr. McMILLIN. How is it abroad; have the prices gone down there?

Mr. FLORY. Yes, sir.

Mr. McMILLIN. You have now got a use for whey, which would be otherwise wasted?

Mr. FLORY. The demand for sugar of milk has increased the demand for whey, and every creamery utilizes the whey, which makes quite a little industry.

Mr. McMILLIN. And this has brought down the prices all over the world?

Mr. FLORY. It has gone down all over the world. The moment we stop manufacturing the price will go up. There are very few manufacturers, and they will soon combine.

Mr. BAYNE. And they could soon put the price up?

Mr. FLORY. I should not wonder.

VIEWS OF THE AMERICAN MILK SUGAR COMPANY.

BURLINGTON, VT., *February 1, 1890.*

DEAR SIR: It was the intention of the American Milk Sugar Company to have appeared before the Ways and Means Committee and asked for a hearing relative to the placing of a duty upon imported sugar of milk, but at the time that our representative should have done this, he was prevented from going to Washington by an attack of the prevailing epidemic.

As we understand that your committee has ceased to give such hearings, we beg leave to submit to the committee, through you, a statement of our reasons for desiring such a duty to be placed on this article.

We believe that this company was the first to make a success of the manufacture of the article in this country, and a brief résumé of their experience may be of interest.

In the year 1854, a few gentlemen of this city who were interested in developing improved dairy processes, employed an expert chemist to assist them. While engaged upon the line of work they were interested in the chemist's attention was called to the fact that a large amount of sugar of milk was being lost, by reason of its crude material, whey, being thrown away as of little value, at many of the cheese factories in the dairy sections of the country. This led him to investigate and experiment along the line of the manufacture of this article.

After a long series of experiments he developed a process by which the article can be made to advantage. He submitted the matter to the gentlemen who are now interested in this company, and after investigation they concluded to form a company for the special purpose of the manufacture of sugar of milk, although investigation showed them the attempt to make it had been several times made, but had always failed, often disastrously.

Owing to various unexpected hindrances no sugar of our manufacture was offered in the market until late in the year 1886. The quality was very superior, and it was preferred by the leading consumers to the best of the foreign importation. We have continued the manufacture of it from that time until the present, but we regret to say without ever getting our company on a paying financial basis. We have invested a good deal of money in plant and in experiments, but so far have been unable to make a dividend, while the stockholders have had to submit to several assessments to furnish means to continue the business, else by giving it up they would have lost what had been invested in the plant.

The reason of this is the fact, as shown on statement herewith submitted, that as soon as our make made its appearance on the market, the price of the foreign article was immediately reduced, so that from selling at 28 cents in July, 1885, and at 26 cents in July, 1886, it was steadily reduced until in July, 1889, it was selling in the New York market at 15 cents per pound, at which price it still remains. The agents of the foreign makers assert that this is below cost of production, but they no doubt believe that by keeping the price down a sufficient length of time, the manufacture in this country will be abandoned, and then the price can be advanced again to the old figures.

If it were not for foreign competition, there is no question but that we should be able to supply all the milk sugar required in this country. We believe that we are entitled to a rate of duty that will prevent foreign manufacturers from throwing their surplus stock upon our markets, and which will enable us to continue our business to a successful issue. This company assures you that if it can receive the protection requested, it can make this industry a source of profit to the great dairy interests of the country, as it will dispose of, at a fair price, a large quantity of the raw material, whey, which now runs to waste, or is used for feeding purposes at a very low rate of value.

We therefore earnestly request that a tariff of 10 cents per pound be placed upon milk sugar.

We beg to call your attention to a pamphlet containing a series of reports from the consular officers of the United States in Switzerland, relative to the manufacture of the article in that country. This pamphlet is Executive Document No. 188 of the House of Representatives of the Forty-ninth Congress, and was transmitted by President Cleveland to the House on April 21, 1886.

In this report Hon. T. F. Bayard, then Secretary of State, said: "The manufacturing of this product is not at present pursued to any extent in the United States, though the large and valuable dairy interests would seem to offer an opening for its introduction, an end which may be attained by these reports describing so minutely the details of the process. In thus directing public attention to this industry the Government will be performing a function legitimately belonging to it, seeking to extend and promote the industries of the United States without offering, directly or indirectly, to maintain this new manufacture to the profit of one part of the community and at the expense of the other part. The product and maintenance of the industry properly belong to private capital and individual enterprise."

It is evident that the honorable Secretary saw in this an opportunity to foster and build up an industry as yet undeveloped in this country, and that it was a case in which the application of the American principle of protection to new industries in their beginnings was greatly needed.

We trust, dear sir, that you will lay this matter before your committee, and that they will consider it fully in its bearing, both upon the dairy industries of the country in giving additional value to their products and also in the way of building up a new manufacturing industry which will supply a product of American manufacture which hitherto has been wholly of foreign make.

We want 10 cents per pound for duty in order to make a success of this industry which, until now, has been a failure in this country.

Should you desire further information we will be very happy to furnish it.

Respectfully yours,

A. E. RICHARDSON

President American Milk Sugar Company.

HON. WILLIAM MCKINLEY, JR.,

Chairman Committee on Ways and Means.

ADDITIONAL STATEMENT.

BURLINGTON, VT., February 11, 1890.

DEAR SIR: General T. S. Peck, one of our directors, has just returned from a visit to Washington, and he reports that he had an interview with you there in regard to the subject of our former letter, *i. e.*, placing a duty on imported milk sugar; also that he was present at a meeting of several members of the House Committee of Ways and Means, in your room, where he was asked to explain the uses of milk sugar. As he could answer only in part, at his suggestion we submit the following:

The uses of milk sugar are constantly increasing, and its consumption will undoubtedly be a growing one. We would refer you to the special document relating to milk sugar, of which we believe you have a copy, it being Ex. Doc. No. 188 of the House of Representatives of the Forty-ninth Congress. On page 8 of that pamphlet you will have a full description of the uses of milk sugar up to that time. Its use in homeopathic pharmacy still continues to be one of the largest items of consumption, as it is the basis of all their pellets, powders, triturates, etc. It is also being used to a large extent in regular pharmacy for the production of the new preparations known as "saturated lactates," "compressed tablet triturates," and "powdered triturates." In addition to this, it has, as ever, a large use in pharmacy as an article used in prescriptions for various purposes. Another growing item of consumption is its use in infant foods. You will see this alluded to on page 9 of the document above referred to, where it is spoken of as follows:

"As yet, owing to its comparatively high price, sugar of milk has been little used to replace ordinary cane sugar in the nourishment of young children, notwithstanding its advantage over the latter as a corrective for troubles of the digestive organs."

Physicians are becoming aware of the above fact, and are prescribing the class of foods containing the milk sugar, to a very large extent, and also recommending its use by itself.

We know of no use for the article where it could not readily bear a price that would give a fair return for the labor and capital put into its manufacture.

Trusting that our request may meet with such favor at the hands of your committee that you will recommend the protection asked for, and that we may be

permitted to continue the development of an industry which, although new in this country, bids fair to increase the value of the dairy product by utilizing the whey now comparatively worthless, I am,

Very sincerely yours,

A. E. RICHARDSON,
President American Milk Sugar Company.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

NEW YORK, January 17, 1890.

The annexed list of prices of powdered sugar of milk for the past four years are furnished by Stallman & Fulton, of New York, importers of drugs.

	Cents.		Cents.		Cents.
January 1, 1886.....	27	January 1, 1889.....	16	July 1, 1887.....	17
January 1, 1887.....	20	January 1, 1890.....	15	July 1, 1888.....	16
January 1, 1888.....	16	July 1, 1886.....	26	July 1, 1889.....	15

CONDENSED MILK.

VIEWS OF THE ANGLO-SWISS COMPANY.

NEW YORK, January 16, 1890.

SIR: We beg to respectfully request that in your committee's tariff investigations the question of duty on condensed milk receive due consideration.

While this company, as you will see from our letter heading, is organized under the laws of Switzerland, it was established by American citizens, has been and is managed by American citizens, who are the largest share-holders.

This company has invested in buildings, machinery, and apparatus in the States of New York and Illinois about \$600,000.

The company employs in this country about three hundred laborers, and has facilities already provided for employing eight hundred.

The business closely touches farming interests as well as railway traffic in the transportation of large quantities of materials, sugar, tin plates, and coal, as well as the product itself. This company believes in American-made condensed milk for Americans. The present duty on condensed milk levied by the principal foreign countries is, reducing foreign moneys to dollars, about as follows:

Russia, per 100 pounds.....	\$19.39	Canada, 35 per cent. ad valorem,	
Spain, per 100 pounds.....	9 21	plus 1½ cents per pound, equals	
German Zollverein, per 100 pounds	7. 62	per 100 pounds.....	\$2. 91
Italy, per 100 pounds.....	7. 62	France, per 100 pounds.....	2. 78
Austria, per 100 pounds.....	4. 93	Belgium, per 100 pounds.....	2. 24
Holland, per 100 pounds.....	4. 69	South Australia, per 100 pounds..	2. 03
Queensland, Australia, per 100		New South Wales, Australia, per	
pounds.....	4. 06	100 pounds.....	2. 03
Victoria, Australia, per 100 pounds	4. 06		

The American duty is 20 per cent. ad valorem, equaling an average, at varying market prices, of about \$1.75 per 100 pounds.

It will be seen from the foregoing that American producers of condensed milk are practically excluded from the thirteen foreign markets named, hence the greater importance that the American market be preserved to American manufacturers.

Barring undervaluations, foreign manufacturers can send condensed milk to this country sometimes getting their money back and sometimes realizing a slight profit, but they are always able to pay the 20 per cent. duty, making the American field of demand serve as a convenient dumping ground for their surplus stocks.

By means of undervaluation, means liable to be resorted to as long as ad valorem duty is the rule, the foreign producer can send condensed milk to this country, pay 20 per cent. duty, and reap a percentage of profit more or less satisfying to foreign capital.

No class of goods is better suited to the application of specific duty than condensed milk. Condensed milk, unlike other articles, is not subject to grades of value; it is either good and perfect, or worthless; there is no half-way quality.

Condensed milk is put up in all countries where produced in cans containing even pounds net milk.

We would be pleased to see the duty made exclusively specific instead of ad valorem. We respectfully suggest that a specific duty be fixed at 3 cents per pound, reckoned on the net product exclusive of the tin cans, as well as packing cases.

There need be no fear that an advance of duty will increase the price of these goods to the consumer, for the reason that competition among home manufacturers is already excessive, milk condensing being already one of the most overdone businesses in the United States, as well as in Europe.

The chief materials for canned preserved milk are fresh milk, the best grade of refined sugar, and tin-plates. This brings us to the question of duty on tin-plates.

We hold that the present tin-plate duty is neither one thing nor another. The present duty does not encourage the manufacture of plates in this country, therefore, in our opinion, the duty should be either entirely removed or be doubled.

While we make use in our industry of enormous quantities of tin-plate, if it be thought that doubling the duty will encourage the manufacture of plates in this country we are not opposed to doubling the tin-plate duty, provided the duty on condensed milk be advanced from 20 per cent. ad valorem to 3 cents per pound specific. Doubling the duty on tin-plate would increase the cost of production of condensed milk to the extent of only about the tenth part of 1 cent per pound.

Very respectfully,

ANGLO-SWISS CONDENSED MILK COMPANY,
GEORGE H. PAGE,
General Manager.

HON. WILLIAM MCKINLEY, JR.,
Chairman Committee on Ways and Means.

MEMORIAL FROM THE NEW YORK COMPANY.

The New York Condensed Milk Company petition Congress to amend the existing laws relating to the allowance of drawback on exports of domestic manufactures, under sections 3019 and 3020 of the Revised Statutes, and section 2502, Schedule N, of act March 3, 1883, and to allow a drawback equal to the duties paid on the imported sugar used in preserving condensed milk prepared and packed by them for export. That the amendment asked for would be in accord with the act of March 3, 1883, section 2502, Schedule N, which provides that "exporters of meats, whether packed or smoked, which have been cured in the United States with imported salt, shall, upon satisfactory proof, under such regulations as the Secretary of the Treasury shall prescribe that such meats have been cured with imported salt, have refunded to them from the Treasury the duties paid on the salt so used in curing such exported meats."

The petitioners represent that the foreign demand for this article of food in such countries as China, Japan, Australia, and Central America is constantly on the increase, and, with the duties paid on the imported sugar so used being refunded by way of a drawback on export, it would enable them to successfully compete with European countries, which are now using every effort to supply and control the markets of the countries already named, with the advantage on their side of cheaper sugar, cheaper labor, and cheaper transportation.

The petitioners further represent that the enactment to amend the existing drawback laws as asked for in this petition would be doing but simple justice to American enterprise with a view to induce and encourage exports of American industry.

The duties paid on the sugar thus used operate under the present state of affairs as an export tax, which in principle, at least, is unconstitutional and against the best interests of the country.

England and Switzerland at the present day send condensed milk to the United States, to Central America, China, Japan, and Australia, and notwithstanding the disadvantages we have to contend with against our rivals, our goods are sought for in those countries on account of their superior quality.

It therefore only remains with Congress to refund the duties we have to pay on the sugar used in our business, and our export trade will grow rapidly in the foreign markets, now ready to receive our goods.

Respectfully submitted,

NEW YORK CONDENSED MILK COMPANY,
WM. J. ROGERS, *Secretary.*

VIEWS OF S. L. DOWS.

SIoux CITY, IOWA, *January 10, 1890.*

DEAR FRIEND: Yours received. In reply would say that we have in central Iowa what I believe is acknowledged to be one of the best dairy countries in the world.

The grasses are of such a quality as to produce the richest and best of milk, and the manufacture of condensed milk should be one of the great manufacturing industries of central Iowa: but on account of the high price of sugar, also of tin, we are not able to compete with goods manufactured in Switzerland and shipped to this country.

In each case of 48 cans weighing 1 pound each we use from 18 to 22 pounds of best granulated sugar, depending somewhat upon the time of year that the milk is manufactured. We manufacture our cans, which takes about a box of tin weighing 160 pounds to make 500 cans.

The capacity of our factory at Cedar Rapids is 150 cases, or 7,200 cans, per day. The daily consumption of tin was about 14 boxes, and the daily consumption of sugar about 3,000 pounds, or an average the year round of 20 pounds to the case.

At the cost of milk at 90 cents per 100 pounds and sugar at 8 cents, and cans at an average cost of $1\frac{1}{2}$ cents each, and the cases 10 cents each, would bring the cost of a case of milk in Iowa at about \$4.

To compete with foreign milk we ought to be able to lay down a case of milk in New York at \$3.50, which figures 50 cents on cost and 35 cents on freight, making 85 cents against our manufacture.

We think with the duty off sugar and tin that we could compete with the world in the manufacture of these goods.

Yours, truly,

S. L. Dows.

Hon. JOHN H. GEAR,
Washington, D. C.

MR. WEDDERBURN'S FIGURES CORRECTED. (See *ante* p. 910).

In reference to the comparative tables furnished by Mr. Wedderburn touching the value of farm lands, Mr. La Follette furnished the following:

Mr. Chairman, in view of the statements made by Mr. Wedderburn in his paper dated January 27, 1890, I wish to call the attention of the committee to these facts, which will very materially change the results of his calculations.

From the total number of acres in the States he names, and the value as returned in 1869 for the reports of 1870, he figures out the value of the land per acre at just \$50.35; and in the same way for the years of 1879 and 1880, makes the value of the land per acre for the same States \$41.24. He gives from the same sources the total value of the land for 1870 as \$3,154,030,197; for 1880 as \$2,803,443,402, thus showing a decrease in value of \$355,586,795. He gives also from the same sources the total value of farm products from the reports of 1870 for these nine States as \$869,793,467, and of 1880 as \$603,917,363, thus showing a decrease in value of farm products of \$175,876,104.

Now, the currency in which the value was returned for the reports of 1870 was, in 1869, the year the return was made, worth but seventy-two cents to the dollar. Reducing the gentleman's figures to the same basis as the years with which he makes his comparisons, it discloses that the land was worth in 1869 (1870 reports) but \$36.25 per acre, instead of \$50.35; and that instead of decreasing in value from 1870 to 1880, or more accurately from 1869 to 1879, \$9.11 as he gives it, the lands *increased* in value from \$36.25 per acre, to \$41.24 per acre. Subjecting his other figures to the same tests, I find that instead of farm values in these States having decreased \$175,876,104 from 1870 to 1880, that they increased \$532,542,641; and that instead of the value of farm produce in these States having decreased in that period \$355,586,795, that there was an actual increase of \$67,666,067.

Further comment, I think, Mr. Chairman, is unnecessary.

RICE.

STATEMENT OF JOHN SCREVEN.

Mr. JOHN SCREVEN, of Savannah, Ga., addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I desire as much as possible to refrain from intruding upon the patience and consideration of the committee. But the rice industry is one of great importance in the South. It runs *pari passu* with sugar and cotton. It is therefore entitled to a fair and just explanation of its needs. I have in my hand here a report which was drawn up by a committee of the Rice Association of Savannah, Ga., which has gone very fully and carefully into an explanation of the conditions attached to the rice industry, and explaining fully what its requirements are. This statement, gentlemen, is the more necessary because we of the South who are producers of rice have been somewhat alarmed by the constant declaration that the rice duty is too excessive.

I propose Mr. Chairman, before we get through with these proceedings to show, so far from the rice duty being excessive, that it is only so in sound, and that it ought in fact, in all fairness, to be raised. I do not presume to ask that, gentlemen, because I do not presume that it would possibly be allowed.

I should state, Mr. Chairman, in the outset that the statistics which I will take the liberty to read to the committee contained in this report will not conform, so far as the production of rice is concerned, to the statistics that may be derived from the Agricultural Department or from the Census. The sources of information of both Departments, if I may so express it, are quite different from those contained in this pamphlet. Those contained here are statistics which are derived from a strict examination of the sources, derived from the boards of trade, from the exchanges which form a basis for all commercial transactions of the merchants of this country in regard to rice. I wish that statement to be clearly understood, Mr. Chairman, because it has been a subject of some confusion. So far as the statement of the foreign market is concerned and the amount imported into this country, all those facts are derived from Government reports, and I think will be found to be correct throughout.

Now, Mr. Chairman, there are three distinctive periods in the history of the rice industry in the United States. First, from its introduction into South Carolina, late in the seventeenth century, down to 1861; second, from 1861 to 1866, both inclusive; third, from 1866 to July, 1881.

Anterior to 1720, there are no data to be found as to the amount of the production of this grain, but the export of rice from South Carolina, from 1720 to 1729, inclusive, was 264,788 barrels of 325 pounds each, or 86,056,100 pounds. This would be equivalent to an average annual export, for the period embracing nine years, of 9,795,777 pounds. McCullough's Dictionary of Commerce and Navigation states the production of rice in America in 1724 at 18,000 tierces, or 10,800,000 pounds, an amount so near the average annual exportation of the nine years just mentioned, which include 1724, that it is probable production is in this instance confounded with exportation.

In 1728 and 1729 the export of rice from the port of Charleston was 32,384 barrels of 400 pounds each, or 13,147,600 pounds; and in the period from November 1, 1770, to October 10, 1771, 130,500 barrels, or 52,200,000 pounds. Of the latter, showing the direction of exportation, 103,630 barrels were shipped to Great Britain and the British West India Islands. The remainder was exported to Portugal, Spain, Italy, and to ports on this continent. From November 1, 1772, to August 2, 1773, there were exported from Charleston 112,649 barrels, and from all South Carolina ports, of the crop of 1773, 125,076 barrels.

It appears that in 1770 there were exported "from the colonies" 150,529 barrels, or 60,211,600 pounds, showing that about 20,000 barrels, or 8,000,000 pounds, were exported from other than South Carolina ports. It is probable that the colony of Georgia, then in vigorous growth, chiefly assisted the increase in production.

From the year 1773 down to 1791, a period mainly covered by the Revolutionary war, there are no statistics of production or of exportation, but in the latter year there was exported from the United States 96,980 tierces of 600 pounds each, or 58,368,000 pounds. The following year, 1792, the export sprang up to 141,762 tierces, or 85,057,200 pounds.

The following table shows the export of rice from the United States, beginning with 1791 and continued by decades to 1830, inclusive :

Years.	Tierces.	Pounds.
1791.....	96,980	58,268,000
1800.....	112,056	67,233,600
1810.....	131,341	78,804,600
1820.....	71,663	42,997,800
1830.....	130,697	78,418,200

Beginning with 1840, the statistics, until then wanting in positive data as to production, become more instructive as they become more complete. The following table exhibits the production, export, and home consumption in the decades stated :

Year.	Production.	Export.	Home consumption.
	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>
1840.....	80,841,422	60,996,000	19,845,422
1850.....	215,313,097	68,000,000	147,313,097
1860.....	187,167,032	75,373,000	111,794,032

In the first of these years, the export was 75 per cent. ; in the second, 31 per cent. in the third, 40 per cent. of the production. With the year 1860 ended the first period of the American rice industry, which was distinctive in the absence of the importation of foreign rice, in maximum home production, in low prices, and in exportation, which controlled the markets of foreign countries and made them large contributors to American prosperity and wealth.

The second period began in 1861 and ended in 1866, with characteristics the reverse of those which distinguished the first period. In 1860 there was no import of foreign rice, and the export of domestic rice reached to 75,373,000 pounds; but in 1861, the first year of the Confederate war, there were imported 148,550 pounds, and there were exported only 39,683,000 pounds. The blockade of the Southern ports was begun in the spring of 1861, and from this time the Government record of domestic rice could have been partial only, and therefore affords no criterion of the amount of production, or of the capacity of the country to export for that year. But the following year, 1862, the statistics are decisive. Domestic production and consumption of the domestic product were both exclusively confined to the Southern States, and the Government statistics show that, in 1862 there were imported 56,961,317 pounds of foreign rice, and that there were exported only 3,552,000 pounds, the latter being doubtless foreign rice, reshipped for lack of a market.

The following table will show the status of American production and commerce in rice for the second period:

Year.	Production.	Import.	Export.
	<i>Pounds.</i>	<i>Pounds.</i>	<i>Pounds.</i>
1860-'61.....	148,550	39,683,000	
1861-'62.....	56,961,317	3,552,000	
1862-'63.....	61,196,790	1,360,000	
1863-'64.....	99,601,447	1,632,000	
1864-'65.....	11,592,600	44,581,519	718,500
1865-'66.....	12,206,720	75,514,064	703,711

The crops of 1861, 1862, and 1863 were wholly lost to the Union. Hence the consumption in the Northern and Western States was limited to foreign rice, and exportation for these years from American ports was exclusively of foreign rice laid down in bond. Despite the crop of 1865-'66, 12,206,720 pounds, the importation of foreign rice in 1866 reached 75,514,064 pounds, or about 10,000,000 pounds more than the average annual importation of the four previous years.

This, the second period of the American rice industry, is distinctive as the period of maximum prices, in which importation took the place of domestic production, and foreign rice practically monopolized the American market.

The prices of rice in the New York market, per pound, were as follows in the months of January and July of this period:

	1861.	1862.	1863.	1864.	1865.	1866.
January.						
Carolina.....	23 3/4	74 7/8	.....	.....	.....	12 1/2-13 1/4
Rangoon.....	47 5/8	71 7/8	71 7/8	8 - 8 1/4	13 1/2-13 3/4	9 - 10 1/4
Patna.....	.....	71 7/8	71 7/8	7 1/2-8	.....	.....
Para.....	.....	8 8 1/2	8 8 1/2	8 1/4-8 1/2	14 - 14 1/2	.....
July.						
Carolina.....	3 1/2-6 1/2	67 7/8	9 9 1/2	.....	9 1/2-10 1/2	13 - 13 1/2
Rangoon.....	.....	41 5/8	81 8 1/2	11-11 1/2	9 - 9 1/2	9 1/2-10
Patna.....	.....	35 5/8	8 8 1/2	11-11 1/2	.....	.....
Para.....	.....	.....	.....	12-12 1/2	.....	.....

The prices from 1862 onward were war prices, peculiarly the result of armed conflict between interdependent sections of the same country, one of which no longer supplied the other with a domestic, now supplanted by a foreign product, commanding prices limited only by the necessities of the consumers and their ability to purchase. Under the condition of war, rice becomes very largely an article of hospital consumption. Hence, in the years when the armies of the United States were most numerous and most active, the consumption of rice was the largest. In 1863 the consumption was 60,836,700 pounds. In 1864 it reached 98,059,447 pounds, or only 3,735,555 pounds less than the whole consumption of the United States in 1860, when they were at peace.

The third distinctive period of the American rice industry commenced in 1866. The following table epitomizes the history of the domestic production, foreign importation, and consumption of rice in the United States in this period. It embraces the import from the Hawaiian Islands duty free, and that of "granulated rice," which bears a duty of 20 per cent. ad valorem.

Table showing domestic production, importation, exportation, and consumption of rice.

Years.	Domestic production.	Domestic rice exported.	Domestic rice consumed.	Foreign rice imported.	Foreign rice exported.	Foreign rice consumed.	Total consumption.
	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.
1865-'66	11,592,600	639,080	10,953,520	60,407,756	7,998,996	52,408,760	63,362,280
1866-'67	12,206,729	2,212,901	9,993,819	75,514,064	8,646,060	66,858,004	76,851,823
1867-'68	14,692,620	1,394,007	13,298,593	44,782,223	4,676,022	40,106,141	53,314,734
1868-'69	26,730,200	3,074,043	23,716,157	59,140,707	11,908,953	47,231,754	70,947,911
1869-'70	53,937,000	2,232,833	51,704,167	53,065,194	8,868,664	44,196,530	95,900,697
1870-'71	47,348,000	2,133,014	45,214,986	43,123,939	15,212,823	27,911,106	73,126,092
1871-'72	39,625,990	445,842	39,180,148	61,655,820	10,212,920	51,442,900	83,623,048
1872-'73	52,634,400	403,835	52,230,565	74,642,631	12,251,959	62,390,672	114,621,237
1873-'74	62,900,380	276,637	62,623,743	83,755,225	20,202,774	63,552,451	126,176,194
1874-'75	68,241,400	558,922	67,682,478	73,257,716	25,840,877	47,416,839	115,099,317
1875-'76	72,360,800	277,357	72,083,443	59,414,744	12,352,330	47,062,414	119,145,857
1876-'77	81,391,800	439,991	80,951,809	71,561,852	16,610,614	54,951,238	135,903,047
1877-'78	77,240,400	1,306,982	75,933,418	64,013,064	14,483,645	49,529,419	125,462,837
1878-'79	84,739,200	631,105	84,108,095	47,489,878	9,656,593	37,833,285	121,941,380
1879-'80	86,996,800	178,534	86,818,266	57,364,848	8,793,395	48,571,453	135,389,719
1880-'81	117,766,000	150,451	117,615,549	68,739,409	10,419,867	57,919,542	175,535,691
1881-'82	95,512,800	143,289	95,069,511	79,412,841	6,855,056	72,657,785	167,727,296
1882-'83	107,171,125	186,140	106,984,985	96,673,080	2,312,068	94,361,012	201,345,997
1883-'84	107,080,670	163,519	106,923,111	106,630,523	10,146,154	96,484,369	203,407,480
1884-'85	108,128,760	168,827	107,959,833	81,077,410	8,630,960	72,446,550	180,406,383
1885-'86	151,102,920	256,311	150,846,609	97,582,353	6,591,000	91,391,263	242,239,872
1886-'87	135,797,060	644,384	135,063,476	93,950,357	4,858,769	89,111,590	244,175,060
1887-'88	139,100,463	398,535	139,100,463	152,361,205	3,398,122	147,963,063	287,063,548
1888-'89	137,285,600	457,206	136,808,394	186,243,406	8,303,904	177,949,531	314,768,835

NOTE. Both 1887-'88 and 1888-'89 were years of great floods, hence the decrease in the domestic production.

In the first year of the third period (1865-'66) the domestic production was 11,592,600 pounds, and the foreign rice imported 60,407,756 pounds. As early as the fifth year, the domestic production had swelled to 53,937,000 pounds, showing an increase of nearly 355 per cent., indeed overlapping the foreign importation; but still the gross

importation (292,909,944 pounds) in the first five years exceeded the gross domestic production (119,129,120 pounds) 183,780,824 pounds.

It is remarkable, that in these first five years the exportation of domestic rice was greater than in any subsequent years.

In the ten years beginning with the crop of 1869-70 and ending with that of 1878-79, the domestic product was 640,419,370 pounds and the foreign import 634,930,063 pounds, clearly showing, that the duty (2½ cents per pound) was so adjusted as that foreign rice could be imported without embarrassment to supply any deficiency in the domestic crop. In the period of eight years from 1879-80 to 1886-87, the domestic product has been 929,472,095 pounds and the foreign import 651,710,821 pounds, showing an increase in the latter period of eight years as compared with the previous period of ten years of 46 per cent. in the domestic product and of 7 per cent. in the foreign import.

The consumption in the former period averaged, say, 112,000,000 pounds and in the latter 195,000,000 pounds per annum. In 1869-70 it was 70,947,911 pounds, in 1879-80, 135,389,710 pounds, and in 1886-87, 244,175,060 pounds.

Of the gross consumption in 1886-87, the domestic rice consumed was 155,063,476 pounds and the foreign import consumed was 89,111,590 pounds. The latter was the largest amount of foreign rice consumed in any one year in twenty-two successive years, with the exception of 1882-83, 1883-84, and 1885-86. In the second year just mentioned, the consumption of the foreign import reached 96,484,369 pounds, or about double the amount consumed in 1879-80. In 1887-88, the consumption reached 147,963,083, and in 1888-89 177,940,531, nearly doubling the consumption of the foreign import in two years, and exceeding the domestic crop about 64,000,000 pounds.

These facts show conclusively that the consumption of the foreign import has greatly increased, though not in the same volume as that of the domestic product; but it is clear, that at no time since 1866 has the duty been so onerous as to impede the demand for foreign rice or to prevent its liberal importation, while a large surplus is always in bond in the United States custom-houses held against any exigencies of the market and decisively restricting the price of American rice. These causes of repression would be more potential were foreign commonly equal in quality to American rice, and did not the marked increase in domestic production strengthen the competitive forces in American markets.

Holding in view these prominent facts, it may be now considered whether the protection given to the domestic rice industry by the present import duty may be justly maintained.

It has been seen that the domestic production increased 130 per cent. in twenty years, from 1840 to 1860. During this period, the duty on foreign rice was 20 per cent. ad valorem.

This, Mr. Chairman, will tend to show the error which was stated in the House of Representatives during the last session, that the amount of rice produced in the United States at that time was double what it was before the war. It was quite the contrary. Before the war it was double what it is now.

Mr. GEAR. Yes, the production was double what it is now.

Mr. SCREVEN. Yes, sir.

Mr. GEAR. What was the duty on that prior to the war?

Mr. SCREVEN. Twenty per cent. part of the time.

Mr. GEAR. And 15 per cent. part of the time?

Mr. SCREVEN. Yes, sir.

Mr. GEAR. And 10 per cent. at the opening of the war.

Mr. SCREVEN. Yes, sir; and I wish to call the attention of the committee particularly to the fact that that duty was entirely perfunctory. We exported nearly as much rice as we consumed.

Mr. GEAR. That was because we had an excess in the South?

Mr. SCREVEN. Yes, sir.

Mr. GEAR. The high price was incident to the depreciation of paper?

Mr. SCREVEN. No, sir. If you make the calculation you can find out. I am not prepared to make it just now.

Mr. GEAR. Yes, paper was depreciated then.

In all the rice-producing division of the country slave labor was then employed, and no foreign rice was imported. Quite contrary to present experience, when so little domestic rice is exported as to be inappreciable in the marketing of the crops; more than 147,000,000 pounds were exported in 1850, and 112,000,000 pounds in 1860. In the former year, the average price of rice in the New York market was \$3.18½, and in the latter year \$4.20 per 100 pounds. The average price of the whole period from 1850 to 1860 was materially increased by the great storm of 1854, which swept away the greater part of the crop of that year, and by the draught made on the labor of the South Atlantic States by emigration to the West and Southwest. But it may be stated, as an evidence of the cheapness of production not long anterior to this period,

that in January, 1843, prime rice sold in the Savannah market for \$1.50 to \$1.75 per 100 pounds.

These minimum prices represented about one-third more than the sheer cost of production with slave labor before the late war between the States. The per diem of slave labor did not much, if at all, exceed 20 cents, and on this basis the cost of cultivating rice was about \$1.10 per 100 pounds.

Comparing these data, ascertained as nearly as possible for the same period and for the same industry in China, the great competitor with the American producer, it is found that in 1847 the wages of a Chinese field laborer were about 14 cents a day. He could live for about \$2 to \$2.50 per month, including clothes and rent, or from 7.6 to 9.3 cents per diem for twenty-six working days. We learn from the same authority that rice was worth about 9 mills per pound, or 90 cents per 100 pounds.

In view of these facts alone, it is evident that if American rice was produced at \$1.10 per 100 pounds, Chinese rice could not have been profitably brought into the United States, even if relieved of the then subsisting import tax of 20 per cent. ad valorem.

The result was a monopoly to the American producer, not only in the home, but practically in the European and West India markets, where the American staple predominated. This commanding position gave the American producer greater and more assured profit than is now possible with free labor, even with the advantage of a heavier import duty on foreign rice.

In the period between 1840 and 1860, the duty on foreign rice was absolutely needless as a protection to the American producer, and valueless as a source of revenue to the Government. The former was wholly independent of protection to an industry maintained by labor in cheapness second to that of Asia only, and in effectiveness unsurpassed. He was in a position to defy competition, and triumphantly met the almost free importation of East India rice, even in the English markets. He pointed to his fields as unexcelled examples of industry, skill, and profit. Holding the same rank with the American cotton producer, and moving *pari passu* with him in the commerce of the civilized world, protection was as unnecessary to him as it was useless to the Government. To have called the duty protection would have been absurd; it was, in fact, merely supererogatory.

But, in 1862, the importation of foreign rice was 56,961,317 pounds. Except for the internal supply of the Southern States, the cultivation of rice was then rapidly diminishing. The rice fields, which lay chiefly in the great tidal deltas, the first to be reached in the military operations against the South, were soon laid waste or abandoned. The planters retreated with their slaves into the interior. The result was, that in 1865, the crop had dwindled from 187,000,000 pounds in 1860, with an exportation of 75,000,000 pounds, to 12,000,000 pounds production, with an importation of 45,000,000 pounds! Indeed, the importation for 1864 was nearly 100,000,000 pounds, and the production nought! In short, Asiatic rice had taken entire possession of the American markets, except within the Confederate military lines, and at this time, despite the immense volume of importation, the prices in the New York market ranged as high as from \$12.00 to \$14.50, and in some exceptional instances to \$17.00 per 100 pounds.

The duty on cleaned rice had been raised in 1862 to 1½ cents per pound. In 1864 it was again increased to 2½ cents per pound. It was reduced to 2¼ cents under the recommendation of the Tariff Commission.

Mr. GEAR. Was that done purely as a revenue measure to raise money?

Mr. SCREVEN. It was for revenue. It was a war tax. This duty was imposed in time of war, but why may it not be continued in time of peace? In time of war it was contributory to the cost of the war, but it was also a tax on a foreign monopoly. In time of peace, it remains a tax on a foreign imported commodity, undiminished in volume and contributory to the maintenance of the Government, while it is a necessary prevention against the re-establishment of a foreign monopoly, and a protection alike to the American producer and consumer.

The conditions surrounding the American producer have changed wholly since the imposition of the high duty on foreign rice. In 1865 the American rice crop was, say, 12,000,000 pounds, about equal to the crops in the early history of the culture, say from 1725 to 1730. The industry had been remanded to its infancy. The planters had returned to their estates, to find buildings, machinery, and implements destroyed; the appliances of a wonderful system of irrigation and drainage mutilated or wrecked; the long abandoned fields grown up in tangled wilds of brush, vines, and trees; the once disciplined and supremely efficient labor of the country turned into a mob, stolid when not outrageous, but rapt in the delusion of race supremacy, and credulous, that emancipation meant unbridled license or easy indolence.

It should be no marvel that the great majority of the planters recoiled from an industry which seemed only a desperate adventure. A few who undertook the work of recuperation, succeeded at the risk of the little capital or credit left to them, and often at the peril of life itself. Many failed. None so wretchedly as those who

were unfamiliar with a culture demanding peculiar experience and skill, or who were unable to adapt themselves successfully to the new régime of labor, and to the unexpected character of employes, who had yet to learn the severe lesson of quickly earned and untried liberty.

In short, relegated to its earliest historical conditions, the rice industry of the South was practically commenced anew, and if it had any encouragement at all, it was in the protection afforded by the import tax on foreign rice. This was equivalent to giving the home producer a start of, say, 80 per cent. ad valorem in the home markets against the foreign grain delivered duty paid. But even with this advantage, while the prices glittered, they were not necessarily profitable. The crops were cultivated for many years at extraordinary cost and at great hazard. These embarrassments were diminished in process of time, and meanwhile, as labor became more efficient and less costly, and the consumption of rice increased, so the area of cultivation and the production expanded. But at no time since 1865 could rice have been cultivated, as a staple product, without the protection afforded by the import duty on the foreign grain.

Since the emancipation of the slaves the cost of agricultural labor in the South has been greatly increased. In the rice districts of the Carolinas and Georgia field labor ranges from 40 to 60 cents, and the best expert (not mechanical) labor to \$1 per diem—this without the efficiency to be expected from free labor. The laborers frequently refuse to undertake tasks, easy under a sterner system and essential to nice cultivation. A day's labor is commonly reduced to six hours instead of ten. For such reasons great waste attends the harvest, which, from the peculiar conditions required in curing this grain, do not as yet, despite the efforts of invention, admit the horse reaper, and are still conducted with the sickle. The consequences of these embarrassments are reduced production and, commonly, minimum crops. Added to these are the disastrous storms which sweep over the tidal deltas on which the most extensive and most productive plantations are found. As an example of the destructiveness of these great convulsions, the storm of the 27th of August, 1881, laid waste from 40 to 50 per cent. of the rice crop on the coasts of South Carolina and Georgia, besides mutilating the plantations and destroying buildings, implements, live stock, and many lives. In some instances, indeed, the crops were annihilated and the planters were compelled to abandon their property. Storms of such extreme destructiveness seldom happen more than once in a generation, but their ravages are appalling, and their effects upon the property and fortunes of the sufferers, if not absolutely ruinous, may be protracted through many years. Storms of less violence occur, however, at much nearer intervals, and despite protectives against them, erected at extraordinary outlay, they sometimes inflict losses sufficient to cancel far more than the profits of a crop.

In 1885 the inland rice crop and those on the short streams of South Carolina and Georgia were destroyed by excessive rains and inundations, and again in 1887 and in 1888, those on the greater streams, as the Savannah and Altamaha, were swept away by freshets, and from similar causes great losses were suffered in Louisiana.

Such extraordinary hazards are peculiar to rice husbandry, and should be fairly considered in estimates of its cost; but without taking them into consideration, the price of labor alone renders it impossible, at this stage of the industry, for rice to be cultivated at its low cost in the slave period. In that period the domestic product not only monopolized the home market, but controlled those of Europe and the West Indies. The Southern ports were the nearest in time and distance to all these markets. Shipments from the East Indies took the circuit by the Cape of Good Hope, occupying many months in the voyage, at high rates of insurance and freight, with loss of interest, and at the risk of fluctuating markets.

The American had then the advantage not only in cheapness of production, but in the commercial conditions. All these conditions are now changed. The scene of competition is transferred from European and West Indian to the American market, and the producer of the American grain now finds the Asiatic grain meeting his product almost in his own fields, to be cleaned in amounts nearly equal to and in the same mills with his own. The establishment of the Suez Canal has revolutionized the commerce of the world. Shipments from the East, formerly made by sailing vessels, may now be made by swift steamers of great burden, by this short and direct route, with all the charges of transportation reduced to a minimum, and cargoes delivered to destination within forty to fifty days. They may be ordered by telegraph to meet the exigencies of markets, and bills formerly drawn at six months may now be drawn at sixty to ninety days.

In these respects the change is absolute, and it is more intensified by the comparison of the cost of labor in Asiatic rice-producing countries and in the South. It has been stated that the price of labor in the Carolinas and Georgia is now from 40 to 60 cents per diem, and expert labor, not mechanical, as high as \$1 per diem. In most instances the laborer is furnished lodgings and land for his own crop; in other instances, he is himself commonly owner of both. But as to the value of labor in the

rice-fields of China, we learn from a report of the United States minister at Peking (Reports from the Consuls of the United States No. 23, Sept., 1887, page 489), as follows:

"Coming now to the field-hand whom the farmer hires, we arrive at the substratum of labor. The average wages of an able-bodied young man is \$12 per annum, food, straw shoes, and free shaving. Deducting \$4 for his clothing, he saves \$8 annually—or may do so. Ten years' saving will enable him to buy one-third of an acre of land (value per acre \$150) and necessary implements, by which he can attain by his own labor a subsistence. In twenty years he can become possessor of two-thirds of an acre and one-third of a buffalo, and with six years more saving he may purchase a wife, with whose assistance he can maintain himself on his own land, in his own hut, and rear children. Thus, in twenty-six years from zero, a Chinese farm laborer may obtain what to him is a competence. Ascertain now the number of years in which the same result might be accomplished in all lands and we shall have, approximately, their relative wage rate. This labor gauge can not, of course, embrace the important factors of decency and comfort in living, nor the death rate, which with other matters pertain to a full consideration of the subject."

In Japan, field-hands receive their food and lodging, with wages from \$8.60 to \$12.96 per annum. The wages of females are about \$6 per annum. (See U. S. Consular Reports No. 48, December, 1884, page 732.)

In British India, we learn from the British Indian Famine Report, 1871 to 1881, that in Delhi, occasional labor is paid for males, per diem, 6 cents; for females 1½ cents; for children 1 cent.

In Kurnal, the highest permanent wages, with or without one meal per diem, is per month 50 cents.

In Borat, men employed by the year, get from 80 to 100 pounds of grain per month and from 44½ cents to \$1.98 per annum.

In Bombay and Madras laborers are paid from 6 to 12 cents per diem, and when employed throughout the year, if furnished food, 22½ cents per month, and without food, 50 cents per month.

Hence the wages paid to laborers in the-rice fields of the South are manifold greater than those paid to laborers in the rice-producing countries of Asia. In the former not less than two-thirds of the cost of production is disbursed in wages, and doubtless the same fact will hold true in China, Japan, and India, while evidently the contrast in this element of cost should render unnecessary any further comment than that without the intervention of the existing import tax on Asiatic rice competition would seem impossible. It is common to cry out against the so-called excessiveness of this duty, when it is in fact very far from being apportioned to the comparative value of American and Asiatic labor. The main bulk of rice, other than "granulated," has hitherto been brought into the United States from China at an import value of only 2 cents per pound, while the cost of the American product is not less than 3½ cents per pound, without taking into consideration the peculiar hazards of the industry and the interest on the capital investment in land and improvements. The present duty on cleaned rice is 2½ cents per pound, so that foreign rice should bring presumptively 4½ cents per pound to be of profit to the importer. Thus three-fourths of a cent per pound is the margin left the American producer, all of which may be swept away in the signal casualties to which the rice fields are peculiarly and always exposed.

In the estimates of cost, the interest on the investment in land and improvements have not been considered. But this is really of first importance. Perhaps no better evidence of this can be presented than the following extract from an address, published in the proceedings of the Georgia State Agricultural Society in 1884:

"In order that the character and extent of the embanking and drainage system may be understood in a general way, I will venture, before concluding, the statement of a few facts in regard to these, the chief extraordinary burdens of a rice plantation.

"The storm flood of 1854 rose about 11.5 feet above mean low water in the Savannah River. This would make the still-water level of the flood over the fields 4.8 feet. The storm flood of 1881 was about 6 feet maximum over the fields, or 1.2 of a foot higher than that of 1854. No rice-field embankments exist which could repel such storms as these. If any were constructed high enough to reach the still-water level of the flood, its waves, which surge like those of the ocean, and to a height quite double the elevation of that level, would roll over such embankments and submerge the field as effectually as if no such protectives existed. No effort, therefore, has yet been made to bar off extraordinary cataclysms like those of 1854 and 1881, and the

**Import of granulated rice.*

	Pounds.
1884-'85.....	37, 997, 167
1885-'86.....	37, 508, 729
1886-'87.....	47, 921, 269

rice planter raises only such embankments as will defend his fields against ordinary storm floods.

"The exterior embankments of a rice plantation are usually originally constructed 4 feet wide on top, 5 feet in height, with a base of 10 feet. On insular plantations, and, in fact, all rice plantations are practically insular, because each is necessarily self-dependent, these dimensions are carried entirely around the property. Unless creeks and other surface irregularities increase the quantities, these embankments contain 6,845.5 cubic yards per mile. Thus, the exterior embankments of a plantation of 640 acres, 1 mile square (which is used here for easy estimates), would be 4 miles in length and contain 27,378 cubic yards, or 44 cubic yards to the acre. Such interior embankments as are thrown up along canals or are used for roadways exceed the exterior embankments, and may be assumed as 6 miles in total length, and in solid contents to measure 49,284 cubic yards, or 77 cubic yards per acre. If now this plantation be divided into 36 squares of, say, 17.5 acres each, the divisions, which are called check banks, will roughly be 8 miles in length, with contents of 34,417 cubic yards, or 53 cubic yards to the acre. It should be stated that on many rice plantations the squares or fields will average less acreage than is here assumed. As a rule, the area of the rice-fields is in some measure governed by the character of the surface of the land—the more irregular the surface, the smaller the area and the more numerous the check banks. But summing up the statement of embankment, its gross length is 18 miles, its contents are 111,079 cubic yards, or 174 cubic yards to the acre.

"But the drainage of the rice-fields and its annual maintenance is a servitude more burdensome than their embankments. It is, however, also true, that while the rice plant of the tidal lands is aquatic, or perhaps more correctly, amphibious, it is paradoxical in demanding the most thorough drainage for its successful growth. * * * Interior embankments not necessary to the safety and convenience of the fields may demand no more than perfunctory renewals, but the drains imperatively require to be not only thoroughly excavated in the origin, but to be constantly kept down to their original depth, and, as the land settles, to be lowered to the same relative depth.

"A properly arranged plantation of 640 acres, looking to the best control of flowing water and to thorough drainage, would require four parallel canals, each 20 feet in width and 5 feet in depth. The total length of these would be 3.33 miles. Each would require a flood-gate at its extremity on the river, so arranged as to admit or bar the tide-water at pleasure. Along these canals, one on each side of each field, or two to the field, are laid small flood-gates, commonly called trunks, by which the watering and drainage of each field is independently regulated. The main flood-gates of the canals are frequently true locks, so that canal and river navigation may be united. The four canals mentioned call for the excavation of 48,889 cubic yards, or 76 cubic yards per acre.

"In addition to these canals, which are the great arteries of the rice-fields, each square or field must be surrounded by a main or margin ditch, cut 6 feet wide by 4 in depth, and parallel drains, called quarter drains, must be sunk through the fields from 1.5 to 2 feet in width by 3 feet in depth, usually 75 feet apart, but in some instances still nearer. If now, for easy computation, we throw off spaces not actually cut through margins and embankments, which would not seriously affect the result, it will be found that the linear measurement of this drainage will be 94 miles, and the excavation 157,226 cubic yards, or 246 cubic yards per acre.

"To sum up for this illustrative rice plantation we have—

	Linear miles.	Cubic yards.
Embankment.....	18.0	111,079
Drainage.....	97.3	206,116
Total.....	115.3	317,294
Total to the acre.....	0.18	496

Now, Mr. Chairman, if I am not risking too much to the patience of the committee, I would like to be permitted, if it is at all a matter of interest, to give some description of what a rice-field is.

Mr. GEAR. Let me ask you one question. Is the rice imported here generally imported for edible or other purposes, or is it mostly edible?

Mr. SCREVEN. Yes, sir. I am myself a practical rice-grower, and I have been so, I may say, for generations; for it began with my forefathers and came down to me.

Now, Mr. Chairman, these figures may seem to be very astonishing. I expect that

they may possibly excite the incredulity of those who are not familiar with this subject; but this illustrative rice plantation will have to have a bank around the whole of it, say 4 miles in length. That exterior embankment is made to protect it against storms and freshets and high tides, and would certainly have to average 18 feet on the base to very nearly 5 feet in height, and wide enough on the top to drive a wagon on it. Now, this plantation would be divided into what planters call squares. The squares will be divisions of the fields. All of these fields have to be surrounded, and I will state that in a plantation of 640 acres perhaps there would be some thirty odd squares. Each would be divided from the other by a substantial bank for the purpose of assisting the cultivation. Then there are what are called main ditches, which are sunk all around each of these squares, which usually are 6 feet in width by about 5 in depth and about 2 to 2½ feet on the bottom.

Then the field has again to be divided by a quarter drainage, sunk across the fields, ditch to ditch, and which are usually about 2 to 2½ feet in width and about 3 feet in depth. Then each of these squares is furnished with what is known among us as trunks, which might be known in the West as flumes, and which are nothing in the world but water-gates. They are usually made in the shape of long boxes 30 or 40 feet in length. This is sunk to the depth of about 3 feet and furnished with double gates, one inside and one outside, so that whether we flow the water inside or out, the water can be perfectly controlled. Now, in order that this plantation may be made complete, that this rice or agricultural factory may be complete, it is necessary to sink other canals, one in the middle of the plantation, which would be about 20 feet in width, and one on each flank of the plantation of a similar size, and at the mouth of these canals are put what are known as flood-gates. These gates may be a trunk or flume on a large scale, which will admit the passage of barges for the purpose of moving the rice from the back fields and also for the purpose of unloading at the mills.

You will want to know why we have to go to all this enormous expense to prepare the land for the purpose of making a rice crop. It is very simply explained. The rice crop is amphibious. At one time it is a crop which demands a continuous supply of water. At other times it requires to be very dry, so that very often these lands which to-day are under water a foot deep, in three days afterwards would be as firm as that table. I do not suppose you care for me to go into an expert explanation of all this matter. I merely state these simple facts in order that you may understand what causes the original investment in a rice plantation, which are not computed in this statement, to cost more than any other agricultural industry at all. In some instances there are artificial methods of raising the water into the rice-fields by means of steam-pumps and the like, but the most of the cultivation of this amphibious plant is done by the use of tide-water, and the land upon which rice is commonly cultivated is below the high water gauge of the tides. As, for instance, in the Savannah River the water rises just before neap in the spring over 6 feet and as high as 10 feet. This is the class of tides we use on the fields. That water is taken off for the purpose of drying the fields in the process of cultivation, in order to keep the grass out of it, and in order to hoe and plough it. The water is also taken off for the purpose of cutting the grain. I have been particular to state, in what I have said heretofore, that we are unable practically yet to use reaping machines, and consequently we are put to the expense of manual labor in cutting the grain. We have to do it that way.

Mr. McKENNA. Colonel, have you much more to read?

Mr. SCREVEN. No, sir.

Mr. McKENNA. Do you think probably you might condense your statement somewhat.

Mr. SCREVEN. I would be very glad to do it, but there are a great many figures to which I wish to refer. There is not much more, so I trust the committee will allow me to finish. I do not think it will take much time to do it.

Mr. McKENNA. Very well.

Mr. SCREVEN. This extract expresses the formidable costliness of the original investment in the tidal rice fields of the South Atlantic coast, without embracing the cost of buildings, machinery, implements, and working live-stock—a costliness so effectually deterrent that any attempts to establish them from nature are but rare in the present régime of free labor. Their value in times before the emancipation ranged from \$75 to \$200 per acre. Their value is now greatly reduced, and a large acreage, especially of lands most exposed to floods and storms, has been abandoned. This diminution of value and of acreage is not due to casualties alone, but in great degree to the impoverishment of the planters from other causes, while the expansion of the industry in Louisiana has not only supplied the recent deficits of production in the Carolinas and Georgia, but has increased the gross American product about 45 per cent. in the last five years.

From what has been stated, it is apparent that the methods and appliances of rice culture are peculiar and not assimilable to any other species of agriculture, while the product itself in its final output for the market is not a farm product in the

common sense, but is a manufactured product, as much so as wheat, flour, bagging, or any of the plain textile fabrics. So fully is this true, that the cost of the manufacture is more than 12 per cent. of the value of the article. Besides differing in this respect from the ordinary products of the farm, none of these, except barley, are imported into the United States, and the import of this grain is only about 17 per cent., while the import of rice in 1888-'89 was 63 per cent. of the gross consumption.

Besides all this, in the manufacture of rice from the crude product, this industry encounters the competition of foreign manufactures, chiefly in China, Japan, England, Germany, and the Netherlands, in all of which labor is less costly than in the South—in China and Japan as 1 is to 14.

The American producer labors, too, under the disadvantage of the import of rice free of duty from the Hawaiian Islands. Although there is no apparent commercial benefit derived by the United States from the Hawaiian reciprocity treaty, an annual average of 9,950,668 pounds with a maximum of 12,926,951 pounds of rice has been imported in the past five years from the Hawaiian Islands. Unlike the Asiatic rice, annually remaining in bond, although approximating it in amount, the Hawaiian import is not only a check, but a direct and unconditioned participant in the freedom of the market, *pari passu* with the home product, is produced by Asiatic labor, and shares none of the burthens of government borne by the home producer.

In 1871, the exportation of rice from the Hawaiian Islands was 1,284,443 pounds, in 1872, 1,349,513 pounds; of the latter 1,317,203 pounds entered the United States. There are no data at command as to the intermediate years, but the reciprocity treaty was made in 1875, under which rice is imported into the United States free of duty. Following upon this, the import of Hawaiian rice sprung up, as follows:

Years.	Rice.	Years.	Rice.
	<i>Pounds.</i>		<i>Pounds.</i>
1876-'77	3, 034, 405	1882-'83	12, 926, 951
1877-'78	6, 063, 514	1883-'84	12, 378, 433
1878-'79	5, 553, 676	1884-'85	8, 291, 360
1879-'80	5, 062, 646	1885-'86	6, 892, 900
1880-'81	6, 984, 406	1886-'87	9, 263, 700
1881-'82	10, 135, 678		

It is evident, however, that despite these disadvantages, there has been an extraordinary increase in the home product in the twenty-one years elapsing since the culture was resumed in 1865-'66, springing from about 12,000,000 to 156,000,000 pounds. This has been accompanied by a decline in prices so marked as to correspond with those existing for several years anterior to the war. These conditions have resulted from the adjustment of the import tax so as to encourage the home industry without discouraging the foreign import. Remaining undiminished the duty forbids monopoly to either. Diminished so as to become ineffective as a means of healthy growth to the domestic industry, the domestic competition will be weakened and finally abandoned, and monopoly practically created in favor of the foreign product. When such a foreign monopoly existed from 1863 to 1866, the prices of rice were higher than had ever been known in its history before or since in this country.

Such consequences following upon an import duty ineffective to promote the home industry, its abandonment may be expected, and the lands remanded to nature. There are now cultivated in rice approximately 200,000 acres, yielding 156,000,000 pounds of commercial rice per annum, and supporting a labor population alone of about 200,000 persons, without including proprietors, mill men, mercantile agents, and others engaged in the commercial organism of the rice industry. Abandonment would entail great suffering upon all these, but most upon the proprietors and laborers—on the former a total loss of investment; for extraordinary as it may appear, experience has demonstrated that the rice lands of the tidal regions are incapable of any other profitable culture—on the laborers, now sufficiently tried before a generation has survived the throes of recent emancipation, such a change would fall with cruel severity.

Lowest and highest prices of rice per 100 pounds in each year in the New York market from 1825 to 1886, inclusive.

[American Almanac for 1888.]

Year.	Lowest.	Highest.	Year.	Lowest.	Highest.	Year.	Lowest.	Highest.
1825.....	\$2.00	\$4.00	1847.....	*\$8.25	*\$13.75	1869.....	\$7.25	\$10.00
1826.....	2.00	3.87	1848.....	*7.75	*13.00	1870.....	5.50	9.50
1827.....	2.50	4.00	1849.....	2.25	3.50	1871.....	6.75	9.75
1828.....	2.50	4.00	1850.....	2.25	3.37	1872.....	7.50	9.50
1829.....	2.50	3.75	1851.....	2.75	3.12	1873.....	7.00	9.50
1830.....	2.50	3.50	1852.....	2.75	5.00	1874.....	6.75	10.00
1831.....	2.50	4.00	1853.....	3.37	4.50	1875.....	6.50	8.50
1832.....	2.75	4.25	1854.....	4.12	4.62	1876.....	5.00	7.50
1833.....	2.75	3.75	1855.....	2.50	5.87	1877.....	5.00	7.00
1834.....	2.25	3.62	1856.....	3.62	4.87	1878.....	5.50	8.00
1835.....	2.75	4.50	1857.....	3.25	5.37	1879.....	5.50	7.25
1836.....	3.00	4.25	1858.....	2.75	3.75	1880.....	5.50	8.00
1837.....	3.12	5.00	1859.....	3.00	4.50	1881.....	5.00	7.75
1838.....	3.25	5.37	1860.....	3.00	4.62	1882.....	5.25	8.50
1839.....	3.00	5.00	1861.....	3.00	7.25	1883.....	4.00	7.25
1840.....	2.75	4.00	1862.....	6.62	7.75	1884.....	4.50	6.50
1841.....	2.87	4.12	1863.....	3.75	8.50	1885.....	3.25	5.38
1842.....	2.00	3.31	1864.....	7.00	15.50	1886.....	3.00	5.00
1843.....	1.87	3.00	1865.....	9.75	14.00	1887.....	3.50	5.25
1844.....	2.25	3.62	1866.....	11.50	15.25	1888.....	3.50	5.50
1845.....	2.62	4.75	1867.....	8.50	12.50	1889.....	3.75	5.75
1846.....	2.87	4.50	1868.....	8.25	11.25			

* Error.

Mr. GEAR. Is there a larger proportion of the land suitable for rice cultivation in the Southern States?

Mr. SCREVEN. There is a great deal that has not been taken in that is in the natural state, which is capable of being cultivated.

Mr. GEAR. What per cent. is that?

Mr. SCREVEN. It would be very difficult for me to state the per cent.; I do not know.

Mr. GEAR. What is the present acreage of rice in this country?

Mr. SCREVEN. I should think it would be about 1,000,000 acres.

Mr. GEAR. Largely in South Carolina?

Mr. SCREVEN. Yes, sir; largely in South Carolina. South Carolina and Georgia produce about half the rice Louisiana does. We do not produce as much as they do there.

Mr. GEAR. You do not produce as much to the acre?

Mr. SCREVEN. No, sir.

Mr. GEAR. Is the rice land mostly taken up for cultivation in this country?

Mr. SCREVEN. Yes, sir; it is mostly taken up. The rice land which has been abandoned is that which lies too near the coast, and is therefore subject to storms.

Mr. GEAR. So far as your country is concerned, your ability to produce has practically been reached?

Mr. SCREVEN. Yes, sir.

Mr. GEAR. You cannot produce any more rice; you have not much more acreage.

Mr. SCREVEN. I entertain rather a different opinion from that. It is quite possible for rice to be produced on the land where it has formerly been produced; that is, the upper lands where they only get back waters, but they can not compete with tidal lands.

Mr. GEAR. You do not produce upland rice?

Mr. SCREVEN. Yes, sir.

Mr. GEAR. Much?

Mr. SCREVEN. Yes, sir; it enters very largely into the industry among the negroes.

Mr. GEAR. It is generally little patches for their own use?

Mr. SCREVEN. Yes, sir.

Mr. GEAR. It is not commercially produced?

Mr. SCREVEN. No, sir; not to a large extent.

Mr. GEAR. Would that production of rice on the upland be ordinarily a profitable crop?

Mr. SCREVEN. I think not.

Mr. GEAR. What proportion of the rice was imported from 1850 to 1860? How does it compare with the home crop?

Mr. SCREVEN. I have it here, sir.

Mr. GEAR. I thought you gave it. If that be there, do not repeat it, because we have it in evidence.

Mr. SCREVEN. I will gladly place the pamphlet at the disposal of the committee. I can not leave it now, however, as I will have to use this.

Mr. ELLIOTT. In answering the questions of the committee, you stated all the valuable lands were now cultivated.

Mr. SCREVEN. All the valuable tidal lands.

Mr. ELLIOTT. Are there not a good many lands which have been abandoned which were formerly in a state of cultivation?

Mr. SCREVEN. I did not include the abandoned lands at all.

Mr. BRECKINRIDGE. You are only stating in regard to your own State?

Mr. SCREVEN. I am stating in regard to the whole southern coast. In the State of Louisiana there is a large amount of abandoned land.

Mr. BRECKINRIDGE. The impression you have left upon the committee by this statement I think is that there is no land that can be taken in for the purpose of cultivating rice profitably now.

Mr. SCREVEN. I should not be quite so broad as that, Mr. Breckinridge. I think there is some land on which there can be a very extensive cultivation of upland rice.

Mr. GEAR. Do you think that can be made profitable?

Mr. SCREVEN. I think it can; but I hardly see how it can be profitable under the present status of labor. For instance, in Louisiana there is a very large part of the Louisiana crop which is capable of a large extension and practical cultivation hereafter.

Mr. GEAR. I was only asking in reference to South Carolina and Georgia.

Mr. SCREVEN. I do not think with our present experience there is a good deal of land there that can be taken in and added to the present cultivation.

VIEWS OF THE SAVANNAH BOARD OF TRADE.

Mr. LESTER, a Representative from the State of Georgia, presented the following paper:

SAVANNAH, GA., January 4, 1890.

The following resolutions were adopted by the Savannah Board of Trade this day: Whereas the rice industry is the only means of livelihood to large part of the population on the South Atlantic coast and elsewhere; and

Whereas it is apparent that the present duties on imports of foreign rice are necessary to protect said industry against the low-paid wages of the rice-producing countries of the far East; and

Whereas the failure of the rice industry would arrest the cultivation of extensive areas of land redeemed at great cost and not adapted to any other known culture, impoverishing the inhabitants thereof, and also seriously impairing large investments directly dependent on said industry; and

Whereas the present duties on imports of foreign rice are so adjusted as to induce wholesome competition in the domestic production and in the importation of foreign rice, so as to discourage monopoly in either: Therefore

Resolved, That this Board of Trade respectfully protest against any reduction in the present duties on imports of foreign rice and prays the Committee of Ways and Means of the House of Representatives to recommend the retention of said duties.

JOHN R. YOUNG, *President*.

C. WALLACE HOWARD, *Superintendent*.

STATEMENT OF F. J. ERNST.

Mr. F. J. ERNST, of New Orleans, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I am here as representing the manufacturer or rice miller. In regard to what it costs to produce rice I am not so well posted, but in getting up a schedule on the rice question, I wanted to see whether we could not have you gentlemen insert a proper definition of the different kinds of rice that are on the schedule at present. There has been a difference of opinion between the appraisers at different points. About a year ago there was a cargo imported into New Orleans as uncleaned rice. Experts were called in and the rice was found to be a clean rice, adulterated with a little rice polish that could be rubbed off with a pocket handkerchief, whereas quantities of that rice had been coming through the port of New York without any one knowing about it. That was three years ago. The case at New Orleans was brought into the United States district court there and

occupied the attention of the court two weeks. All rice business was suspended, and over a hundred witnesses were examined. It was fully proven that the rice was cleaned right there in court. Another thing. Our crop was cut short that year by the tornado or hurricane which occurred August a year ago. We expected high prices on that account, the crops being short; but to our astonishment we were compelled to carry a portion of that crop over. The meaning of this was that an enormous quantity of rice imported into this country as uncleaned rice, when it was really cleaned rice, so they could compete with us after paying the duty the tariff calls for.

The first on the list is what we call paddy rice. There is a difference of opinion in regard to paddy rice. Paddy rice is this [exhibiting sample]. This is rice as it comes from the field. The proper definition of this is, "Rice, paddy rice, or rice with the outer husk on." This is the definition I would ask you gentlemen to put on paddy rice. Uncleaned rice is this [exhibiting sample]. This is rice with the outer husk off, and the definition I would ask for that rice is, "Rice with the outer husk off, and the inner cuticle still remaining on." The inner cuticle is what is called rice bran. It takes one hour's work to get that off the rice. After this is off we screen it and get the bran. After this the rice is milled. To enhance its value it is milled. As far as it is concerned as an article of diet it is as good; but it does not look well to the eye, but to make it look well, we put a polish on it.

Mr. LA FOLLETTE. Are they marked?

Mr. ERNST. Yes, sir; on the boxes. That rice has been through the pounders. Now we get that husk off. It is a very simple process and it does not take a second to do it. It is like polishing your shoes.

Mr. McMILLIN. This does not improve its nutritive powers?

Mr. ERNST. No, sir; that rice is just as good before as after it is polished. Now, the gentlemen in New York have taken that rice after it was polished and have taken the flour that came off, and mixed them together and shipped to this country as uncleaned rice, evading the rules to the extent of three-fourths of a cent a pound, and compelling us to carry the bulk of our short crop over into another crop until that case was decided, so we could meet the competition again. Therefore, gentlemen, I think it would be justice to the rice trade that this definition go into the tariff.

Another variation has been made some years ago with the granulated rice. Now, I do not propose to say that we can supply this country with granulated rice, because it would not pay to grind up rice, and get a smaller price for it as uncleaned rice. There is always a percentage in the mill that amounts to about 10 per cent., but they have been in the habit some years ago of taking granulated rice and mixing it with whole grains of rice and getting it into the custom house as broken rice. All the grocer had to do with the importation was to run it through a sieve and the whole rice would remain at the top and the granulated rice would run through. I would like to have inserted in the bill that granulated rice shall be such rice as will pass through that sieve. This is a grocer's granulated sieve.

Mr. LA FOLLETTE. Describe that sieve.

Mr. ERNST. That is what we call ten meshes to the square inch. It measures ten meshes to the square inch and is of wire which among wire-workers is called No. 20 wire. I should say it should be described as 10 by 10 No. 20 wire, and this should be used by appraisers for granulated rice.

Now, there is another thing. In making the difference in these rates; to bring that paddy rice up to its finished state it only takes 75 cents a hundred. I believe the tariff to-day on paddy rice is 1 cent a pound; cleaned rice, $2\frac{1}{4}$ cents; so the difference is too great. It is $1\frac{1}{4}$ where it ought to be only 75 cents, which is the cost of bringing it to that state. Now, the uncleaned rice ought to be put almost at the same rate, because the price of the hulling is almost nothing. It just runs through the stone and comes out. So I do not think there ought to be so much difference between the paddy rice and uncleaned rice.

The difference between that uncleaned rice and clean rice is very nearly the same thing. There should not be so much difference between paddy and uncleaned rice, and between clean and uncleaned rice. Seventy-five cents is a very liberal allowance. In fact it could be done for less, in a mill of large capacity. I am not speaking of my mill, which is of a small capacity.

Now, to show how the rice milling industry has increased in Louisiana, in 1878 there were only six mills in the State of Louisiana, having a capacity of 62-pounders. Pounders are mortars that beat the rice in and work the bran up. In 1890 we have twenty-one mills with 212 pounders, instead of 62-pounders twelve years ago. Besides there are two mills in course of erection now. They have started the foundation of them, and they still increase the number of pounders to 32 more, which makes a total of 252 pounders for the crop of 1890 against 62 pounders in 1878. That shows the rice industry has been large and the crop has increased. Notwithstanding the present duty on rice, we have succeeded in keeping the price of rice down to where it was before the war. Rice is just as cheap to-day as before the war, but we can

stand no further cut. In fact some of them can not make it at these prices. These old lands can not make rice at the present prices.

Mr. MCKENNA. I suggest that you compile a definition of the schedule rates, and see that the stenographer gets them.

Mr. ERNST. Very well, sir.

Mr. MCKENNA. Leave those samples with us.

Mr. ERNST. Yes, sir.

STATEMENT OF EMILE DUPRE.

Mr. EMILE DUPRE, a rice merchant of New Orleans, La., next appeared before the committee.

The CHAIRMAN. State the crop of rice in Louisiana before the war.

Mr. DUPRE. Well the crop did not amount to anything before the war. Louisiana never produced rice for the market before the war.

The CHAIRMAN. Well, just after the war.

Mr. DUPRE. In 1866 and 1867 it amounted to about 100,000 bushels of rough rice. That would amount to 2,700,000 pounds of cleaned rice. That was in 1867. That was the first year after the war.

The CHAIRMAN. And now?

Mr. DUPRE. Now it is—I have a memorandum here. In 1877 it amounted to 150,050,360 pounds of cleaned rice. From 1877–1878 to 1889, it gradually increased until now it is 93,663,000 pounds. These are taken from the reports of our exchanges. We produce 3,112,000 bushels of rough rice.

Mr. McMILLIN. About three times what you had before?

Mr. DUPRE. Three times what we had in 1877, 93,663,000 pounds of cleaned rice. This present crop will amount—I think, for five months up to this time they have received 2,472,000 bushels of rough rice.

Mr. MCKENNA. What is Louisiana's capacity to grow rice?

Mr. DUPRE. It is almost unlimited; for the territory is susceptible of growing rice. We calculate there are to-day 2,500 square miles in different parishes in Southwestern Louisiana susceptible of being cultivated for rice, out of which there are 1,600 square miles unfit for anything but rice and raising cattle.

Mr. MCKENNA. That could furnish all we could use in this country?

Mr. DUPRE. That would furnish all we could use, and I am satisfied that if the immigration continues at the rate at which it has been coming in for the last four or five years from Kansas, Iowa, Michigan and several of the Northwestern States, and the consumption increases in the same ratio, I would not be at all surprised if, in five years, we make 20,000,000 bushels of rough rice.

STATEMENT OF J. B. BISSELL.

Mr. J. B. BISSELL, of Charleston, S. C., next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I have no statement to make. I am only here to answer questions. I will state, however, that I differ with Colonel Screven in regard to the abandoned land. I think one third of our river would be taken in if we knew the duty would be kept on. One-third of the river is abandoned, which is capable of being taken in, but no one cares to run the risk unless we are sure the duty will remain on it. I think Colonel Screven has covered the ground entirely in regard to the cost of rice; but I think on the Cooper River there is at least one-third abandoned land, but we are afraid to go to the expense of reclaiming it because we are afraid the duty might be taken off.

Mr. GEAR. When was that land abandoned?

Mr. BISSELL. A good deal of it since the war. Now and then we raise courage and take in a piece. For instance, I have taken in a plantation since the war which only cost me \$15,000; but I had to spend \$10,000 to take it in. I refused \$60,000 for it after it was taken in; but if I thought the duty was taken off, would sell it for \$10,000, for I would give up the cultivation of rice. You have a member of Congress here—I believe he is a Republican, Mr. Taylor—who was in South Carolina a year or so ago. I sent a buggy for him and he made a visit to my place. I would like for you to call him in, and he would tell you something of the expense of keeping the lands in order in Louisiana.

Mr. McMILLIN. Do you cultivate the lowland rice?

Mr. BISSELL. Yes, sir. We have any amount of water, but we have great expense to get the trunks and boxes put in. I would like, if it is necessary, to call Mr. Taylor in, and I think he could state in regard to this. I can state this fact: Rice land was worth formerly \$150 to \$200 an acre. In a great many places they would not sell

for \$200 an acre. Now, the place I bought, which I illustrated, was worth \$200,000 before the war. It had 1,000 acres, and it was worth \$200,000 at least. I bought it after it was abandoned for \$15,000.

Mr. McKENNA. Do you think any reduction of the duty would be disastrous?

Mr. BISSELL. It would ruin us. We would rather see you increase it, but we do not ask anything but to leave it where it is.

VIEWS OF DAN TALMAGE'S SONS.

NEW YORK, January 9, 1890.

The Committee on Ways and Means :

We beg to address your honorable committee on the subject of "rice." It is not our desire to make any suggestion in regard to what the tariff in general should be, except to ask that the relative differences which are now made in the existing tariff between rice in its various conditions—cleaned rice, $2\frac{1}{4}$ cents per pound; uncleaned rice, $1\frac{1}{2}$ cents per pound; paddy or rough rice, $1\frac{1}{4}$ cents per pound—may be maintained, or slightly enlarged.

These differential duties are now about relatively correct, yet if any change is made we suggest that there be a slight widening of the difference between "cleaned" and "uncleaned." The reason of our request is so as to assure that whenever imports of foreign rice are required they may be brought in an uncleaned condition and the preparation for market performed within our own borders, thus advantaging the millers and laborers of the United States.

We beg most respectfully and earnestly to protest against the insertion of any term descriptive of "uncleaned" rice, as that suggested in the bill known as the Mills bill of the last session, which defined "uncleaned" rice to be "rice free of the outer hull and still having the inner cuticle on."

Our objection to said definition is that it would limit imports of "uncleaned" rice to those of a single country (Japan), and exclude those of other sections (Bengal, Burmah, Cochin China, Java), which furnish nearly nine-tenths of the supply of the world at large.

Of those which we state would be excluded by said defining clause is the "uncleaned" Bengal or Patna (sometimes called "mealed"). While it is in a somewhat advanced stage of cleansing (largely freed of the inner cuticle), it still contains the meal, and being of long and brittle grain it loses heavily in the process of finishing for table use. None of the grains when imported are in any true sense "cleaned," as all have more or less of the "inner skin or cuticle" adhering, thus compelling the use of machinery to remove such, and entailing loss in wastage of the portions which go out in meal, flour, and finer broken particles.

Another of those which we state would be excluded by the said defining clause is the "uncleaned" Burmah (Rangoon, Aracau, Moulmein). This style comes in a bulk composed of part paddy and part "uncleaned," say two-fifths to three-fifths paddy, the remaining portions being more or less freed of the inner skin or cuticle. None of the grains, however, are in any true sense "cleaned," as all, even those most advanced, alike with rough or paddy, require the use of machinery to prepare it for market. The wastage therefrom is quite as heavy as that made in the milling of the "uncleaned" Japan.

Of other styles of "uncleaned" which we state will be excluded by said defining clause, that of Cochin China is somewhat similarly prepared to the Burmah, and Java like the Bengal.

Asking your thoughtful consideration, which we are assured will be given,

Very respectfully yours,

DAN TALMAGE'S SONS.

VIEWS OF BULLOCK & CO.

NEW YORK, January 23, 1890.

SIRS: We beg to ask for the abolition of the present duty of 20 per cent. ad valorem on granulated rice and rice flour for the following reasons:

Because they are used by the breweries of this country in the manufacture of beer. They are healthful articles and if the duty of 20 per cent. were removed, they would be used in much larger quantities, to the exclusion of less desirable articles.

Because they do not enter into competition with rice grown in this country. The rice raised by our own planters is limited in quantity and the entire output, of domestic granulated or broken rice would be necessary to supply one or two of the larger breweries for a year.

Because this granulated rice and rice flour are sold exclusively to brewers for the

production of beer, and has no bearing or effect on grocers' rice or on the rice used for the table.

As only a trifling part of the granulated rice and rice flour used by the breweries of this country can be supplied by our planters, the imported articles do not enter into competition with them and there is no good reason why the duty of 20 per cent. ad valorem should not be removed.

It is simply a tax on the brewery interests which pay an enormous revenue to the Government and the said interests should not be unnecessarily burdened.

Very respectfully, yours,

BULLOCK & Co.

The COMMITTEE ON WAYS AND MEANS.

VIEWS OF ERNST & CO.

NEW ORLEANS, *January 18, 1890.*

DEAR SIR: I noticed by a special to the New Orleans Picayune, that the Ways and Means Committee had closed their hearings, and expected to report a tariff bill similar to the one adopted by the Senate at last session. If such is the case the rice and sugar industry, together with the State of Louisiana, are doomed. But I can not believe that the gentlemen composing said committee can adopt such a course, after the enlightening we gave them on rice and sugar.

My particular reason for writing is to inform you that I met a gentleman to-day from New York, who informs me that the importers and millers of New York are playing a silent game. Their idea is to keep the present duty on cleaned rice, or get it raised, if possible; but to get the paddy and uncleaned rice on the free list, or at a great reduction of duty. The grounds are very plain: by getting cleaned rice up, they stop all importations of that grade, and with a low rate on paddy and uncleaned they make a large profit in their milling business. If the committee will call for a report from the Secretary of the Treasury they will find after deducting the amount of granulated rice, Hawaiian rice, which floods the Pacific coast free of duty, and the amount of uncleaned rice fraudulently imported as cleaned rice, that the imports of cleaned rice are trifling.

If the committee will refer to my testimony they will see that a margin of 75 cents will pay any miller very handsomely for converting uncleaned or paddy rice into cleaned rice. It is of the utmost importance that the definitions which I asked be placed on the different grades of rice be adopted. I left a copy of them with you, and at the request of Mr. McKenna, who was acting chairman, I wrote them out and gave them to Mr. Wilkinson to hand to the clerk of said committee. Please see if the clerk has them; whatever rate they fix, see that the margins on paddy and unclean, are only 75 cents less than on cleaned rice. If the committee are not satisfied by my word, let me know and I can get every miller in the South to substantiate that the margin is ample.

The New Yorkers are slick and laying low, and I would impress on the Louisiana delegation to keep their eyes open, especially on rice.

I don't think a single New York miller will testify that he is running his mill on domestic rice. If you can give me any encouragement, please let me hear from you. Any further information you want, command me.

Respectfully, yours,

F. G. ERNST.

Hon. H. DUDLEY COLEMAN,
Washington, D. C.

[Clipped from Times-Democrat, January 7, 1890.]

ALLOWED TO PASS THROUGH ST. JOSEPH STREET.

A car containing fifty emigrants was, by permit from the mayor, allowed to pass over the St. Joseph Street Belt line last night to make the Southern Pacific connection. The permit was at first refused, but when it was learned that the car contained emigrants from the Northwest who had come South to locate in Western Louisiana, the mayor issued it.

The party were brought South by Mr. S. L. Carey, of Jennings, La., who called on the mayor yesterday and thanked him for granting the permit.

The mayor told Mr. Carey that he did not want to block business, and he was compelled to countermand the order, because he did not want to punish the Illinois Central on account of the action of the Southern Pacific. The mayor further told Mr. Carey that he was anxious to see the tide of emigration come South. It was desirable to have that class of people come and locate here, and he would afford every facility in that direction.

DESCRIPTION AND RATES OF TARIFF.

[Requested by Messrs. Dupre and Ernst, of New Orleans.]

Paddy, or rice having the outer hull on, $1\frac{1}{2}$ cents per pound; uncleaned rice, or rice free from the outer hull and still having the inner cuticle on, $1\frac{1}{2}$ cents per pound; rice, cleaned, $2\frac{1}{2}$ cents per pound; granulated rice, or broken rice which will pass through a sieve known commercially as No. 12 wire sieve, which has ten meshes or openings to the running inch and one hundred openings or meshes to the square inch, made of wire known as No. 20 wire, 20 per cent. ad valorem; rice flour and rice starch, 1 cent per pound; rice meal and rice bran, 15 per cent. ad valorem.

DUTY IN CANADA AND THE UNITED STATES.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, D. C., January 29, 1890.

SIR: I have the honor to inclose herewith, for your information, copy of a report dated the 20th instant, of Special Agents Charles J. Mulkey and James J. Brooks, of this Department, in relation to the duty in the United States and Canada on uncleaned rice and rice flour.

Respectfully, yours,

GEO. C. TICHENOR,
Assistant Secretary.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

Report of Special Agents Mulkey and Brooks.

OFFICE OF SPECIAL AGENT TREASURY DEPARTMENT,
Port Townsend, Wash., January 20, 1890.

SIR: The government of the Dominion of Canada, in its schedule of duties, has the following:

"Rice uncleaned, unhulled, or paddy, when imported direct from the country of its growth, $17\frac{1}{2}$ per cent.; rice flour, 2 cents per pound.

The table of duties of the Government of the United States on the same articles reads: "Rice, uncleaned, $1\frac{1}{2}$ cents per pound; rice flour and rice meal, 20 per cent. ad valorem." Under the fostering care of the tariff of Canada mills for the cleaning of rice and its reduction to the form of granulated rice or rice flour are in operation, the products of which, being sent to the United States, meet all the demands of our customs, and put competition by our own millers outside the limit of successful endeavor.

A milling firm in Victoria, British Columbia, gave the following as the products obtained from 100 pounds of uncleaned rice: 64 pounds cleaned rice, 24 pounds broken rice or rice flour, 10 pounds rice meal. The value of 100 pounds uncleaned rice, \$1.50; 100 pounds rice flour, \$1.50.

Duty on 100 pounds uncleaned rice in Canada	\$0.26
Duty on 100 pounds of uncleaned rice in United States	1.50
Duty on 100 pounds rice flour in Canada	2.00
Duty on 100 pounds rice flour in United States	0.30

It is almost needless to remark in connection with the foregoing that the Dominion government is protecting the rice milling interests to the furthestmost limit, and we—well, it would seem are incidentally aiding them.

Respectfully submitted,

Hon. WM. WINDOM,
Secretary of the Treasury.

CHAS. J. MULKEY,
JAMES J. BROOKS,
Special Agents.

BREWERS' RICE.

Mr. Gear filed the following note from Mr. Charles Fowler:

16 WEST TWENTIETH STREET,
New York, January 9, 1890.

FRIEND GEAR: I am still confined to the house. Thanks for your telegram. I will not be able to appear before the committee, but hope they will classify all "brewers" rice as rice flower and granulated or broken rice that will pass through seive commercially known as number 12 (same as now in use) 15 per cent. ad valorem; now 20 per cent.

CHAS. FOWLER.

SALT.

STATEMENT OF SAMUEL T. KERR.

Mr. SAMUEL T. KERR, of Philadelphia, addressed the committee on the subject of the duty on salt. He said:

Mr. Chairman and gentlemen, I am here to ask the committee to let the duty on salt remain where it is. I can speak about it both as importer and as a manufacturer. Sometime ago I was on a committee representing the Western New York Salt Association, which appeared before the last Committee on Ways and Means, and the printed document which we had then is perfectly good at this time. I will therefore submit it to the committee. Within ten years the salt industry of the United States has sprung up wonderfully all over the country.

The CHAIRMAN. What are the prices of salt?

Mr. KERR. In our mill in 1867 the price was 77 cents a barrel; in 1886 the price was down to 61 cents a barrel; and to-day the price is from 55 cents to 60 cents a barrel. That includes barrel and all, which costs us 25 cents. We get about \$2.50 a ton for ordinary salt such as packers use. We get from \$1 to \$5 a ton for the best refined table salt or butter salt. Our geographical position gives us no advantage because the rates of freight from Liverpool to the principal ports—Boston, New York and Philadelphia—are less than the railroad rates from the salt works to those ports. The rate to Boston, especially for the last ten years, has averaged from 1 to 2 shillings a ton, to New York 4 shillings a ton, and to Baltimore as low as a shilling and 2 shillings a ton.

Mr. FLOWER. Do they make abroad the same kind of salt that you make?

Mr. KERR. Yes.

Mr. FLOWER. It is not a rock-salt that is imported?

Mr. KERR. No, sir; a salt spring is found, and they dig a shaft, and go down probably 200 feet. In western New York they go down from 800 to 2,000 feet.

Mr. FLOWER. What is this rock-salt?

Mr. KERR. It is all manufactured salt—manufactured out of brine, and is made by artificial evaporation. Our coal in this country costs us considerably more than the English coal, and our labor costs us considerably more. That, however, we say nothing about; but we call attention especially to the fact that, in years gone by, the cost of ocean freight used to be a protective duty in itself. Now that freight amounts to almost nothing—1 shilling and 2 shillings a ton; and our principal markets for the salt manufactured in the West and in New York are the sea-ports.

Mr. GEAR. Have you not the Western market for your salt?

Mr. KERR. The Western market goes as far as the Michigan Salt Company's territory. That company has taken part of our territory.

Mr. LA FOLLETTE. You have given the prices in this country for certain years?

Mr. KERR. Yes.

Mr. LA FOLLETTE. Do you know the prices in Liverpool for the corresponding years?

Mr. KERR. Yes.

Mr. LA FOLLETTE. What were they from 1872 to 1877?

Mr. KERR. The price in Liverpool for those years were as follows: 1872, 10s. 6d.; 1873, 15s.; 1874, 16s.; 1875, 12s.; 1876, 10s., and 1877, 9s.

The CHAIRMAN. If salt were put upon the free list, how would that affect your business?

Mr. KERR. It would shut us up.

Mr. FLOWER. Is there a salt trust in existence?

Mr. KERR. No, sir.

Mr. FLOWER. There was an attempt to make a salt trust?

Mr. KERR. But it did not work. The interstate commerce bill helped us a little in regard to freights from Liverpool to Chicago.

Mr. GEAR. The analysis of your salt makes it equal to the foreign salt for every purpose?

Mr. KERR. Yes.

Mr. GEAR. Have you anything to prove that?

Mr. KERR. The analysis is in the paper that I have furnished.

Mr. FLOWER. Do you get competition from the Michigan salt works?

Mr. KERR. We do when we go West.

Mr. FLOWER. Do you get any competition from the salt works at Hutchinson, Kans.?

Mr. KERR. Not as yet. We do in St. Louis.

Mr. FLOWER. Do you get any in New Orleans?

Mr. KERR. New Orleans is practically supplied by the rock salt of Louisiana.

There is another article that I would like to speak about. Since we appeared before the other committee the English have formed a salt trust. Their own circular is here and I will hand it in. It will show the total exports of salt from the custom-house at Liverpool. Had it not been for the American salt, and if our salt works had been under a trust, the people would have been paying considerably higher for their salt to-day. As an illustration, in South America, which depends entirely upon English salt, salt was sold prior to this trust (which has been in force only a year) at 25 shillings a ton, and now it is 43 shillings a ton. New York to-day is the cheapest market for salt that the Englishman has. The English have put up the price of salt in Calcutta and in the West Indies; and they have raised the price in Australia from 6 to 7 shillings a ton to 11s. 6d. a ton.

The following is the printed paper referred to by Mr. Kerr:

MEMORIAL RELATIVE TO THE DUTY ON SALT IMPORTED INTO THE UNITED STATES.

Hon. ROGER Q. MILLS, Esq.,

Chairman Committee on Ways and Means:

SIR: In January, 1888, the salt manufacturers of western New York appointed a committee to prepare a statement concerning the salt industry of this country, and especially of the section which they represent, and present the same to the proper committees of Congress. With that intent the committee, then appointed, respectfully offer the following for your consideration:

The principal arguments that have been offered in favor of the removal of the duty on salt may be briefly summarized:

(1) It is asserted that, owing to the protective duty, the price paid for salt by the American consumer is too high.

(2) It is asserted that American dairy salt is not as good for butter-making as the English salt, and that to produce the best grades of butter it is necessary to use the latter.

(3) It is asserted that it is requisite to use foreign salt for the packing of meat, as American salt will not keep the meat as well as the other.

(4) It is asserted that the salt-makers of this country have organized a monopoly or trust for the control of prices, and that the same are thereby maintained at an artificially high standard.

These assertions we take the liberty of replying to, seriatim.

(1) Until about twenty-five years ago America possessed but a limited salt industry, chiefly confined to the environs of the city of Syracuse, in the State of New York, the salt fields there located being the property of the State and not of individuals. At that time the country depended almost entirely on the products of this field, together with a pretty large quantity of the imported article, and the price, owing to the limited domestic competition, was high. About the year 1860 the manufacture of salt was commenced in the State of Michigan, and in a few years developed with surprising rapidity, so that by 1866 the price of salt had fallen from a very high figure to the then low price of \$1.80 per barrel for "common fine" salt, this grade constituting the main bulk of American salt. As these fields became further developed and competition more active the price of salt fell during succeeding years, the average price being for—

1867.....	\$1.77	1872.....	\$1.46	1877.....	\$0.85	1882.....	\$0.75
1868.....	1.85	1873.....	1.37	1878.....	.85	1883.....	.81
1869.....	1.58	1874.....	1.19	1879.....	1.02	1884.....	.73
1870.....	1.32	1875.....	1.10	1880.....	.75	1885.....	.70
1871.....	1.46	1876.....	1.05	1881.....	.85	1886.....	.61

About the year 1883 the discovery of salt in western New York, distant about 125 miles from the Syracuse field, led to an extensive development of this industry in that region, and with the result that standard common fine salt was freely offered during 1886 and 1887 as low as 55 cents per barrel (barrels worth 25 cents included), being equivalent to 6 cents a bushel for the net salt.

Domestic competition has been the chief factor in reducing the price of salt, and we believe that the figures just given should be sufficient refutation of the assertion

that the price of salt is artificially high and that the remedy lies in the removal of the present duty.

(2) In reference to the claim that American dairy salt is not equal to the English, and that fine grades of butter can not be made with it, we will simply state that the organization known as the National Butter and Cheese Association, representing the whole country, appoints judges to examine and pass upon the exhibits of butter and cheese made at its annual meetings. At the meeting held at Manchester, Iowa, in November, 1887, fifteen premiums were awarded on butter, of which thirteen were taken by butter salted with American salt. At the annual meeting of the Association held in Chicago in 1886 the majority of prizes for butter and cheese were taken by users of American salt. The most noted producer of creamery butter in the world, the Elgin Butter Company, uses American dairy salt exclusively. As their butter commands the highest market price, they would certainly employ English salt if it were in reality of better quality than American. We conceive that assertion No. 2 needs no further refutation.

(3) The assertion that meats preserved in brine made with American salt will not keep so well as those in which foreign salt is used, is met by the fact that the principal packing houses of this country, situated at Cincinnati, Chicago, St. Louis, and Kansas City, rely almost exclusively on American salt.

The reason that American salt has gained the confidence of the better class of butter makers and meat curers is due in great part to its superior quality, both as regards its chemical purity and mechanical excellence. Repeated and frequent chemical analyses, both of butter salts and packing salts, have shown them to be superior in point of purity to the best equivalent grades of English salt. The claim, therefore, that the introduction of English salt should be facilitated on the ground of its superiority is utterly and unqualifiedly false.

(4) As regards the assertion that a salt pool or trust has been organized, with a view to the artificial elevation of prices, or the curtailment of production, the undersigned committee are not aware of such an organization, and are able to state in the most positive manner that such does not exist, so far as the salt district of western New York is concerned; and a general pool among the salt producing interests of this country could hardly exist without the fact coming to the knowledge of one or the other of this committee.

Turning from these general considerations, we invite the attention of your committee to the salt trade of western New York. This field embraces two contiguous districts, commonly spoken of as the Warsaw and the Genesee, lying within the counties of Wyoming, Genesee, and Livingston. In the Warsaw district there are fifteen large salt blocks with an aggregate capacity of about 5,000,000 bushels annually. These are the Castile Salt Works, Castile, N. Y.; Duncan Salt Company, Silver Springs, N. Y.; Silver Lake Salt Company, Perry, N. Y.; Kerr Salt Company, Rock Glen, N. Y.; Eldridge Salt Company, Empire Salt Company, Hawley Salt Company, Gouinlock & Humphrey Salt Company, Warsaw Dairy Salt Company, Miller Salt Company, Crystal Salt Company, Warsaw, N. Y.; Pearl Salt Company, Pearl Creek, N. Y.; Le Roy Salt Company, Le Roy, N. Y.

The amount of capital invested in these works, according to the estimate of a competent authority, is about \$2,100,000, and the number of persons directly supported by this industry numbers about 2,000.

As regards the profits of the business in this district, this committee believes itself to be in possession of reliable information to the effect that no company paid any dividend during the past year, two companies failed during 1887, and from the best information we can obtain we are persuaded that the production of salt in the western New York district for the last two years has not paid the cost of producing. Some companies have made a little, but others have lost more, so that on the whole the business has not paid.

We may further say, that in consequence of the development of the salt manufacture the counties of Genesee, Livingston, and Wyoming are experiencing a prosperity never before known to them. Money is more abundant than ever before, labor finds employment, and the farmer and the mechanic find market for their products and their skill. Salt is cheaper than ever before and of a better quality.

Butter and cheese manufacturers formerly looked abroad, especially to England, for their salt, but now as good an article is furnished of domestic production, and at a much lower price.

Should the duties on salt be removed and the price of the article correspondingly decline, every salt plant in the States of New York, Michigan, Virginia, California, and Louisiana would be rendered worthless, the large amount of capital invested lost, and the laborer, the mechanic, and the farmer obliged to seek other markets for their products.

In the Genesee district of western New York there are two salt blocks, located at Mount Morris, N. Y., on the line of the Delaware, Lackawanna and Western Railroad, and known as the Lackawanna Salt Company, and the Royal Salt Company,

while in the same district on the line of the Western New York and Pennsylvania Railroad there are the Leicester Salt Company, at Cuylerville, N. Y.; York Salt Company, at York, N. Y.; Livingston Salt Company, Genesee Salt Company, and Retsof Mining Company, at Piffard, N. Y.

This latter company mines the rock salt, instead of evaporating the brine, as is the case with all the other companies mentioned.

The shipments of salt during 1887 from the stations on the Western New York and Pennsylvania Railroad are stated by Mr. George S. Gatchell, general superintendent of that road, to have amounted to 79,194 tons, or a little more than 5,000 car-loads. He further says: "We expect the same to be materially increased during the coming year."

Of the companies in the Genesee district, it is believed that none have paid dividends from the earnings of the years 1886 or 1887. The business has been conducted without profit, and in most instances at a loss. This is due in part to the earnest effort put forth by manufacturers to improve the quality of their product, leading to costly experiments, which absorbed profits without yielding any immediate return, other than the increased appreciation of customers.

During the past three years the average quality of the salt produced in the western New York field has very rapidly improved and it may be said, without fear of successful contradiction, that the best salt produced there, for dairy and packing purposes, is superior to the best produced in England for similar purposes. It would seem, therefore, from the standpoint of the political economist, bad policy to destroy in its infancy an industry which in the near future promises to render the country independent, in this respect, of foreign control.

In the district represented by this committee immense quantities of standard salt for packers' use have been sold during the years 1886 and 1887, at a net price of from \$2 to \$2.40 per ton of 2,000 pounds, the average probably being about \$2.25, prices which, as already shown, have not paid the cost of manufacture.

In estimating the influence of the removal of the duty on salt we must consider its relations, both to the consumer and to the domestic manufacturer, and the tariff should be equitably adjusted in such way that neither interest should be placed entirely at the mercy of the other.

Fine salt for dairying purposes comes from England in sacks holding 224 pounds, and pays a duty of 12 cents per 100 pounds, equal to about 27 cents per sack. The best quality of this salt sells in New York for about \$2.25 per sack or say one cent a pound. One pound of salt is usually added to 16 pounds of butter, so the salt in each pound of butter costs in this market one-sixteenth of a cent. If now the duty of 27 cents a sack be removed and the market price correspondingly fall, there will be a saving to the butter maker of about one-eighth of the present cost, equal to about one-one hundred and twenty-eighth of a cent for each pound of butter made. In other words, removal of the 12 cent tariff on dairy salt will save the creamery and dairy men 1 cent for every 128 pounds of butter made.

Is this saving to the butter maker or the consumer of butter worth the sacrifice of the dairy-salt-making interest of the United States?

Salt, imported for packers' use and commonly known as "Liverpool ground," usually comes in bulk and pays a duty of 8 cents per 100 pounds, equal to \$1.60 per ton of 2,000 pounds. If the market price of salt in the United States should be reduced to the extent indicated by these figures, it is clear that the domestic manufacturer would receive but 65 cents a ton for the salt that he makes. As fuel required for making a ton of salt costs a little over \$1, the salt manufactories of this region, and in fact of all the salt-making regions of the United States, must inevitably close. With the salt works of this country closed and the plants dismantled, the market would be in the hands of English manufacturers and prices would probably reach, if not surpass, those of twenty-five years ago. We trust that such a condition of affairs may be averted.

In all reports on salt it has been classed as a raw material. We beg to state that it is a manufactured article, using large quantities of coal, machinery, iron, and wood in its production, and, owing to its nature, the major part of the plant has to be renewed in three to five years.

Respectfully submitted.

H. G. PIFFARD, New York,
S. T. KERR, Philadelphia,
C. T. BARTLETT, Warsaw, N. Y.,
Committee.

FOREIGN AND DOMESTIC SALT.

HON. ROGER Q. MILLS,

Chairman of Committee Ways and Means :

SIR: In compliance with your request the undersigned beg leave to lay before you a short compendium of the relations existing between foreign and domestic salt, and we beg that this paper may be taken in connection with and as supplementary to the memorial recently addressed to you by us.

Consumption of salt.—The salt consumed in the United States is partly of domestic production and partly imported from other countries, and the relative proportion of domestic to foreign has been as follows:

	Domestic.	Foreign.
	<i>Tons.</i>	<i>Tons.</i>
1883.....	774, 029	387, 460
1884.....	894, 360	405, 749
1885.....	979, 769	403, 422
1886.....	963, 385	380, 104

These figures, compiled from Day's "Mineral Resources of the United States" [Government Printing Office, Washington, 1887], show a gradual increase in the demand for salt in this country, which demand was chiefly for salt of domestic manufacture, and the domestic production to meet this demand has increased about 25 per cent. in four years, while the demand for imported salt has actually decreased. It is a fair inference, therefore, that consumers to the extent of over 200,000 tons believe that they have found better value for the same money in domestic than in foreign salt.

Kinds of salt.—There are four principal kinds or grades of salt used in this country. The grades made in the United States are as follows:

"Common fine," corresponding to the English "common."

Dairy (factory filled), corresponding to the English "fine" (factory filled).

Solar (Syracuse, Cal.), corresponding to sea salt (West Indies, etc.).

Rock salt (Louisiana, western New York), corresponding to rock salt (England).

"Common fine," and factory filled or dairy salt, is made, both at home and abroad, by evaporating strong brines in either wooden or iron vessels. The wooden vessels, called grainers, are long tanks containing steam pipes, and the iron vessels are large kettles or pans with furnaces underneath them.

Solar salt (American) is obtained by exposing the brine contained in wooden tanks to the open air and without the use of artificial heat. This industry is chiefly carried on at Syracuse, N. Y. But the demand on the Pacific coast for a good solar salt at a reasonable price has led within a recent period to the development of this branch of salt making in California.

Sea salt (foreign) is usually obtained from ponds or small lakes connecting with the sea.

Rock salt is mined much after the manner of coal, and is found quite near the surface in Louisiana, and at a considerable depth (1,000 feet) at the Retsof mine at Piffard, in the western part of the State of New York. (See circular Retsof Mining Company, Exhibit A.) Rock salt is furnished in large lumps for salting cattle and horses, or crushed into small pea-sized fragments for hide-salting, acid-making, and other purposes.

Price of salt.—The selling price of common salt at the various works in western New York during the past two years has averaged less than \$2.50 per net ton (2,000 pounds), and in Michigan the price has been still lower. The freight from works in western New York to Philadelphia, Baltimore, and New York City is at present 10 cents per 100 pounds and to Boston 12 cents, being somewhat higher than before the passage of the interstate-commerce act.

The selling price of English common salt at Liverpool is nominally 7s. 6d. per ton (2,240 pounds), but large sales have recently been made as low as 6s. 6d. The freight on this salt from Liverpool during the past three years has varied from 1s. to 8s., according to the port to which it is sent, season of the year, etc. The average freight for this period to the principal ports of our Atlantic coast has probably been less than 4s.

Salt of this grade is brought over in bulk and pays a duty of 8 cents per 100 pounds.

Dairy or factory filled is chiefly prepared from common salt by certain processes of purification, drying, grinding, etc., and fetches at the works in Syracuse, western

New York, and Michigan from \$5 to \$6 per ton (2,000 pounds). A better quality, made direct from the brine by more expensive processes, fetches a higher price.

English fine salt varies greatly in quality; the lower grades, *e. g.*, Falk's, being obtainable for 21s. f. o. b. Liverpool; Deakin's at 25s., while the highest grade, Ashton's, is not quoted to the trade for shipment to America, as the entire quantity brought to this country comes through a single house, namely, that of F. D. Moulton & Co., of New York, who thereby enjoy a monopoly of the sale of this salt in America. This salt is quoted in the New York market in sacks at \$25 per ton. The duty on this salt is 12 cents per 100 pounds, equal to \$2.68 per ton.

The sacks in which English fine salt is brought to America pay no duty, but the American salt manufacturer using similar sacks is obliged to pay a duty of 40 per cent. on them, or on the material from which they are made.

English lump or rock salts cost in Liverpool about 7s. to 8s. per ton, and until quite recently was sold to the American consumer at a very large advance in price.

Sea salt from Turk's Island and the Mediterranean is held in the New York market at from \$8 to \$12 per ton. Just how much of this is profit to the importer we are not prepared to state. Until recently there existed among the importers of sea salts in New York a combination or pool which controlled the price in that city, and it was not until American rock salt from western New York was freely offered in the New York market at comparatively low prices that consumers were able to obtain coarse salt at a reasonable price.

Cost of manufacture.—The comparative cost of manufacture of salt in this country and in England involves a comparison of the original cost of the plant, the cost of repairs, the fuel used for evaporating the brine, and the labor employed in raking or lifting the salt from the pans and grainers and putting it in the bins.

The first cost of a salt plant in America is about double that of an English plant of the same capacity, due to the greater cost of the wood and iron which enter into their construction, and to the higher wages received by the masons, carpenters, and laborers employed in the work. Much of the machinery is liable to rapid deterioration, and the large iron pans costing say \$2,000 for a pan 100 by 30 feet in size will require annually repairs amounting to fully 20 per cent of their prime cost. These repairs are relatively more expensive than they would be in England.

All of the boiled salts, that is, the grades known as "common" and "fine" (factory filled), necessitate the use of large quantities of coal and the employment of much labor.

Coal is cheaper in England than here, and the rate of wages paid in England is about one-half that which is paid in America for similar services.

The cost of fuel for evaporating brine in this country we can state with some exactness, based on the actual production of salt and consumption of coal during the months of December, January, and February just passed, at one of the works in western New York.

During these months 165,033 bushels of salt were made at a cost of \$5,000.93 for fuel, or a little over 3 cents per bushel, or \$1.23 per ton (2,000 pounds).

The rate of wages paid in western New York to rakers and lifters of salt is \$1.50 per day, and the actual cost for labor on the salt above referred to amounted to \$4,403, equal to 2.66 cents per bushel, or \$1.06 per ton (2,000 pounds). A ton of salt therefore costs for fuel and the labor of raking and putting in bins \$2.29. Dairy salt requires a further expenditure of fuel and labor to dry, grind, and screen and fit it for its intended purpose. It will be noted that the expense of packing and putting on cars, the expense of selling the product, and the expenses of administration are not included.

From the above it will be clearly seen that, under existing circumstances, common and fine salt can not be manufactured as cheaply in America as in England. We may further state that rock salt can not be mined, even with improved machinery, as cheaply in this country as in England, and that solar salt can not be made and gathered as cheaply by American labor as it can by the native Portuguese, Italians, and West Indian negroes.

In a communication from Messrs. F. D. Moulton & Co. to your committee a statement is made as to the comparative expense of laying down a ton (2,240 pounds) of Syracuse and a ton of English salt in New York. It is there stated that it costs \$4.20 to deliver a ton of Syracuse salt in New York, while English salt can be placed there for \$3.32 if admitted free of duty, which is entirely in harmony with what we have ourselves stated above.

The inference of F. D. Moulton & Co., "that the American manufacturer takes the full advantage of his position in extorting from the consumer every cent that he can, consistently with keeping out the foreign article," and "that the American manufacturer is receiving an unduly large percentage of profit," are not warranted by the facts, as the cost of producing Syracuse salt is probably greater than even that of western New York.

Much valuable information concerning the relations of English to American salt will be obtained from an examination of Falk's salt circulars. From these circulars, covering a period of several years, we find that the average prices of English salt at Liverpool have been as follows:

Years.	Common salt.	Fine salt.	Years.	Common salt.	Fine salt.
	<i>s. d.</i>	<i>s. d.</i>		<i>s. d.</i>	<i>s. d.</i>
1872	10 6	35 0	1880	9 0	26 0
1873	15 0	40 0	1881	9 0	26 0
1874	16 0	42 0	1882	9 0	26 0
1875	12 0	40 0	1883	9 6	26 3
1876	10 0	31 0	1884	7 9	25 9
1877	9 0	28 0	1885	9 0	27 0
1878	10 0	28 0	1886	9 6	26 0
1879	9 0	27 0	1887	7 9	24 6

The very remarkable, but gradual, fall in the price of English salt is probably not due to accident or special benevolence on the part of the manufacturer, but is unquestionably due either to overproduction or great (chiefly) American competition.

An examination of a series of Falk's circulars reveals some very interesting facts relating to the formation of a combination or trust among the salt producers of England to control production and regulate prices, and the hope and expectation that the American Congress will pass laws that will enable them to recover the American trade now slipping from their grasp. That English salt manufacturers are losing money on their shipments to America is frankly conceded, and the unprecedentedly low prices prevailing can only be explained on the theory that the English makers are selling in this market at prices greatly below cost in order to discourage, and if possible crush out, American manufacture with the ultimate result of a return to the high prices they formerly obtained. (Exhibit B.)

The crisis in the salt industries of America and England is at hand, and the question for the American Congress to decide is which shall yield to the other.

The fear has been expressed that if English salt is shut out of the American market, domestic manufacturers will form a pool or trust for the purpose of putting prices up to an unreasonable figure. This fear is baseless.

The salt manufacture of England is practically confined to a single county, Cheshire, and an English pool has been formed and can be readily maintained. The salt manufacture of this country, on the other hand, is widely distributed, and experience has shown that an American pool is impracticable, for if an attempt were made to unduly raise prices, new territory would be developed to offset it.

The salt deposits in western New York alone cover an area of over 2,000 square miles, under which there is a stratum of rock salt 60 or 70 feet in thickness. Michigan possesses an equally extensive deposit of the raw material, and other localities are abundantly supplied. America is fully equal to the task of furnishing all the salt needed by the domestic consumer, and at a reasonable price. Remove the present duty, destroy domestic manufacture, and you make our entire country, as a great portion of the civilized world now is, tributary to Cheshire.

The communication from Messrs. F. D. Moulton & Co., already referred to, coming from a house that has so long been identified with the English salt interests, merits careful consideration, as they are unquestionably in a position to be well informed as to the matters of which they speak. We must, however, join issue with them on some points, both of fact and inference.

These gentlemen, the sole agents for Ashton's English dairy salt, attack the quality of American salt, especially that prepared for dairy use, speaking as follows; "American brine is full of lime, gypsum, and other foreign matter which can not be wholly eliminated by any process of manufacture. English is free from these injurious elements."

These statements we absolutely and categorically deny. The fact is, there is absolutely no "lime" (oxide of calcium) in American brine. Gypsum (sulphate of lime) does exist in American brine; also, and, to a great extent, in English brine. As, however, butter makers use salt, not brine, the purity of the manufactured article is alone in question.

From an analysis made by Dr. F. E. Engelhardt, formerly New York State chemist, we learn that Ashton's salt contains—

	Per cent.
Pure salt	97.75
Sulphate of lime	1.22

From the same authority we have analyses of several American salts, as follows:

No. 1 :	Per cent.
Pure salt	98.48
Sulphate of lime.....	.99
No. 2:	
Pure salt	98.89
Sulphate of lime.....	0.72
No. 3:	
Pure salt	99.84
Sulphate of lime.....	.16

From Dr. Goessman, director of the Massachusetts State experimental station, at Amherst, we have an analysis of American dairy salt, yielding:

	Per cent.
Pure salt	98.52
Sulphate of lime	1.01
From Prof. C. F. Chandler, of New York, an analysis of American dairy salt, yielding:	
	Per cent.
Pure salt	99.69
Sulphate of lime.....	.04

From J. F. Geisler, official chemist, New York mercantile exchange, we have a direct comparison between English and American common salts, as follows:

	English.	American.
	Per cent.	Per cent.
Pure salt	98.57	98.88
Sulphate of lime.....	1.28	.97

The utter falsity of the charges preferred by Messrs. F. D. Moulton & Co. against the purity of American salt is shown by the above.

F. D. Moulton & Co. further state that "salt evaporated from sea-water is very strong and remarkably free from impurities, and on this account is preferred by packers and others to American salt." The true fact is that repeated analyses, both here and abroad, show that sea salt produced by solar evaporation usually contains but 95 to 96 per cent. of pure salt, the balance consisting of various impurities. We are surprised that F. D. Moulton & Co. are so ill-informed on the question of the purity of sea-salt.

We are not in a position to know what the preferences of American meat packers may be, but will simply state that to our knowledge over 2,000 tons of salt were shipped by one works in western New York to the packers in a single western city, during six months ending December 31, 1887.

That the dairymen of America do not universally prefer English, or even Ashton's salt, is shown in the "memorial" previously addressed to your committee. Additional evidence on this point may be obtained from the advertising circular of, one of the American companies. (Exhibit C.)

In F. D. Moulton & Co.'s communication it is stated that the cost of mining and crushing rock salt at Piffard, N. Y., is from 50 cents to \$1 a ton, and that the company receives for the same from \$6 to \$7 a ton. The officers of the Mining Company have stated to the undersigned that the cost of mining this salt and putting it on the cars is fully \$2 per ton. They further state that they do not receive the prices named by Moulton, and offer in evidence an account of sales with that house. (Exhibit D.)

In conclusion the undersigned desire to express their candid belief that the American salt industry will not be able to survive the removal of the present duty on salt, and that with this industry destroyed the trade will be almost wholly in the hands of the English, who, with their American agents, will reap the profits that will inevitably accrue from the advance in price to the consumer.

We do not believe that other conclusions can be arrived at, or that it is the desire of your committee, or of Congress, to bring about this state of affairs.

Respectfully, yours,

H. G. PIFFARD.
S. T. KERR.

MARCH, 1888.

EXHIBITS.

The original exhibits can not be conveniently given in full, but will be briefly referred to as below:

Exhibit A.—This was a copy of one of the advertising circulars of the Retsof Mining Company, giving description of mine and stating their facilities for production.

Exhibit B.—Was Falk's circular for January 4, 1888, giving prices of different grades of salt at Liverpool and freight rates to various parts of the world. These circulars are issued monthly, and besides the above usually contain a brief dissertation relative to the condition of the English salt trade. In the one given we find the following:

"The salt trade is at the most deadly crisis. Implacable competition among a small section of the largest makers has brought prices below all records, salt being freely offered at 50 per cent. below cost. All the large chemical contracts for 1888 have been taken at ruinous prices. Nor has there been any more extensive demand for the article below cost. The total export, shown on annexed list, proves a considerable decrease on the average. The principle of association has been violated again, and with more disastrous result than ever yet known. Nothing but a new form of general consolidation can resuscitate the trade."

Exhibit C.—Was the advertisement of an American salt company, with testimonials as to the quality of American dairy salt.

EXHIBIT D.

[Francis D. Moulton & Co., sole agents for Ashton's factory filled salt. Importers and dealers in all kinds of foreign and domestic salt. Francis D. Moulton, Wm. A. Hazard, 127 Water street, New York, April 8, 1887.]

Retsof Mining Company, New York:

DEAR SIRs: We have your account sales for car-load salt consigned to us last fall, showing net proceeds \$8.70, with check to balance same.

You will observe that we have not charged you any commission for our trouble in selling the salt.

Respectfully,

F. D. MOULTON & Co.

Sales for account Retsof Mining Company.

One car salt.

12 ¹ / ₂ tons rock salt, at \$4.50	\$57.40
500 tons rock salt, at 5.60	1.50
6 barrels fine rock salt, at 91 cents	5.46
	<hr/>
	64.36

Charges:

Freight	\$32.00
Storage and labor	17.75
Insurance .....	.20
Weighing	5.71
	<hr/>
	55.66

Net proceeds..... 8.70

F. D. MOULTON & Co.

TOBACCO.

STATEMENT OF BERNHARD BARON.

Mr. BERNHARD BARON, of Baron & Co., Baltimore, addressed the committee. He said:

Mr. Chairman and gentlemen of the committee; My object in coming here is to plead for the entire abolition of the internal-revenue tax as far as it appertains to cigars and tobacco in all its forms. I will submit to you the following practical reasons:

I understand that some members of the Ways and Means Committee favor the abolition of the tax on smoking and chewing tobacco only, and a reduction of the tax on cigars. To me this seems unjust to the farmers of the cigar-tobacco growing States. The States which raise tobacco for smoking and chewing purposes are Virginia, North Carolina, Kentucky, Maryland, a small quantity in Ohio, the most of the Ohio tobacco being suitable for cigars. The States raising tobacco for cigars are Connecticut, Massachusetts, New York, Pennsylvania, part of New Jersey, Wisconsin, and Ohio.

By abolishing the tax on smoking and chewing tobacco you give the farmers of the four States (Virginia, North Carolina, Maryland, and Kentucky) the privilege of manufacturing it, allowing them to sell to whom they please; their boys can learn the manipulation of tobacco; they can pack it in any way they please and sell it to the dealer and let the dealer pack it up as his custom demands, not being hampered by Government form of packages, as at present. The price to the consumer will be cheapened, the consumption will be greatly increased, and farmer and public will both be benefited.

Now, you say to the farmers of the States that grow cigar tobacco, your product must be under the internal revenue, a tax must be collected, and a tax can not be collected except packed in original packages, boxes, or otherwise, which he can not get at his farm-house. His children could easily learn the manipulation of tobacco and making of cigars, but they can not work there because they can not get the boxes and do not understand book-keeping, which the Government requires in order to collect the tax. He must give bond; he can not get the stamps at the moment he requires them, and he must remain at the mercy of the licensed dealer who wants to buy his tobacco. Above all, if the poor man wants to smoke a cigar, he must pay double its value for it. I ask you, gentlemen, is this justice? These are only reasonable facts. Now, gentlemen, what I want to get at is to give the same privilege to the farmer as I have, and if he can do better than I can he is welcome to it, and I will step aside; but if he can not, after having all the privileges that I have, he has no one to blame, and can not ask any more from you than the same rights given to every one else. This can only be done by the abolition of the entire internal-revenue tax on cigars as well as tobacco.

If I were one of the Representatives of the States that grow cigar tobacco, I would certainly protect my people, as well as the people of the States that grow only smoking and chewing tobacco. Now let me show to you how unjust the revenue tax is and where it falls the hardest. Of the \$36,000,000 collected yearly, I would say that at least \$25,000,000 is paid by the poorest, that is, he that uses the cheapest tobacco, which I will prove to you by facts. The tax as it stands at present is \$3 per 1,000 cigars and 8 cents a pound on smoking tobacco. The purchaser of a pound of tobacco at 20 cents pays 8 cents internal-revenue tax, while the one who buys a pound at \$2 pays the same tax, the former paying the Government nearly one-half the amount in taxes and the latter but one-twenty-fifth. The one who purchases a cigar for 2 cents pays about one-sixth of the amount of tax, while the smoker of 10-cent cigars is taxed but one-thirtieth of the amount of his purchase. Furthermore, cigars containing 3½ pounds tobacco to the thousand pay the same tax (\$3) as those containing 25 pounds, which quantity the law allows. Taxing the smallest cigar or cheroot the same as the larger ones has brought the paper cigarette to such an enormous consumption in this country, it being impossible to make from tobacco entirely a marketable article under the weight allowed for cigarettes, that is, 3½ pounds per thousand at a tax of 50 cents. We pay annually \$1,500,000 to France for imported cigarette paper, which we could substitute tobacco for, were we allowed to use 5 pounds to the thousand in-

stead of 3; we would thereby utilize at least \$2,000,000 of our own product and make a healthier article for the consumer.

Mr. BRECKINRIDGE. How much does that weigh?

Mr. BACON. About 4 to 4½ pounds.

I also understand that the largest tobacco manufacturers in this country request you to keep a tax on tobacco of 2 cents a pound. The reasons they give are that they would like to keep up the system. Now, I ask you, gentlemen, who in the name of common sense prevents them from keeping up this system after the internal revenue is taken off? Why should you compel the farmer and the people in the small villages in the country to pack their tobacco under the system now existing, in packages assigned to them by the internal revenue laws, which consists of certain sized bags or boxes, while otherwise he could pack it in barrels or cases, just as he pleases, and the dealers will pack it to suit their own convenience for their custom. They also say they have brands on which they have expended a great deal of money that are protected by the internal revenue. Why should they be thus protected? Are the fruit-packers, who expend as much on their brands of tomatoes, pears, peaches, etc., protected in such manner? The Patent Office is the place to demand that protection. If they are afraid that the poorer or smaller manufacturers will get the best of them on equal terms it proves that they have had a monopoly under the revenue system. I have also valuable brands on which I have expended thousands of dollars, but I do not want the Government to claim the credit of having assisted me, and if a smaller manufacturer can do better than I can I am willing to stand the consequences.

I claim that the entire abolition of the tax will be equally beneficial to everybody. Now, gentlemen, here comes also the request from the farmer asking you to raise the tariff on Sumatra to \$1 per pound. This I consider unjust. If the farmer gets the same rights and privileges that I have and every one else has, that he can manufacture and sell to whom he pleases, and if he has a protective tariff of at least 400 per cent., what right has he to ask for more? He states to you that the Sumatra tobacco has ruined his product; let us consider it. The price of the Sumatra in this country, after the tariff is paid, is from \$1.50 to \$2 per pound; the farmer claims that his tobacco only brings from 9 to 12 cents. Has the farmer so little confidence in the ability of the cigar manufacturers of this country that they would pay from \$1.50 to \$2 a pound for Sumatra if they could buy home product even half as good if they had to pay 50 to 60 cents a pound for it? Every manufacturer and every business man tries to get the best article for the cheapest price, and they would certainly utilize our own tobacco if it could replace the Sumatra tobacco. If you protect the farmer by placing a duty of 50 cents a pound on Sumatra it is all he can demand. Why shall he be more protected than the farmer who raises vegetables? Take peas, for instance, which are imported from France; are they more protected by the tariff than tobacco? I will vouch to say that after the internal revenue is taken off and some of the farmers go into cigar manufacturing they will be the first to use Sumatra, because they will find a demand for it, and I would not be surprised if after the internal revenue is off, in a few years, they should ask you to reduce the tariff from 50 cents to 25 cents a pound duty.

I hope, gentlemen, I have brought sufficient facts before you to bring this question to a speedy settlement, and that you will take the internal revenue entirely off, which will relieve the stagnation which at present is in our trade and which affects at least two hundred and fifty to three hundred thousand people, and that we may never again have such agitation as we have had for the past few years.

I challenge any cigar or tobacco manufacturers who are in favor of the internal revenue system remaining to dispute the facts I have presented to you.

I thank you, gentlemen, for your kind attention.

REMARKS OF J. S. VAN DUZER.

Mr. J. S. VAN DUZER, farmer, of Horseheads, N. Y., next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee: I regret very much that I was not present this morning to hear the opening arguments upon this question of tariff rates on leaf tobacco. I had been informed that the discussion to-day would concern only the manufacturers of cigars and tobacco, and that the question in which the farmers were interested would come up to-morrow. It was by chance that I have heard the closing portion of Mr. Schroeder's argument.

It was my pleasure to listen to the statements made before your committee yesterday, many of them setting forth the condition and needs of the farmers in various sections of the country. Being myself a farmer, and a farmer exclusively, I was especially gratified to find that some appreciation of the farmers' interests has seemed to have reached the halls of Congress, and even the rooms of the Ways and Means Committee. I believe you are beginning to realize that something must be done, if possible, to help the American farmer.

It is a fact, gentlemen, beyond dispute, that in the production of all the staple products of the farm the great body of American farmers are finding no profit. They are falling behind and becoming discouraged.

In many sections of the country attention has been given to the production of specialties which require rich lands in a high state of cultivation as well as intelligent management and large outlays for labor and special facilities. One of these specialties, which for the past fifty years has been for the most part remunerative, is the production of cigar-wrapper tobacco. The tobacco grown in the Southern States is mostly made into smoking and chewing tobaccos, and is largely exported to foreign countries; but the cigar leaf is raised principally in the New England States, in New York, Pennsylvania, Wisconsin, Illinois, and Ohio, and to some extent in several other States.

Not until 1882 was a foreign tobacco brought into this market that seriously interfered with our domestic cigar-wrapper leaf. For years many millions of dollars had annually reached the pockets of the American farmers through the production of cigar-wrapper tobacco. When we saw our market encroached upon by this product of cheap coolie labor we appealed to Congress and in 1883 the present duty on cigar leaf tobacco was established. Unfortunately the wording of that law was so defective that it has utterly failed to accomplish its purpose. It was clearly the intention of Congress to place a duty of 75 cents per pound on all foreign wrapper-tobacco. For a brief period imports were checked, but importers soon found the holes in the phraseology of the law and began to evade its clear intent. Treasury officials by restrictive rulings have sought to enforce the 75 cent rate of duty on all foreign wrapper tobacco, and recent rulings have been so far effective that nearly 30 per cent. of the last year's importations have paid this higher rate. Could it have been enforced from the start no doubt it would have afforded a large measure of protection to the American grower; but it has been practically a dead letter. All our efforts to have the law amended in its wording, so as to establish the rate which it nominally fixed, have failed during several sessions of Congress.

At the low rate of duty on this high grade tobacco, put by cheap labor in a highly manufactured state, foreign wrapper has come into this country in largely increased amounts every year, until it has now nearly monopolized our market to the exclusion of domestic cigar wrapper.

Our farmers find their crops valued at the price of fillers and binders. American grown wrappers are practically unsalable, just as the American made cigars would be to-day if the high rates of duty were taken off foreign made cigars, which are now kept out of our market by a duty of \$40 or more per thousand, which is from four to ten times the cost of labor in their manufacture.

There were nearly 4,000,000,000 cigars made in this country last year. If the American farmers were protected in growing the wrappers for these 4,000,000,000 cigars, they would receive, at even a moderate price, at least \$20,000,000.

MR. McMILLIN. What has been the average selling price of American tobacco for the last four or five years? What have the farmers of the whole country received for their cigar leaf?

MR. VAN DUZER. I should say about 7½ to 8 cents per pound.

MR. McMILLIN. What is the present duty on the other?

MR. VAN DUZER. Nominally 75 cents. But these questions are misleading, for in naming 7 to 8 cents as the price of American tobacco I am stating what the farmer gets for his whole crop through, only a small portion of which is wrappers.

MR. McMILLIN. I mean the wrappers.

MR. VAN DUZER. I can not answer that question. The farmer usually sells to the dealer at one fixed price for all grades through.

MR. CARLISLE. Then the dealer separates them?

MR. VAN DUZER. Yes, sir.

MR. FLOWER. Prior to 1875 or about 1865 there was a duty on this tobacco?

MR. VAN DUZER. I can't state what the duty was then.

MR. McMILLIN. What I was trying to get at was, how the duty is to help you, when the duty is now four times what the farmer gets for the wrapper when he sells it?

MR. VAN DUZER. I will endeavor to explain it to you—

MR. McMILLIN. I wanted to call attention to that point in the case.

MR. LA FOLLETTE. Perhaps it would be better to let Mr. Van Duzer make his statement first.

THE CHAIRMAN. We have been in the habit of interrupting witnesses.

MR. McMILLIN. It was not my purpose to confuse him.

MR. VAN DUZER. I do not object to these interruptions—I welcome them; but I hope the committee will bear with me if my remarks are somewhat disordered, as I have no prepared speech and was not expecting to say anything to-day. I have stated that the average price for our home-grown tobacco, as it leaves the hands of the farmer, is from 7½ to 8 cents per pound. Before the foreign tobacco came in to take the place of our home-growth our best grades of cigar wrappers were in demand

at from 60 cents to \$1 per pound. It is this class of tobacco that seeks protection against its foreign competitor, and not the whole crop. Wipe out the demand for wrappers and we have salable only binders and fillers, which we always produced at a loss. It was the wrapper which afforded whatever of profit the farmers obtained from producing cigar leaf tobacco.

But it has been intimated that the growers are asking for something unreasonable in the way of protection, and it has been stated that we already have from 400 to 800 per cent. protection. I have alluded briefly to the protection enjoyed by the American cigar-manufacturer. Let us compare more carefully his protection with that afforded the grower. A duty of \$2.50 per pound is levied on all imported cigars and in addition an ad valorem duty of 25 per cent. The average weight of imported cigars is something over 12 pounds to the 1,000. This would make the duty \$40 on a cigar costing \$40 abroad. The duty on the amount of tobacco used in 1,000 cigars would be on, say 16 pounds fillers, at 35 cents, \$5.60, 3 pounds wrappers, at 75 cents, \$2.25; a total of \$7.85.

I have given the outside rate on leaf tobacco, notwithstanding the fact that a large part of the foreign wrapper comes in at filler duty. Even with this statement of the case, the cigar-maker has \$32.15 more protection than the farmer, or 500 per cent. more protection. Will any one pretend that it costs \$40 per thousand in labor to manufacture cigars? Remove the duty, and cheap cigars will flood our market. Reduce it to a line with the protection afforded the farmer, and Havana cigars will drive out of business all the manufacturers of high grade goods. We do not ask such injury to be permitted. We do ask that the farmers be considered, as well as the manufacturers, in establishing tariff duties, and this leads me to repeat what I said at the outset, that I am glad to find that here in Washington and in Congress there is a disposition to consider the needs of the farmer. As the great wealth-producing class they are clearly entitled to have their needs considered. In the present depressed state of their business it is high time their interests were being looked after. If, therefore, in rearranging the scale of tariff duties help can be given to the farmer, it is clearly the part of wise statesmanship to give it with a bold and steady hand.

I ought to speak of the merits claimed for this Sumatran tobacco. It has been stated here that smokers prefer it, and that there is no longer any demand for cigars wrapped with American grown wrappers. I do not believe that smokers like it, or that there is any real good reason for its having possession of the market beyond the cupidity of the importer and dealer who have taken advantage of the American disposition to buy new things, and especially if they are imported. The tobacco is not pleasant to the taste, and the only advantage that can reasonably be claimed for it, so far as the smoker is concerned, is that it is more glossy than either the Havana or domestic wrapper. Its success is largely due to a condition of things which I sincerely regret having to admit exists in this country. We Americans, with all our pride in American institutions and American achievements, seem to believe that anything that is imported is better than that which is produced at home; and I believe that this fact has had much to do with the successful introduction of Sumatran wrapped cigars.

Mr. FLOWER. What duty do you desire?

Mr. VAN DUZER. It is now 75 cents per pound.

Mr. FLOWER. How much do you desire?

Mr. VAN DUZER. Enough to protect the American grower against the foreign competitor, and I believe a great deal higher duty will be required now to protect the American grower than would have sufficed four or five years ago.

Mr. FLOWER. Would you put a high rate on Cuban tobacco too?

Mr. VAN DUZER. No, sir. We have no disposition to interfere with Havana or the rate of duty on it.

I wish to remind the committee that the American market—our home market—is of more importance to the American producer than any other market on the face of the earth. It is especially the greatest market anywhere to be found for cigar-leaf tobacco. As I have said, we made last year 4,000,000,000 cigars. In an effort to meet the fastidious demands of this home market the growers have yearly increased the cost of their crops by using an increased amount of labor. They have been growing finer varieties of leaf, setting more plants to the acre, and handling with greater care. It is safe to say that the best growers have added from 3 to 5 cents per pound in labor upon their crops during the last five years. That is, the labor now costs 5 cents per pound more than it did five years ago. Every farmer who has made a business of raising tobacco has an investment in buildings and appliances, especially adapted to its needs, amounting to at least \$200 per acre. If he grows 20 acres his investment would amount to \$4,000. This would not seem a large sum to the large business concern in a large city; but an investment of \$4,000 on a small farm is of no small importance. Permit this tobacco-growing industry to be wiped out by foreign competition and all this investment goes for naught. Save this industry by needed legislation and you preserve millions of wealth-producing property.

One argument urged against what we ask comes from those people who want "raw materials" free. They are disposed to class all the products of the farm as raw ma-

terials. Tobacco and wool and cotton are they not in a very high sense manufactured articles? and yet they are spoken of as raw materials. The trouble is the manufacturer has urged his claims for protection, while the farmer has plodded along on his farm and has suffered. He has borne uncomplainingly whatever of burdens protection to many important industries may have placed upon him. It is true that he has been to a certain extent an indirect beneficiary, for factories have been established among our farms and their employes have furnished a market for our products; but now we find that there are certain products which we can only hope to have preserved for us by the workings of protection duties.

Mr. FLOWER. Can you not raise Sumatran tobacco in this country?

Mr. VAN DUZER. Sumatran tobacco does not prove desirable when grown here; but even if we had in this country the necessary conditions so far as soil and climate are concerned we would even then be powerless, for the reason that the farmers of this country have to pay American wages. It is beyond dispute that labor is obtained in Sumatra at 8 to 10 cents per day. Our labor costs from \$1 to \$1.50 or from 1,200 to 2,000 per cent. more.

The cheapness of this foreign labor enables the grower to do work upon his tobacco which was formerly done in the cigar factory. He re-sorts his leaf. In this work, being done abroad, a considerable amount of the labor heretofore employed in the American cigar factory is displaced. This in a measure accounts for the higher price of the foreign tobacco. In fixing a rate of duty it must therefore not only cover the difference of the cost of labor on the farm, but the labor which (in using the American leaf) was employed in the factory.

Mr. FLOWER. Do you use girls and boys in cultivating tobacco?

Mr. VAN DUZER. I do not. In some cases that is done in the assorting of tobacco.

Mr. FLOWER. There is 500 per cent. duty on this Sumatran tobacco. How much duty do you want?

Mr. VAN DUZER. Our rate of wages are 1,200 per cent. higher than in Sumatra.

Mr. FLOWER. You say your tobacco sells at 8 cents a pound and this duty averages, 55 cents.

Mr. VAN DUZER. It can not be fairly claimed that we have 500 per cent. or 100 per cent. duty.

Mr. FLOWER. You say the duty on this wrapper tobacco is 75 cents per pound if it were collected, and that it averages 35 to 40 cents per pound. That would be five times as much as you get for your home product and therefore 500 per cent.

Mr. VAN DUZER. If we raise 1,300 pounds we get, say, 300 pounds of choice wrapper out of the 1,300 pounds grown on an acre. These 300 pounds would have been worth a good deal more than 8 cents. If they sold at 40 cents it would not be a high price. We ask protection only on one grade of tobacco—a small part—the wrappers—the only part on which we make any profit. We want a duty that will be ample. If it requires 500 per cent. we want 500 per cent.

Mr. GEAR. Do you want it made specific?

Mr. VAN DUZER. Yes, we want a specific duty on wrapper tobacco.

Mr. GEAR. How would you get around the difficulties of classification?

Mr. VAN DUZER. The difficulties in the way have been greatly exaggerated before this committee. I have given careful attention to this question. My friend, Mr. Morse, and myself spent last Saturday in New York in consultation with custom-house officials upon this very point. We reached a conclusion, which, on arriving here, we submitted to Treasury officials; among others, Colonel Tichenor, the Assistant Secretary, who is thoroughly familiar with this question in all its phases. I do not think there will be any difficulty in reaching a wording that will accomplish its purpose.

Mr. GEAR. I want to know what you suggest.

Mr. VAN DUZER. I will submit in writing a wording that has been approved by the Treasury officials, and which I believe will end these troubles.

We ask that you place the duty on wrappers at \$2 per pound. This foreign wrapper tobacco, in its highly manufactured condition, is selling in our market to-day as high as \$2.75 per pound. We do not believe that a \$2 rate of duty will exclude Sumatran wrapper. Those who oppose the farmer before your committee maintain that at least \$3 per pound duty will be necessary to effectually protect the American grower. But we believe that \$2 will go far toward discouraging the use of the foreign wrapper and in encouraging manufacturers to go back to the native grown leaf. We want protection, and believe that at least \$2 per pound is necessary to that end. Do not think that we name that as a high figure. It is as low as can be safely trusted to benefit the grower. One dollar per pound or \$1.50 might be preferable if you were simply endeavoring to fix a rate that would swell the custom receipts of the Government, but in fixing a protective duty, with the purpose to discourage imports, at least \$2 a pound should be fixed. I trust in this really new departure on behalf of American agriculture no half-way work will be done. Let us see the policy of protecting the farmer boldly and fairly carried out, not by slight and feeble advances in rates on a few articles, but by good round protection rates on such articles as we can produce to advantage in this country.

A high rate of duty on foreign wrapper does not bring loss or hardship to the lea- trade or to the cigar manufacturer. The leaf dealer, if he continues to handle Sumatran tobacco, will simply add the amount of increased duty to his selling price. If he finds less demand for the foreign wrapper he can turn his attention again to domestic tobacco. The manufacturer will, if he continues to use the foreign wrapper, make his customers pay the increased cost. The retail dealer might have his liberal profit slightly shaded or the smoker get a somewhat inferior smoke. That is just what the smoker is experiencing to-day. In order to use this high priced and ill-flavored wrapper the manufacturer is cheapening the filler of his cigar. Instead of full Cuban filler and fine flavored domestic wrapper, some inferior cheap tobacco is mixed in with the Cuban filler and covered with the much vaunted Sumatran wrapper. Now I have shown that neither the dealer in leaf nor the manufacturer is asked to lose anything through the advance in tariff rates asked for by the growers who expect to get advantage from these higher rates.

In producing tobacco the farmer is really a manufacturer in many respects. A large force of men is necessary the year around. All through the winter months a large number of hands is required by the grower of a few acres of leaf. But in one important respect the tobacco grower differs from the manufacturer. As a rule, the manufacturer has a steady and reliable market for his product. At least the fluctuations are not wide or frequent. He is generally able to figure cost accurately and add his margin of profit to determine the selling price.

But the farmer grows his crop as cheaply as possible, consistent with the high requirements of a trade constantly increasing in its fastidious demands, and no matter whether the cost is high or low it has to be sold at the market for what dealers are pleased to pay. It does not matter whether that price is below or above the cost of production. We can not charge up to a dealer the increased cost of production, nor will the retail dealers or consumers help us out. The farmer, as a rule, can not fix the selling price of any product of his farm. The protective duty asked for will certainly help the farmer and will not hurt any other class. Nor will it increase the cost of cigars to the consumer, for a better and cheaper cigar can be made from Cuban filler and domestic wrapper than is produced to-day with the foreign wrapper.

Even if you raise the rate of duty sufficiently high to entirely exclude foreign wrapper tobacco it would not insure very high prices for domestic wrappers, for in the present depressed condition of agriculture farmers are looking to the right and and left for some product in which there is profit. American farmers can produce all the wrapper tobacco, not only for this country, but for the whole world, and it would not be long before this home competition would bring the price of domestic leaf down to a level with other special farm products.

But there is more than possible profit to the individual producer in what we ask and expect from legislation. It means the saving or restoring an important industry to the agriculture of the country. It means saving to the American farmer at least twenty millions of money yearly, which, without this protection, will go abroad to enrich wealthy foreign syndicates who fatten on the pauper labor they employ.

During recent years Congress has been beseeched to protect the American laborer against the Chinese immigrant who brings with him uncivilized habits and even in this country is willing to work for wages which will not support a self-respecting American. Let me ask, is it not as important to protect American labor against the products of coolie labor as against the labor itself? Is not the coolie a menace to us, even though confined to foreign shores, if the products of his labor are permitted to come here in direct competition with similar articles produced here with labor paid for at living wages?

STATEMENT OF WALTER E. BARNETT.

Mr. WALTER E. BARNETT having addressed the committee on the regulation which requires the placing of an inspection stamp on imported cigars (which will be found on page —), said:

I would like to speak of the Sumatra question. I was here during the first session of the Forty-seventh Congress, when the law was enacted. I am sorry Mr. Randall is so ill. He said to me at that time, "Mr. Barnett, what we are trying to do is simply to legislate against the product of a country with which we are in treaty relations." It was arranged that this tobacco should be described, or rather named, and the 85 per cent. and the one-hundred leaf clause was made at that time. It was supposed that it would be fully carried out under the bill. What we do want is that there shall be no prohibitory duty levied on Havana wrappers, as there are inside of the city of New York seven or eight thousand wage-earners, the International Cigar Makers' Union, a body composing nearly one hundred thousand cigar-makers, who would be seriously injured by the passage of any bill which would destroy their chances of obtaining Havana wrappers. If in any way you can exempt Havana from the prohibitory provision of such a bill, then we are with you.

The Sumatra tobacco has no friends now even among the men who work in it. I

know that to be a fact. An honest way for the United States to have done, when this Asiatic invasion began, was to have turned to the Government of the Netherlands and said frankly, "We give notice of our desire to abrogate the treaty and to put a prohibitory duty on the tobacco, or get your permission to put a prohibitory duty on the tobacco, that comes from your Indian possessions." Then farmers would probably have joined hands with us and asked for a lower duty on Cuban tobacco. We must have Cuban tobacco wrappers and fillers or close our factories. We are compelled to sell our cigars 30 and 40 per cent. below the cost of imported cigars, of the same size and character. Why? Because the dealer sells them surreptitiously. I had something to do, I believe, with the suggestion of the 85 per-cent. clause. It was done for the purpose of securing us the Havana without increased duty on the wrappers.

MR. LA FOLLETTE. About what proportion of the Havana tobacco is wrappers?

MR. BARNETT. I have seen magnificent bales where almost every leaf would make two wrappers; but they are like angels' visits, few and far between.

MR. LA FOLLETTE. Then ordinarily, or except in rare cases, you would find a much less percentage of wrappers in a bale of Cuban tobacco than you would fillers, of course?

MR. BARNETT. Oh, no. Our sixes are about the best grade that comes in here. Some of them might make all wrappers, only some of these would be red in color and so useless. Some would probably be torn on the selvage, and if it was not torn it would make a wrapper. If you arrange the duty so as to give us a higher duty on wrappers than on fillers you would make us pay a higher rate of duty for a large proportion of fillers. One bale of tenths might yield 15,000 wrappers and the brother bale would not have a wrapper in it at all.

MR. GEAR. You are a manufacturer?

MR. BARNETT. Yes, sir; and I have been for twenty years.

MR. GEAR. Do you manufacture your cigars in a large factory?

MR. BARNETT. Mine is a medium factory of about fifty men.

MR. GEAR. Is there a law in the State of New York against the manufacture of cigars in tenement houses.

MR. BARNETT. There was, but it was declared to be unconstitutional. The matter was pressed to the attention of the legislature by the boards of health of New York and Brooklyn.

MR. GEAR. It was purely sanitary?

MR. BARNETT. Yes, sir. There was a remark made here by the gentleman who preceded me. I would simply state that while I am making no question as to the abolition or favoring the retention of the internal-revenue tax the International Cigar Makers' Union (a body which consists of nearly 65,000 men) met recently in convention in Binghamton, N. Y., and passed a resolution opposing the repeal of the internal-revenue tax on cigars.

MR. GEAR. They are opposed to the repeal of the internal-revenue tax on cigars?

MR. BARNETT. I think it would be no advantage to the farmer; and there is another thing about it: you gentlemen want to avoid a plethoric Treasury, and I think that this is bothering the minds of this committee more than any other one thing. You probably will, in your judgment, take good care of that. Let me say if you are bothered with a surplus in the Treasury every time you put on a duty which is intended to be prohibitory of Sumatra you will increase the difficulties of the Government by increasing the surplus unless you make the duty over \$3 per pound.

MR. LA FOLLETTE. What is wrapper leaf Cuban tobacco worth per pound?

MR. BARNETT. It depends. You could buy wrappers in New York, duty paid, all the way from \$1 to \$4 per pound. Of course, the \$4 a pound would be a good variety. It is used for making fancy cigars. Wrappers are all sorts of prices. We can not exist in our manufactures if you put any more duty on the Havana tobacco. The average cost in Havana is about \$1 per pound now for running lots, which includes the product of each farmer, wrappers and fillers combined.

VIEWS OF NEW YORK STATE TOBACCO GROWERS' ASSOCIATION.

GENTLEMEN: We ask for protection because our combined associations represent hundreds of thousands of Americans who own property and pay taxes for the support of the Government. They own millions of dollars' worth of property in warehouses, assorting rooms, tobacco sheds, tools, etc., that would be of little value for any other farm product.

Our dangerous and unjust competitors are the rich Holland syndicates, who employ nothing but coolie labor to raise, handle, cure, assort, pack and prepare their product for the market at the nominal sum of from 8 to 10 cents a day. By so doing they are enabled to divide from 100 to 125 per cent. dividend per annum on the amount of capital invested in their business. They do not pay 1 cent for the support of this Government; hence we have a right to expect ample protection against such com-

petitors. The change of the tariff duties will not affect in the least any branch of the tobacco business except that of the manufacturer and grower, for the following reasons:

First. There are no exclusive importers in Sumatra tobacco, as all who import it deal in domestic tobacco, and if the tariff should be raised so that they would lose custom on the imported goods they could hold the same trade on domestic goods, as one or the other must and will be used.

Second. The jobbers and dealers in leaf tobacco would not be affected in the least. They are tired of the ambiguity and uncertainty of the present law regulating the importation of leaf tobacco, and are anxiously waiting the time when a specifically drawn law will be adopted so that they can tell with a reasonable degree of accuracy what the duty on a pound of Sumatra will be and what they can afford to pay for domestic tobacco in order to compete with it.

Third. As it is very evident that the only branches of the tobacco trade to be affected by the change in the tariff, justice should demand that protection should be equally divided between those two industries. We will now show you what protection the cigar manufacturers of this country are receiving under the present law.

The duty on imported cigars is \$2.50 a pound specific and 25 per cent. ad valorem, allowing that 1,000 cigars would weigh 15 pounds and be \$60 per 1,000, and which we think a fair estimate. The specific and ad valorem duty would be \$52.50; take from that the duty on 21 pounds of fillers and binders at 35 cents per pound and 4 pounds of wrappers at 75 cents per pound, which is \$10.35, and you have \$42.15 to be divided by 25 pounds, the Government allowance for 1,000 cigars, which gives the manufacturer a protection of \$1.68 and a fraction on every pound of tobacco consumed in the manufacture of 1,000 cigars.

Again, if the cigars weigh 12 pounds and their value is \$50 per 1,000, the ad valorem and specific duty would be \$42.50. Take from that the duty on 18 pounds of fillers at 35 cents and 4 pound of wrappers at 75 cents, which is \$9.50, will leave \$33 divided by 22 pounds, and the manufacturer is protected by \$1.45 and a fraction on every pound of tobacco consumed in the cigars.

This is the protection afforded to the manufacturers who manufacture clear Havana cigars exclusively, and they will not exceed 5 per cent. of the total number of cigar manufacturers in this country. All other cigar manufacturers who use domestic wrappers and binders have the advantage of saving the duty on the binders and wrappers, which will be equal to 25 cents a pound more protection than the clear Havana manufacturer receives, which would be a protection for them of from \$1.70 to \$1.93 on every pound of tobacco consumed in the construction of every 1,000 imported cigars; besides, the manufacturing business has become the monopoly by the introduction of a war measure, in time of emergency, in the form of the internal-revenue laws, which prevents thousands of honest American tax-payers from embarking in the business for the want of means and credit to comply with the restrictions and provisions of the law. Hence we say that the manufacturers of cigars have no just right to refuse or oppose the protection of growers of leaf tobacco, at least to the extent that they themselves are protected.

The immense importation of Sumatra tobacco at the lowest rate of duty has availed the consumer nothing. None of the leading brands of cigars have been reduced in price; consumption has not been stimulated by its use. When domestic tobacco was being used principally, the production of cigars increased in the United States from 1,978,574,246 in 1879 to 3,392,528,869 in 1883, and from 1884 to 1885, while Sumatra was in its greatest favor, the production of cigars fell off nearly one hundred millions, as shown by the internal-revenue report of the Government. The increase since that time has not began to keep pace with the increase in the population. As late as 1883 and 1884 good domestic crops of leaf tobacco were conceded to contain from 60 to 80 per cent. of wrappers. By that time, however, the Sumatra had gained a foothold, and established a fashion for light-weight, thin, silky, and glossy tobacco for wrappers, and in order to follow the fashion the people were educated to smoke with their eyes instead of their taste, as it is acknowledged to this day that so far as quality is concerned the American tobacco is infinitely superior to its foreign rival. This fashion, created by the use of Sumatra tobacco, has ruined the profit of the American grower, as the percentage in their crops of fashionable tobacco kept growing smaller and smaller year after year, until at the present time it is claimed that a large percentage of the American tobacco is unfit for wrapping purposes, and that in the best crops of the American product there is no more than one-third of the crop that contains wrappers of the fashionable character, and even at that only a very small percentage.

As the manufacturer can wrap 1,000 cigars with 3 pounds of Sumatra, which at the very highest price will not cost him to exceed \$5 or \$6, and as it would require at least 20 pounds of the very best domestic wrappers to select 6 pounds of the fashionable kind from, which would require a large amount of labor and would be worth \$1 a pound, and what was left would be nondescript tobacco, according to the

fashion established, and not fit for wrappers on account of the color and gloss required for that purpose to make them fashionable, not fit for binders or fillers, hence only worth a very nominal price, not to exceed what the labor was worth to sort out the fashionable 6 pounds necessary to wrap 1,000 cigars, hence you see the reason why the manufacturer prefers to buy the Sumatra wrapper and save the labor of sorting by transferring it to the cool labor of Europe.

What is called a good domestic crop of tobacco will actually cost, at the very least, 12½ to 13 cents a pound. Say in classification it contains one-third of which contains a small quantity of wrappers, one-third binders, and one-third fillers. The filler will be estimated at 2 cents a pound, binders at 6, and the wrappers at 30 cents. This is the way the round price is figured out. These are the absolute facts in the case, and ought to convince any honest disinterested party that the American tobacco-grower is badly in want of protection at your hands.

We fear that there is a disposition on the part of our enemies, and even some of the representatives of the tobacco-growers, to insert in the new tariff law to be adopted ambiguous language, such as "commercially known" and "chiefly used," which would, in our opinion, render the bill entirely worthless for protection and impossible to operate according to the intent of its framers.

The Hon. Frank Hiscock introduced a bill as an amendment to the present ambiguous law, the language of which was agreed upon by the representatives of the various tobacco-growers' associations for the past five years or more as being thoroughly safe and impossible to evade. It relieves the custom officers of all discretion except the weighing of the package. The Hiscock bill reads as follows:

"Leaf tobacco in any bale, box, package, or bulk, any part of which is suitable for wrappers, if not stemmed, 75 cents; if stemmed, \$1 a pound on the whole contents of such bale, box, package, or bulk. All other leaf tobacco manufactured and not stemmed, etc., 35 cents."

The language of this bill does not differ particularly from the bill reported by the Senate committee, who were careful to keep out all ambiguous language, except in the enacting clause, which says that "if any tobacco suitable for wrappers is found in any package, the high rate of duty must follow the entire importation instead of the bale, box, package, or bulk." This, we think, would make the bill odious and invite trouble by law suits, etc., for if one bale in the importation of 1,000 bales or packages was found to contain tobacco suitable for wrappers, the balance 999 bales of which were conceded to be nothing but fillers, the high rate of duty must be collected from the whole importation according to the provisions of the Senate bill.

The Hiscock bill has been considered by lawyers, judges, all experts, and all classes of the cigar and tobacco industries to be perfectly iron-clad and impossible to evade. The only objections that we have ever heard raised against it are by the importers, who claim that there is tobacco suitable for wrappers to be found among the filler grade, etc. We believe this claim to be without the least foundation whatever, as Havana wrappers of fine quality are worth \$5 or \$6 a pound to the established manufacturer of fine cigars in Cuba, who requires all the wrappers of that character that the island produces. There are, however, a few Cuban manufacturers in New York City and Key West who make a specialty of imitating imported cigars and selling the products of their factories at enormous profit, who are able and pay the price necessary to import fine Havana wrappers enough to meet their demands. There is no tobacco imported from Cuba to this country that is fit to be used for wrapper purposes, except what is used by those Cuban factories.

The present law requires that all tobacco suitable for wrappers shall pay 75 cents duty, and there is not an instance on record where any Havana has ever been subjected to that rate of duty, except what is used by the Cuban factories mentioned above. Outside of what they consume anything that might be considered fit for a wrapper is found to be wanting in color or it is too strong for wrappers; it does not burn freely, blisters in such a way that it would render it unfit for wrapper purposes. In fact, such goods are not even fit for binders or fillers and are of a nondescript type, not worth nearly as much in the market as ordinary filler sizes. The fact is that the line of difference between what is suitable for wrappers in Havana tobaccos and fillers is more distinct than between wrappers and fillers in any other grade. There is no similarity whatever between Havana wrappers and any other Havana goods in leaf tobacco. Hence this talk of the importers about finding tobacco suitable for wrappers in Havana fillers is a humbug.

We are totally and most earnestly opposed to the introduction of the words "commercially known, chiefly used" or any other ambiguous language in any tariff bill for the protection of our industries for the following reasons:

First, and perhaps most important, is the fact that Europe is full of Sumatra of small sizes and light weight, which require from two hundred to two hundred and fifty leaves to weigh a pound, each side of every leaf of which will make the very finest kind of a wrapper, which has been nearly or quite entirely neglected by the American importer, as he knew full well he could not bring it to this country under any other than the highest rate of duty. Under any law with "commercially known"

inserted in, when this dangerous competitor was brought to this country it would not be christened Sumatra wrapper, as that would render it too expensive to the importer. The aim and object of the American importer has been to buy such goods as he hoped to get through the custom-house under the one hundred leaf clause of the present law at 35 cents a pound. Whenever he pays more than that he invariably pays it under protest, expecting to recover a gain in the courts under the provisions of the present ambiguous law.

Second, the commercial name of all grades of tobacco is very easily changed, especially so if the Government offers big rewards for so doing. A wrapper of a cigar is also a cover of a cigar, and if a Sumatra cover can be bought for \$1 a pound less than a Sumatra wrapper, it will not take long to change the commercial name of the commodity.

Third. A binder is also a holder as it binds and holds the filler together. If a Havana binder would cost \$1 a pound more than a Havana holder, the commercial name "Havana binder" would be soon forgotten. The low grades of all domestic tobacco, not many years since, were all called fillers, and now all except Havana fillers are known by the trade as "lugs." Not long ago the hands that were drawn from a package to represent its contents were invariably known by the name of "samples," and now that is considered a vulgar phrase by the trade who claim the proper name "types."

We might continue to give illustrations of this character but hope the above will prove sufficient.

If the law is not specifically drawn the package may be mixed in Europe. Products of the Island of Cuba go to Holland free of duty and it costs no more to import Havana fillers from Holland than from the Island of Cuba. Hence importers might mix Havana fillers with Sumatra wrappers, and this would bring in the percentage question again.

As Mr. Shrouder says: "Gentlemen, you can draw your own conclusion as to whether \$100 for each package would change the actual percentage of wrappers and fillers in the package."

This was done to evade the present law by Faulk Bros., of New York, which resulted in a lawsuit against the Government and is now pending. Give us a specifically drawn law in plain English, language covering the entire package and you will have no further trouble in the custom-house. There will be no more mixed bales. All goods will be packed alike. The weight will follow the invoice. The duty of the custom-house officers will be to reweigh the package to find if it is correct.

It has been claimed that Sumatra tobacco is superior in quality and makes a better cigar than the domestic tobacco. This we emphatically deny. The manufacturer who insisted upon using Sumatra tobacco, even if he was obliged to lower the standard of the filler in order to do so, could not compete with the manufacturer who kept up the standard of his filler and used domestic tobacco wrappers, as that is the principal and important compartment of a cigar.

The domestic filler has no resemblance or similarity to the imported Havana filler, and a comparison would be simply ridiculous, as the one is worth from \$1 to \$1.50 per pound and the other about two cents, and there is as much difference in appearance, quality, flavor, etc., as in the price.

Connecticut tobacco was greatly in favor for cigar purposes for a number of years, and the change of fashion from light to dark colors gave the preference to Pennsylvania, which State held the trade for a number of years before Sumatra came in fashion. Hence, it will be seen that the change of fashion has caused revolutions before this time.

No other farm product has anything to do with the prices of cigar leaf-tobacco. That idea is preposterous.

All duties on Sumatra tobacco are paid under a protest, and always will be under ambiguous laws, so as to leave a resort to the courts for the importer.

A uniform duty on wrappers is no discrimination against Holland, as a law can be drawn specifically which will treat with all countries alike.

We deny that minor children and youths are employed to any extent in cigar factories. The law of the land restricts and prevents such employment. Sumatra wrappers, or even any cigar wrapper can not be stripped by children or youths with advantage and profit to the manufacturer. Sumatra wrappers cost on an average 2 cents a piece, and any but expert strippers would destroy more than their wages were worth. A good Sumatra wrapper stripper can demand from \$9 to \$12 per week. The sorting of cigar leaf tobacco never was and never will be intrusted to minors or youths as it requires an expert to assort out the fashionable wrappers of the present day. He must be a judge of the color, of the texture, of the elasticity, of the fineness, of the style and all which goes to make a first class fashionable wrapper. The people employed for this part of the work are practical cigar-makers, who are paid more for sorting tobacco than they can earn at the table by their trade; such help in factories, generally, receive from \$15 to \$18 per week. Hence it will be seen that no

cheap labor can be used in cigar factories, except what may be used in stripping fillers which would not be damaged to any great extent by being broken or torn.

No Havana for wrappers can be bought for less than from \$3 to \$6 per pound. About \$1 is the average price for other grades of Havana, and there is as much difference in the looks, in the flavor, in the quality, in the color, in the luster, in the elasticity between the two as there is in the price.

The average protection afforded the manufacturers under the present law is equal to about \$1.80 a pound on foreign leaf-tobacco; in equity we should be entitled to the same protection. But we are satisfied that with a law specifically drawn, with all ambiguous language carefully avoided, that \$1.50 if not stemmed, \$2 if stemmed, and all other leaf manufactured and not stemmed 35 cents, if stemmed 60 cents would be ample, fair, and just protection for the tobacco-growers and would render their business again profitable.

We would ask this in all sincerity and believe that we are justly and equitably entitled to it. We would rather be satisfied with \$1 per pound on unstemmed tobacco under the form of the Hiscock bill than \$3 a pound under any bill containing any ambiguous or double meaning language.

If the manufacturer of cigars insists on cultivating a fashion which is no earthly use or benefit to any one in this country, but is of a serious damage, with a prospect of entirely destroying the business of a very large and important portion of our citizens, besides transferring the labor of factories from this country to the cool labor of Europe, thereby increasing the now already large profits of the rich Holland syndicates, who pay nothing for the support of this Government, to the detriment of our market and laboring people—if the manufacturers persist in furthering and fostering such a habit, we say that they should pay for it.

We also honestly and sincerely hope that your honorable committee will abolish all internal-revenue laws covering leaf-tobacco, cigars, cigarettes, cheroots, etc.; also all restrictions and laws connected therewith. This is the only way you can relieve and benefit the consumer.

Hoping that you will give our brief and arguments your careful and earnest attention, we sincerely pray. We are,

Yours, very respectfully,

M. TOBIN, *President.*
A. H. TOLL, *Secretary.*

HON. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

RESOLUTIONS ADOPTED.

The following resolutions were adopted by the New York State Tobacco Growers' Association when the Senate bill was under consideration:

Resolved, That in view of the great importance of speedily and judiciously revising the existing tariff laws, and especially those sections relating to the duty on leaf-tobacco, we earnestly request that the Fifty-first Congress be convened at the earliest day practicable after the expiration of the present Congress, believing, as we do, that a wise and proper revision of the tariff will settle the business of the country and place the nation on a solid basis of prosperity, and that the sooner this result is brought about, the more speedy will be the impetus given to the great industries of the land.

Resolved, That we unreservedly condemn the tricks and frauds by which it is alleged that large quantities of Sumatra tobacco are passed through the bonded-warehouses in a crooked manner, thus defrauding the Government out of large sums of money that rightfully belong to the Treasury of the United States; and that these undoubted frauds add increased evidence that the existing ambiguous tobacco tariff law should be wisely and clearly amended in order to render gross violations hereafter, in the importation of foreign leaf, impossible.

Resolved, That this conference of the New York State Tobacco-Growers' Association earnestly protest against the clause in the Senate's tariff substitute, which recently passed the Senate, recommending a reduction of 15 cents per pound duty on foreign fillers; that we are unalterably opposed to the duty of 20 cents per pound recommended by the subcommittee of the Senate, as inadequate, unjust to the producers of domestic tobacco, and insufficient to fairly protect the growers of cigar leaf in the United States; and that we most respectfully ask Congress to amend the section referred to by striking out the words "20 cents" and inserting in lieu thereof "35 cents per pound;" and believe this proposed change meets the hearty approval not only of the producers, but of a large number of manufacturers of cigars in this country.

Resolved, That we respectfully ask the members of the House of Representatives from this State, and especially those who reside in the tobacco-growing districts, to aid the growers in securing the amendment to the law of 1883 in such a manner that its provisions can not be violated nor frauds nestle in its folds.

VIEWS OF LEVI KITILSEN.

UTICA, Wis., *January 14, 1890.*

DEAR SIR: I will embrace this opportunity to write you in regard to the duty on tobacco. I represent one hundred and forty of the largest growers of this association, and we all wish to impress upon you the necessity of protecting us from the foreign product on the Island of Sumatra. Since that article has been flooded into our country, and in a large measure under the lowest rate of duty, the growing of tobacco in Wisconsin has become unprofitable, and unless a higher duty in the future is not collected we shall have to abandon its production altogether, which would bring the value of farming lands that a few years ago were worth \$100 per acre down to less than a third of said sum.

Respectfully, yours,

LEVI KITILSEN.

Hon. R. M. LA FOLLETTE, M. C.,
Washington, D. C.

REPEAL OF TAX ON TOBACCO.

- (1) Common leaf tobacco, selling at 2 cents per pound, can not pay a tax of 8 cents and rules and regulations 7 cents more.
- (2) Without the rules and regulations, tax can not be collected.
- (3) The internal-revenue tax on tobacco creates monopoly manufacturers.
- (4) By taking the tax off you will please ten million consumers, who will buy the tobacco at one-half of present prices.
- (5) Leaf sold at present at 2 cents will be worth 4 cents without the tax.

L. H. NEUDRIKER.

VIEWS OF N. S. POMROY.

SUFFIELD, CONN., *January 9, 1890.*

To the Committee on Ways and Means :

In reading newspaper reports of the argument before you regarding Sumatra tobacco, they do not seem to bring out an important fact that is worthy of consideration, viz, its merits in point of quality.

It is a conceded fact by all tobacco men, including cigar-manufacturers, who are its strongest advocates, that a cigar made from clear Sumatra tobacco would not be smoked by the most degraded smoker. No manufacturer dare make them and put them on the market; they would drive people out of the house. Please ask some of its manufacturing defenders why they do not advertise clear Sumatra cigars. The fact is that every ounce of Sumatra wrapper that is put on a thousand cigars deteriorates their quality.

The real reasons why manufacturers want it are these:

It produces a more glossy and handsome surface for a cigar wrapper than domestic tobacco; and the manufacturer can perpetrate frauds upon the smoking community that they can not with domestic tobacco.

It has a peculiar rankness that overpowers the taste of the filler, consequently the manufacturer can fill the cigar with any kind of trash, flavored a little, and with a Sumatra wrapper the average smoker can not tell what it is made of.

Therefore its use is not only a damage to the tobacco-growers, but also a fraud upon and an injury to the smoking public. If its importation could be prohibited entirely, it would be a blessing to all. Not so with Havana; we all need it for fillers to improve the quality of cigars. You see plenty of clear Havana cigars advertised, but never hear of a clear Sumatra cigar.

I am not a tobacco-grower, but am in a position to know what I am talking about.

Yours, very truly,

N. S. POMROY,

VIEWS OF MANUFACTURERS OF DETROIT.

DETROIT, March 26, 1888.

To the Senators and Members of the House of Representatives in Congress assembled :

We, the undersigned tobacco manufacturers of Detroit, Mich., respectfully state that the agitation of the reduction or repeal of the tobacco tax is paralyzing to that industry. We desire above all things to be let alone, and it is of very great importance to us that if anything be done with the tax this session, that it should be done at once. From such information as we can get it seems probable that Congress in their wisdom will decide to make some change in the tobacco tax. While as good citizens we propose to be satisfied with whatever action they may take, we most respectfully suggest, should any changes be determined upon, the following :

- (1) That the tax on all manufactured tobacco be reduced to 2 cents per pound.
- (2) That all licenses and restrictions on the sale of leaf-tobacco on the growers and dealers be abolished.
- (3) The abolition of all licenses for the sale of manufactured tobacco.
- (4) The reduction of the penal bond required of manufacturers in proportion to the reduction of the tax.
- (5) That a rebate equal to the reduction of the tax be allowed.

For twenty-five years these industries have been absolutely under the control of the internal-revenue law, which specifically prescribed the style and size of packages which must be used. The compliance with these laws necessitated the use of expensive machinery, suitable buildings, packages, and labels. It has also given steady employment to many thousands of men and women.

The compensating advantages of the revenue system to manufacturers are the more perfect identification of their brands and goods, which at present represent the result of years of labor and expense. It has stimulated them to raise the quality of the goods to a much higher standard than would otherwise have been possible, and has benefited the consumers in enabling them to obtain exactly what they wanted instead of being imposed upon by imitations.

This continued protection to the consumers would be worth to them far more than the payment of the small tax of 2 cents per pound.

There seems to be no demand on the part of the consumer or dealer for the entire abolition of the tobacco tax, the only necessity for this measure being a reduction of the revenue. By a reduction of 6 cents per pound and the abolition of the entire system of licenses in connection with this industry, a large decrease of the revenue can be effected and a merited protection afforded to manufacturers and consumers, and in case that a larger revenue should be again required from this source the machinery for its collection would be already established and an increase in the tax the only thing necessary.

Under the present and previous rates of tax it has been necessary to place restrictions upon the sale of leaf-tobacco; these regulations have been a source of annoyance to the growers, but the modifications suggested would leave them no possible cause of complaint, because, so far as they are concerned, it would be equivalent to the total abolition of the tax.

Respectfully, yours,

DANIEL SCOTTEN & Co.
JNO. J. BAGLEY & Co.
AMERICAN EAGLE TOBACCO COMPANY.
BANNER TOBACCO COMPANY.
GLOBE TOBACCO COMPANY.

To the Committee of Ways and Means of the House of Representative :

GENTLEMEN: The above is a copy of a petition of the tobacco manufacturers of Detroit, Mich., presented to the Congress of the United States in March, 1888, and we respectfully submit that their position is the same to-day.

GEO. H. HOPKINS,
President.

A. A. BRUTELL,
Secretary Detroit Tobacco Exchange.

JANUARY 7, 1890,

STATEMENT OF MR. JAMES ERTHEILER.

Mr. JAMES ERTHEILER, tobacco broker of New York, addressed the committee. He said:

Mr. Chairman and gentlemen, I come here as a committee appointed by the New York Leaf Tobacco Trade to ask certain legislation. Before going into the details I would state that the New York Leaf Tobacco Trade is an incorporated institution in the State of New York, and I believe that fully seven-eighths of the leaf tobacco interest in New York City are more or less represented in it. The interest of the Havana men, the Sumatra men, and the seed-leaf men are all represented. I am not personally interested in that question. I am a leaf-tobacco broker, and it is immaterial to me whether I sell one kind or the other. I would rather sell \$100,000 worth of the home product than \$50,000 worth of Sumatra any day.

Mr. GEAR. Why?

Mr. ERTHEILER. My brokerage is 1 per cent. If I sell \$100,000 worth of the home product my brokerage is \$1,000, and \$50,000 worth of Sumatra I make \$500. We have resolved to ask for the entire repeal of the internal-revenue tax. We want it completely wiped out. We have been suffering more or less for twenty-five years. We are prevented from selling tobacco to any one we please for the reason that we can only sell to a licensed dealer. We have found that injurious to us. The question was put this morning by one of the committee as to whether a man who can not speak English can manufacture cigars. If you will permit me, I will answer it. A man that speaks every language in the world can not manufacture cigars until he has first been fortunate enough to find bondsmen. If he has no friend to go on his bond he can not manufacture. Suppose he finds a bondsman and he can not keep books, then he has got to get a book-keeper.

The officials come around monthly and examine his returns, and if he does not know how to keep his books correctly, he is constantly in hot water. Finally he says in despair, "Let it go; I will get out of it." You will hear arguments from manufacturers that the reason they want the revenue retained is that it protects their trade-mark, and that if you abolish the tax everybody can go into the business and fill up their boxes and get the benefit of their trade-mark. I would not dwell on that subject for it is unworthy of notice.

Mr. FLOWER. Is it a fact that a man going from his house to the boss' house, if he has cigars in his possession, is liable to be arrested and get into the State's prison?

Mr. ERTHEILER. Yes, sir; arrested and put in prison.

Mr. FLOWER. Has it not been done in New York City?

Mr. ERTHEILER. I think it has. A man can not make cigars without a license.

Mr. FLOWER. Is a man liable to arrest with an empty cigar-box in his house?

Mr. ERTHEILER. I believe that is the effect of the caution notice on the box. It says the stamp must be destroyed, and that it is a fraud if that is not done.

Mr. GEAR. Is he subject to a fine?

Mr. ERTHEILER. Yes, sir. If the manufacturers want this revenue retained because it protects the trade-mark, I ask you was this law created for that purpose?

Mr. GEAR. How many journeymen cigar-makers were there in New York in 1860?

Mr. ERTHEILER. I can not tell you. I know there were a great many wholesale cigar stores, and there were retail stores in every nook and corner of the city. How many I could not tell. If a vote was taken on repeal, it would be unanimously carried.

Mr. GEAR. You say the cigar-makers are in favor of the retention of the tax?

Mr. ERTHEILER. The cigar-makers are not in favor of retaining the revenue. We had an indignation meeting in New York which filled the Cooper Institute with cigar-makers praying for the abolition of the tax. The manufacturers say reduce it, but keep on a little. We do not want it reduced. We say "wipe it out; there is no need for it." The President in his last annual message, supported by the Secretary of the Treasury, has recommended the abolition of the tax, and we only come here supporting the President and the Secretary.

Mr. GEAR. Did you support him at the polls?

Mr. FLOWER. You need not answer that unless you desire.

Mr. ERTHEILER. I will not answer it. I believe I have no more to say on the internal revenue question. I do not wish to take up your time any further on that.

The next question is the tariff. We want a uniform duty of 35 cents a pound on all imported tobaccos. During the meeting yesterday the spirit prevailed in favor of free tobaccos, but we do not come here to ignore the interest of the farmer. He has rights. We say that if 35 cents a pound is not enough, no amount will help the farmer. We do not want a duty on wrappers and fillers. It can never work. There are few men in our line of business who really can tell what is a wrapper and what is a filler until they put it through this casing process. The misfortune is simply

this: They say they want to be protected against the Sumatra tobacco, but do not care to be protected against Havana tobacco. Congress must care for the Havana tobaccos.

To put a separate duty upon fillers and wrappers would destroy that industry, for the reason that thousands and thousands of bales of Havana tobacco are sold to people in the United States by samples while the tobacco remains in Havana, and unless the purchaser knows what duty he is going to pay, he is not going to buy. I claim there is not a bale of Havana tobacco imported which does not contain some wrapper leaves. The misfortune is that we can not draw the line at Sumatra tobacco. I do not believe there is a man in New York City that does not sympathize with the farmer. Sumatra tobacco has taken the field. The only protection is prohibition. You can not prohibit Sumatra tobacco unless you prohibit all tobacco. Put \$1 on Sumatra and the importation would be as much or more than last year. If you put \$2 on Sumatra it will be used, and if you put \$3 upon it there will be some used.

Mr. PAYNE. What rate would protect the farmer against it?

Mr. ERTHEILER. You can not protect him by any rate. If you gave him protection to the extent of a dollar or two it would not keep out the Sumatra tobacco.

Mr. PAYNE. What would make it prohibitory?

Mr. ERTHEILER. Three dollars would not. There would still be some used and pay that duty. This is not the right place to ask the remedy. You would have to go down to the Island of Sumatra and destroy it with an earthquake. I am an old seed-leaf man. I am selling seed-leaf to-day. Give them \$1 on Sumatra wrappers, and you interfere with the Island of Cuba. If you put a uniform duty of \$1 upon tobacco, you will drive out the Havana tobacco. Thirty-five cents a pound is too much duty for Havana fillers. It is an unfortunate thing, and I do not know how it is going to be helped.

I agree, in a measure, with my friend, Mr. Schroeder, that there should be a higher rate on stripped fillers, but I disagree with him on one thing. He said the labor employed is of such a description that it does not amount to anything. The labor employed in stripping fillers in the United States are old people, as a rule, who could not make a living at anything else. If you take that from them, the next thing is the poor-house. The Tobacco Board of Trade recommends 60 cents per pound on stripped fillers.

There was a question raised here about the importation of cigars. Imported cigars pay \$2.50 a pound and 25 per cent ad valorem. What protection the manufacturer gets would have no effect on the leaf. That law was made for the benefit of the farmer. If you reduce the duty on imported cigars, the farmer will find that the German cigars will flood our market, and cigars made out of American tobacco will sell for one-half what they sell for to-day in the United States. That law was not made to protect the cigar manufacturer only. It was also intended to protect the tobacco industry.

Another little thing in relation to this importation of cigars: The only article imported to-day that is designated by a foreign stamp is the cigar. The law discriminates in favor of the foreign cigar. Why should that be? I will not take up your time any longer.

STATEMENT OF F. A. SCHROEDER.

Mr. F. A. SCHROEDER, of New York, addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, you will be asked to make the duty on wrapper leaf tobacco, and every package containing any proportion of wrapper leaf, at least \$1 per pound. I am in favor of a uniform rate of duty on leaf tobacco of 35 cents per pound, believing that a higher rate of duty is injurious to the business interests of the dealers, the manufacturers, and operatives, and the producers engaged in handling or producing cigar leaf. If by facts or figures it could be shown that by the higher duty of 75 cents per pound since 1883 any one branch of the business had been benefited, the question would be a serious one for the Government, but no such facts or figures can be established, for they are all on the other side. You may by a prohibitive duty compel the American smoker to smoke the American wrapper tobacco, but he won't like it, and he will take to the pipe or cigarette or give up smoking altogether; he has learned to know a better article and become accustomed to it; the cigar is a luxury, not a necessity; you might as well expect to force the American who has acquired the habit of drinking imported wines and champagnes, to take kindly to being forced to drink the coarser wines produced in this country by prohibiting the importation of the foreign article; you would much reduce the consumption and injure the farmer in the end. If you increase the duty on wrapper leaf, the result will be that the manufacturer will in the first place reduce the quality and cost of his filler to make up for the difference in price; he will not take the American wrapper as long as he can get a filler cheap enough to make up for that difference.

The American smoker wants, as a rule, a 5 or 10 cent cigar; that cigar will stand a certain price at wholesale; the appearance and good burning of the wrapper leaf makes the market for the product. The experience of the last few years has shown that an increase in the cost of the wrapper is followed by reduction in the quality of the filler and the cigars produced by the manufacturer, and, what is worse, still by a reduction of the wages of the cigar-maker.

Sumatra leaf tobacco has become the standard for wrapper leaf all over the world, as the finer wrapper of Cuba is not produced in sufficiently large quantities to be a factor in this regard. Cuban filler leaf tobacco is the standard cigar filler by which all others are judged and classified; that leaf which is nearest to the product of Sumatra as a wrapper comes next in value in the market; that which is nearest to Havana filler comes next in value when that grade is considered. The territory where tobacco can be raised in the United States is commensurate with the extent of the country from the Atlantic to the Pacific, and tobacco will be raised in the United States whenever the producer can get as much or more for tobacco, as the result of his labors, as for other farm products; the price per pound depends largely upon the particular seed used, the soil upon which it is planted, and the humidity of the atmosphere during the growing and curing season. In the cigar-leaf growing States several kinds of seed are planted; the Havana or Cuban seed produces the smaller leaf, which brings the higher price; the old style of seed produces the larger leaf, which is sold for less per pound; the result per acre in most States is now in favor of the Cuban seed; the production will be, as a rule, equal to the demand, and when you protect tobacco by a duty equal to the whole cost of production—which in no State in the Union, except in Florida, is more than 12 cents per pound—you have done all you can possibly do for the farmer; you can no more help him to get a better price by putting a higher duty on foreign tobacco than you could by increasing the duty on tea or coffee; you may by a large increase in the duty temporarily, for a year or two, advance the price if the American smoker is willing to return to the American wrapper leaf, but the price of corn and potatoes will control the price of tobacco in a year or two after you have raised the duty, for the temporary scarcity artificially caused by such means will at once stimulate production, and tobacco will be inevitably again brought to the level of corn, cotton, and potatoes.

If you could materially increase the consumption of all your farm products permanently you might do some benefit, but the quantity of the whole cigar-leaf crop and the result in money, is so insignificant when compared with the great staple articles, corn, cotton, and such heavy tobaccos as are raised in the Southern States, and for which no substitute has yet been discovered in any part of the world, that even if the quantity of cigar leaf produced were doubled but a very small fraction would be added to the total farm product of the United States. Now, in every State where cigar leaf is grown, from Wisconsin down to Florida and from Ohio to New York, a large proportion is so near in quality and aroma to the Cuban tobacco for filler purposes, that not less than 50,000 cases, weighing from 300 to 400 pounds each, are annually consumed by cigar manufacturers as a substitute for Cuban fillers, and no one knows the difference; yet the price for the best of this class of leaf is less than one-quarter of the price of the imported article. I am confident if the price of the Cuban tobacco were 20 cents less per pound than it is we should still consume just as much of the American fillers; in Germany the duty on the American cigar leaf, costing from 6 to 12 cents per pound, is 11 cents, exactly the same as the duty on Cuban filler leaf, costing from 9 to 50 cents per pound; still Germany takes from 10,000 to 25,000 cases annually of our product, fully as much as of Cuban leaf. Not so with American wrappers; no smoker will accept the American wrapper in place of Sumatra; it bears the stamp of coarseness or inferior quality on its face when compared with Sumatra. It is too late; had you prohibited the importation at the start he might have remained content, but it will be hard to make him smoke what he has abandoned as inferior; and here let me say, a tobacco leaf may make a bad cigar if used as a wrapper, while the same if used for filling inside of a fine quality wrapper often produces a cigar of excellent quality and aroma.

In this relation I call attention to the 1881 and other crops of the State of Pennsylvania, the so-called Zinner Spanish of Ohio, the fine, heavy bodied New York State tobacco, and last, but not least, the leaf produced for the last two years in the State of Florida. But the representatives of the farmers will tell you that formerly they received larger prices for their product and they can not understand the change; they did many years ago, when gold was at a premium, and all other produce brought a high price in greenbacks. The reason of the advance in price after 1863 to the year 1870 is found, first, in the premium on gold, while tobacco was sold for currency, and in the enormously rapid increase in the manufacture of domestic cigars caused by the tariff of 1863, which so raised the duty on cigars as to shut out Germany entirely from our market, closing a number of factories in that country employing many thousand operatives, who had almost wholly supplied this country. Suddenly a

great demand for the domestic leaf was created, and producers were not sufficient to supply the demand; the scarcity of the article, coupled with rapidly increasing demands of the manufacturers, caused a large increase in the price of cigar leaf. But long before Sumatra leaf appeared in this market, in the year 1882, the price of domestic leaf had found its true level. The fall began in 1871, and after that only exceptional crops of fine quality, such as the 1873 and the 1875 crops of Pennsylvania, brought high prices; the farmers had in 1870 succeeded in catching up with the demand, and from 1870 on for a number years large stocks were carried over and remained unsold from year to year.

The same condition of affairs exists in regard to Sumatra; as soon as it made its appearance in the market it was liked and the demand rapidly increased; even now the producers have not been able to meet the demand for the fine goods used by our own manufacturers, and an enormous increase in price of these grades has been the result, though the average price of the whole Sumatra crop has receded from \$1.55 in 1886 to \$1.28 in 1888. Our importations have constantly increased, but these increased importations have made no difference in our home market, as far as the price of the home product is concerned. Domestic tobacco has held its own, and tobacco farmers have done a little better even during the last three years than formerly, and better in comparison than those raising other products, and while the farmer has not done worse the American people have had better and more wholesome cigars, for it is an established fact that no leaf tobacco contains so little nicotine as that produced year after year in the warm and equal and moist climate of the Island of Sumatra; and even the farmers themselves, who smoke cigars, reject their own product and have kindly taken to the combustion of what they consider their arch enemy. I have said the price of corn, potatoes, and cotton governs the value of domestic leaf tobacco, and the farmers will admit this as a fact, as I have had occasion to ascertain more than once; in Wisconsin they have admitted to me that at 8 cents a pound they can do better raising tobacco than corn, and in Florida they told me only two months ago that at 30 cents they can do better than they could by raising cotton.

Now, we always have had a surplus of low grades of domestic cigar-leaf, as is evidenced by the fact that we export annually to Germany from 10,000 to 20,000 cases of cigar-leaf, weighing 300 pounds each, and the German manufacturer pays 11 cents per pound duty on it, exactly the same as he pays on Sumatra leaf tobacco and Cuban tobacco, and Germany raises a great deal of tobacco and the farmer continues to raise it, though he is protected only to the extent of 11 cents per pound, and, besides, is taxed by the Government on his own product. The German Government knows that a larger import tax will not benefit the farmer, and while it follows a protective policy it does not unreasonably increase the price for the manufacturer and consumer.

Let us follow the history of tobacco culture in those cigar-leaf growing States, and you will see how useless is the scheme of increasing the price of the home product by shutting out the wrapper which the smoker demands, and which is needed to cover up and make salable the common growth of our cold climate. Up to the year 1870 Connecticut tobacco was in fashion, the product of Massachusetts also being sold under that name; the prices for that growth had since 1863 rapidly advanced; the farmers prospered, they sent their daughters to boarding-school and their sons to college; they loaded their farms with debt, feeling confident of their ability to pay it off in a few years; but the fashion changed, and the crop of 1870 Connecticut found a market only at a great loss to the farmer who held it or to the dealer who had bought it on speculation. Fortunes were lost in that year and in the year following by the farmers and those who invested in their crops; they had not counted on the overproduction and the change in taste; many farmers were ruined because of the shrinkage in the value of their lands before Sumatra leaf tobacco was ever imported here.

The Pennsylvania and Wisconsin leaf tobacco, which up to 1870 had been used only for very common cigars or exported, found favor with manufacturers; the product of those States was increased and improved by special care and suitable fertilizers. Wisconsin became known as a tobacco-growing State, but for some years Pennsylvania ranked first; farmers there became rich, until 1881 when a bad crop caused immense losses to holders; after that New York State and Wisconsin became the favorites, until 1887, when a large and very fine crop was raised in Pennsylvania from Cuban seed, and Pennsylvania came to the front again, selling at high prices; good crops always bring good prices, and the same rule holds good in all States, and it holds as good now as it did formerly. A good crop is now and always has been very profitable to the farmer, while a poor crop, such as was the 1887 crop in all States except Pennsylvania, will still give as good a return as other farm produce, and in the same State and the same town one farmer will receive double the price which his neighbor receives if he takes good care of it while growing and curing.

I beg to submit some figures which I have compiled from the statistical reports of the Bureau of Agriculture and of the Secretary of the Treasury. They ought to be

conclusive to the mind of any fair and reasonable person that the increased importation of Sumatra leaf has no damaging effect on the value of the home product, for it will be seen that in the face of the very largest importations domestic cigar-leaf tobacco has advanced in price in every State; it is true the statistics do not appear to show this fact in Ohio, but the low price there is easily explained by the fact that in southern Ohio is produced a heavy class of tobacco not suitable for cigars, and sold almost wholly for export at a very low price; this puts the average price reported for that State much below the price of the Ohio cigar-leaf. In no other cigar-leaf tobacco growing State is that class of tobacco raised. I read statements showing the quantity of tobacco raised in the various States growing cigar-leaf tobacco from 1879 to 1888, both years inclusive, with price per pound and result per acre, from the records of the Department of Agriculture.

First, I will give the total acreage, and value and result per acre, on the corn raised in the six cigar-leaf tobacco growing States. It will be seen at a glance that the acreage of corn planted has about kept pace with the acreage of tobacco planted, while the price of tobacco has been kept up and that of corn has fallen. The talk and agitation among farmers on the Sumatra question has doubtless led many of the unthinking to refrain from growing tobacco, and in that way they have been injured.

Year.	Acreage.	Bushels raised.	Value.	Result per acre.	Price.
					<i>Cents.</i>
1879	6, 117, 600	216, 413, 100	\$97, 388, 904	\$15. 91	45
1880	6, 499, 634	240, 904, 192	110, 444, 030	16. 99	45½
1881	6, 430, 300	166, 317, 000	108, 128, 180	16. 79	65½
1882	6, 366, 977	192, 620, 000	123, 987, 195	19. 47	64½
1883	6, 220, 119	156, 258, 500	87, 056, 373	14. 01½	55½
1884	6, 211, 256	181, 442, 000	82, 672, 570	13. 31	47½
1885	6, 369, 517	217, 131, 000	85, 181, 390	13. 37	39½
1886	6, 368, 886	191, 582, 000	78, 352, 000	12. 30	40½
1887	6, 046, 843	171, 988, 000	84, 855, 650	14. 03	49½
1888	6, 151, 370	197, 601, 000	82, 683, 320	13. 43	41½

CONNECTICUT.

Year.	Acres.	Quantity.	Price per pound.	Result per acre.	Total result.	Remarks.
		<i>Pounds.</i>	<i>Cents.</i>			
1879	6, 900	9, 960, 000	12½	\$168	\$1, 159, 200	
1880	10, 070	15, 487, 660	15	231	2, 323, 149	
1881	8, 753	13, 763, 759	16	254	2, 202, 201	The finest crop in many years.
1882	8, 665	9, 772, 260	13¾	141	1, 270, 396	Poor crop.
1883	8, 145	9, 576, 824	13½	146	1, 292, 871	Injured by frost.
1884	8, 064	9, 481, 000	12½	158	1, 175, 644	
1885	7, 661	12, 066, 000	12½	195	1, 496, 193	
1886	7, 292	11, 667, 000	13½	228	1, 633, 380	
1887	6, 198	9, 173, 000	14½	210	1, 311, 745	Crop injured by rain, causing loss but fine quality.
1888	6, 136	9, 602, 840	13	234	1, 248, 369	Poor crop; seed leaf.

WISCONSIN.

Year.	Acres.	Quantity.	Price per pound.	Result per acre.	Total result.	Remarks.
		<i>Pounds.</i>	<i>Cents.</i>			
1879	5, 300	5, 474, 900	12	\$123	\$656, 988	
1880	9, 168	11, 393, 824	12	148	1, 367, 499	
1881	10, 045	8, 702, 770	12½	108	1, 087, 846	
1882	11, 250	10, 443, 324	12	111	1, 253, 199	
1883	12, 750	5, 743, 828	12	53	681, 821	Destruction by frost.
1884	14, 663	14, 360, 000	12	91	1, 464, 720	
1885	27, 127	31, 196, 000	8½	109	2, 963, 625	Largest crop ever raised.
1886	24, 229	27, 713, 000	10	98	2, 374, 400	Poor crop.
1887	11, 050	11, 271, 000	11	110	1, 235, 810	Large loss by drought.
1888	13, 813	12, 846, 090	9	92	1, 220, 379	Destroyed and injured by frost so as to injure price and yield.

MASSACHUSETTS.

Year.	Acres.	Quantity.	Price per pound.	Result per acre.	Total result.	Remarks.
		<i>Pounds.</i>	<i>Cents.</i>			
1879.....	2,900	4,350,000	11	\$165	\$478,500	
1880.....	3,242	4,927,840	15	228	739,176	
1881.....	3,291	5,000,964	15	228	750,144	Fine crop.
1882.....	2,968	4,250,819	12½	179	531,352	Poor crop.
1883.....	2,614	4,038,278	13½	190	533,053	
1884.....	2,730	3,715,000	12½	184	532,300	
1885.....	2,594	3,798,000	12	171	455,714	
1886.....	2,594	4,231,000	14	225	592,340	
1887.....	2,464	3,511,000	18	240	596,904	
1888.....	2,464	3,893,120	12½	197	486,640	

OHIO.

1879.....	21,000	14,091,000	6	40	845,460	
1880.....	35,489	38,434,587	6	65	2,306,075	
1881.....	36,760	35,419,913	8	77	2,883,593	
1882.....	33,819	33,648,917	7	59	2,395,424	
1883.....	32,128	29,947,536	8½	74	2,395,803	
1884.....	35,983	29,349,000	7	59	2,113,128	
1885.....	36,703	33,767,000	6½	58	2,127,306	
1886.....	36,805	35,333,000	7	67	2,473,310	
1887.....	31,284	19,240,000	9	55	1,731,569	Large loss; injured by drought.
1888.....	39,105	35,194,500	7½	70	2,745,171	Large loss.

NEW YORK.

1879.....	1,850	2,432,750	12	\$158	\$291,930	
1880.....	5,135	6,572,800	12	153	788,736	
1881.....	5,037	6,291,217	12½	174	880,770	
1882.....	8,069	9,751,386	12	145	1,170,168	
1883.....	5,440	9,068,789	13	139	1,178,943	
1884.....	5,386	8,162,000	12	161	979,440	
1885.....	6,733	10,234,000	10	152	1,023,416	Poor crop.
1886.....	5,833	7,583,000	11½	148	872,045	Wisconsin displaced New York.
1887.....	5,775	7,623,000	11½	153	876,645	Pennsylvania was preferred.
1888.....	6,179	6,487,950	12	128	778,554	Crop injured by frost; much of it destroyed.

PENNSYLVANIA.

1879.....	20,300	29,617,700	9	\$130	\$2,665,593	
1880.....	29,739	34,854,108	10	117	3,485,411	Poor crop; fly-bitten.
1881.....	33,086	38,305,661	13	140	5,044,735	
1882.....	29,773	31,044,529	12	124	3,725,243	
1883.....	28,879	36,322,000	12	150	4,358,652	
1884.....	25,991	23,143,000	13½	134	3,585,015	Began to raise Havana-seed leaf.
1885.....	23,392	23,392,000	15	104	2,456,160	Bad crop.
1886.....	28,659	34,951,000	11½	143	4,124,218	Bad crop all through.
1887.....	28,121	40,213,000	15	214	6,031,955	Part very fine; part very poor.
1888.....	19,500	24,180,000	10½	132	2,587,260	Very poor crop.

The total produce of the cigar-leaf growing States and of the United States for the years from 1879 to 1888, inclusive, was:

Year.	Total acreage of cigar-leaf States.	Total pounds of cigar-leaf States.	Total acreage of United States.	Total pounds of United States.
1879.....	58,250	65,566,350	492,100	391,278,350
1880.....	92,843	111,672,819	602,516	446,296,889
1881.....	96,969	105,684,084	646,230	449,880,014
1882.....	94,527	98,911,044	671,522	513,077,558
1883.....	90,156	94,697,275	638,739	451,545,641
1884.....	92,817	88,210,000	724,668	541,504,000
1885.....	104,210	114,453,000	752,520	562,736,000
1886.....	102,412	117,509,000	750,210	532,537,000
1887.....	84,892	91,031,000	598,620	*386,240,000
1888.....	87,197	92,244,500	747,328	565,794,264

*Loss by drought.

The falling off in 1887 is accounted for by the failure of the crop in Wisconsin and Ohio; 30,000,000 pounds lost by drought. In 1888 a serious loss, both in price and in quantity, was caused by early frost.

Two circumstances govern and change the value of cigar leaf when different States are compared: Whenever a State happens to produce a good quality crop the price there advances, and *vice versa* if a poor crop is raised it falls again; when in consequence of high prices in one year the production is very much increased in a State, the following year the price falls in that State, unless the quality is superior to the crops raised in any other States. The figures prove conclusively that in the face of all complaints of farmers tobacco has kept up better than any other farm product during the last ten years. The productions of corn in the whole United States had fallen off from 1,617,025,000 bushels, bringing an average price of 48½ cents in the year 1882, to 1,456,161,000 raised in 1887, when the crop was hurt by drought and sold at 44½ cents average. In 1882 corn sold in Connecticut at 96 cents per bushel; in 1887 at 67 cents. In Massachusetts corn sold at 95 cents in 1882; at 70 cents in 1887. The reverse was the result on tobacco; the average price in 1882 was below that of 1887 in every State except Wisconsin and New York, and nearly two cents more per pound on the whole crop of cigar leaf.

The average price for corn in all the States during the ten years preceding 1880 was 42.6 cents per bushel; the average price from 1880 to 1888, 40.8, and from 1882 to 1888 still less; the average result per acre 11.54 as against 9.71. The lowest price for the United States, 32.8 per bushel, was reached in 1855, exactly as the lowest price for cigar leaf was reached in that year; the average price for the whole tobacco crop in the ten years preceding 1881 was 8.6, the same as from 1881 to 1888—8.6 cents. The yield per acre 61.13 as against 61.94; a much smaller percentage of loss than on corn. As compared with potatoes the difference is still more in favor of tobacco; the annual average price per bushel from 1881 to 1887 was 51.9, result per acre 49.31, as against 56.9 per bushel, and 49.31 per acre for the ten years preceding, and the same shrinkage is shown in every other class of produce raised in these cigar-leaf tobacco growing States.

The demand for the Sumatra tobacco all over the world and the increase in the consumption of this article, especially in this country, and the increase in duty in 1883, amounting to about 55 cents per pound average now, has had the result that in the face of an increase in the production of the Island of Sumatra from 82,000 bales in 1881 to over 182,000 bales in 1888, the price for the class used in this country has constantly advanced, but in spite of the advance the importations have increased from 489,090 pounds in 1882 to 6,224,890 pounds in 1887, and 7,140,000 in 1888, and with this large quantity of foreign leaf in the market the farmer received better returns for his tobacco crop in 1887 and 1888 than in 1882 and 1883.

I give below the total imports of leaf tobacco generally from 1881 to 1888; also in a separate column the total imports of Sumatra leaf; also the prices ruling in these years for Sumatra leaf tobacco in the United States, and the exports of leaf tobacco and stems, which it seems to me is worthy of consideration in this connection. I am free to admit that the acreage of cigar leaf grown has not kept pace with the increase in population; but the increase in cigarette smoking is partly responsible for this—two or three cigarettes to the smoker are equal to one cigar; since the year 1881 the product of the cigarette factories has increased from 567,386,983, in 1881, to 1,862,726,100 in 1888. These cigarettes are manufactured almost exclusively of other than cigar leaf tobacco. It is admitted that they have hurt cigar manufacturers very materially, and I verily believe that had not Sumatra leaf arrived to improve the appearance and quality of the better grades of 5-cent cigars the consumption of cigarettes would have been very much larger, and the acreage of cigar leaf grown might be even less than it is to-day; the whole output of cigars, in 1888 was little more than double that of the cigarette factories in number. The increased importation of Cuban leaf—6,895,505 pounds in 1881, 11,501,749 in 1888—has possibly taken the place of not less than 12,000,000 pounds of farmers' weight of domestic leaf:

Year.	Imports of leaf tobacco.			Total product of leaf tobacco in United States.	Exports of leaf tobacco and stems.	Total cigar leaf raised.
	Total.	Cuban.	Sumatra.			
	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.
1881.....	7,468,664	6,895,505	573,159	449,880,014	227,026,605	105,684,084
1882.....	11,899,823	10,377,360	1,522,463	513,077,558	233,665,980	98,911,044
1883.....	14,983,131	10,917,635	4,065,496	451,545,641	235,628,360	94,697,275
1884.....	12,935,017	11,703,393	1,231,624	541,504,000	207,157,687	88,210,000
1885.....	12,924,265	9,754,099	3,170,166	562,736,000	230,483,646	114,433,000
1886.....	15,669,570	10,883,666	4,785,904	532,537,000	292,773,890	117,509,000
1887.....	17,519,194	11,830,898	5,688,296	386,243,000	304,860,123	91,631,000
1888.....	18,600,142	11,501,749	7,098,393	565,794,264	262,683,821	92,244,500

Price of Sumatra, duty paid—1881 to 1889—in the United States.

Year.	Per pound.	Year.	Per pound.	Year.	Per pound.
1881.....	\$1. 15	1884.....	\$1. 40	1887.....	\$1. 60
1882.....	1. 25	1885.....	1. 45	1888.....	1. 65
1883.....	1. 35	1886.....	1. 50	1889.....	1. 80

In 1889 there were 7,200,180 pounds imported, the largest quantity for any one year.

The increase in the price of Sumatra since 1882 has not reduced the consumption of the article; the duty now averages 55 cents; if you make it \$1 per pound and find some mode of collecting it, 45 cents per pound may be added. The increased cost of Sumatra wrappers per 1,000 will then be from \$1.10 to \$1.25; the quality of the filler, or price of work, or the profits of the manufacturer, or all three items may be slightly reduced to meet the difference; but mark my word, nothing but a prohibitive duty or a duty of at least \$3 per pound will cause any material reduction in importations; you may annoy the importer, the manufacturer, and the smoker, but you can not benefit the farmer, and a prohibitory duty will ruin all for some years, farmer as well as manufacturer.

It will be seen that all the States except Ohio did as well and better in 1887, when 6,224,890 pounds of Sumatra were imported, as they did in 1882, when but 1,155,490 pounds were brought here. You will notice that our exports of leaf tobacco have much increased during the last three years and that our imports of leaf tobacco are quite insignificant as compared with our exports, only 17,519,194 pounds imported in 1887 against 304,360,123, and 18,600,142 pounds imported in 1888 against 262,683,821 pounds exported. Now the United States have a monopoly of producing the class of heavy tobacco raised in the Southern States, of which is composed the bulk of our exports; the world must buy it from us, or not at all; nothing is imported to compete with the article; still the price never varies unless a crop fails; the supply is almost always equal to the demand, and the value of corn and cotton controls the price of this product just as it does that of the cigar leaf tobacco.

Now a few words on another point. It is proposed to have three or four specific duties on leaf tobacco—one on wrapper leaf, one on filler leaf, and another on stemmed tobacco of both kinds. A law discriminating between wrappers and fillers can not be fairly or equitably administered, for the simple reason that no one can tell the dividing line between the wrapper class and the filler class in leaf tobacco; no one can to a certainty tell what is a wrapper leaf except the manufacturer or operative after the leaf is moistened, stripped, and prepared for the cigar-maker's work-bench. Any cigar manufacturer will tell you that what is commercially known to the farmer and dealer under the name of wrapper is used for fillers about as often as it is used for wrappers, and there is a large quantity of tobacco imported from Cuba which is wrapper leaf—I estimate not less than 600,000 pounds—much of it is finer by far than Sumatra leaf, enough to cover 120,000,000 cigars. You can not make any description of wrapper leaf which will cover Sumatra leaf alone without naming the article. This your treaties with Holland forbid, and whenever you attempt to collect the higher duty on wrappers generally you strike a snag in the product of Cuba and other countries, which makes such legislation impossible, because of the difficulty I have stated. If you could name the product of Sumatra in your bill you could arrange the matter; but you can not, and it is not necessary that you should, for the American smoker is taxed enough, more than any other except the Englishman, and in England cigars are not popular. By the high rate of duty all but the richest are driven to the pipe and cigarette.

I have here some carots of Cuban tobacco; they look alike, and a customs inspector would readily class them as wrapper leaf; but one carot is not suitable for wrappers, though it looks large and sound enough for wrappers, and the other is; one will be used for fillers, the other for wrappers. Still no two men will express the same judgment on a simple inspection; the tobacco must be manipulated by a manufacturer before he can tell what it is. You have a law now on the statute-book which can not be enforced, and for almost every dollar of duty which has been paid in excess of 35 cents per pound suits for the recovery are pending in the United States courts, and I am assured by the best revenue lawyers and experienced customs officials that the Government will have to refund most, if not all, over 35 cents per pound. We say, therefore, do not enact another such anomaly of law which will work endless injustice and cause countless appeals for redress to the courts.

There is some justice in asking for a greater difference than 5 cents per pound between the duty on unstemmed and on stemmed tobaccos, but the difference should not be greater than equal to the weight of the stems, which are of no value and which

on the average amount to 25 per cent. in weight of the whole leaf. If, therefore, you will add one-third to the duty on leaf, making that the duty on stemmed tobacco, you will cover fully the difference. You will be told by some of the importers of leaf tobacco, or their representatives, that in the interest of American labor you should make the duty on stemmed tobacco prohibitive, but when you inquire you will find that American labor does not ask for it, that minors and children are mainly employed in stemming tobacco in this country, and that you will injure the manufacturer who has his Cuban fillers stemmed and prepared in the city of Havana, thus improving the quality, and who is in that way better able to compete with the Havana manufacturers, and thereby increases his business and employs more labor. I will leave with you the statistical tables of the Department of Agriculture for reference, if desired.

I thank you, Mr. Chairman and gentlemen of the committee, for your kindness in patiently listening to my remarks. I have taken much of your time and hope I have made some impression on your mind.

The witness exhibited to the committee several samples of Havana and Sumatra tobacco.

Mr. FLOWER. Have you any cigars made from this Havana tobacco?

Mr. SCHROEDER. No, sir; but I could roll some. It requires manipulation to find out what is a wrapper and what is a filler.

The CHAIRMAN. It requires manipulation to distinguish them?

Mr. SCHROEDER. This [indicating] is a wrapper; and this [indicating] is not fit for a wrapper.

Mr. FLOWER. Is this [indicating] Sumatra [showing three cigars]?

Mr. SCHROEDER. (Examining one.) I think that is Sumatra; it is difficult to tell from the appearance of one cigar what the wrapper is. I have seen leaf raised in Florida that looked like that; one is red and the other is not. The two carots of Havana I show are both equal in length and texture; one is of this year's crop, and the other is last year's crop; tobacco will dry out by keeping.

Mr. McMILLIN. What is its capacity to retain moisture?

Mr. SCHROEDER. This carot is just as dry now as the other will be a year hence. I defy any inspector to tell which is a wrapper and which is a filler; no one can define the exact line between wrappers as a class and other classes of leaf tobacco.

Mr. GEAR. You say the inspector can not tell?

Mr. SCHROEDER. He can not tell, unless he makes a cigar, first manipulating the leaf, as the manufacturer does.

Mr. LA FOLLETTE. What do you mean by "manipulating"?

Mr. SCHROEDER. By "manipulation" I mean the wetting" or "casing" of the tobacco. In its dry state it all looks entirely alike. How is the inspector to tell? He can not draw the dividing line; it is impossible; size does not indicate its utility for cigar wrappers.

The CHAIRMAN. What is the difference between one duty and the other?

Mr. SCHROEDER. This article, if the proper duty intended to be collected under the regulations of the Secretary were collected on this it would be 35 cents, and that would be 75 cents. A difference of \$70 per bale. An inspector receives \$1,800 a year salary, and there are imported over 120,000 bales. I leave you to draw your own conclusions.

The CHAIRMAN. Is there much imported under the high rate?

Mr. SCHROEDER. The average duty on all tobacco to-day is not to exceed 38 cents per pound.

Mr. McMILLIN. Do you mean that it is imported under the low duty?

Mr. SCHROEDER. The majority of the tobacco is imported from the Island of Cuba; and the inspector, taking his cue from the discussions before the Ways and Means Committee, and the Finance Committee of the Senate, concluded that they did not mean to tax Cuban wrappers; that they only meant that the importation of this Sumatra tobacco should be stopped, and therefore he does not see any wrappers in the Havana tobacco, but he sees it in the Sumatra. The present law will never stand the test of the courts. Every time a man pays a duty of over 35 cents, there is a suit brought against the Government. We are assured by the best revenue lawyers and experienced officials that the Government will be compelled to pay such amounts back. The claim is that there is 85 per cent. suitable for wrappers; a fact which no examiner can establish.

Mr. CARLISLE. It is not a question of the validity of the law, but a question of fact.

Mr. SCHROEDER. You can not frame a law that will cover that tobacco raised in Sumatra alone.

Mr. CARLISLE. Except by naming the article.

Mr. SCHROEDER. Yes, sir. Again, it is proposed by the farmer to put a tax of \$1 a pound on all packages of tobacco imported of which any portion is suitable for wrappers. The manufacturers will tell you that there is hardly a bale of tobacco im-

ported from the Island of Cuba where an inspector who desires to find a wrapper, or desires to black-mail the importer, can not find one. Here [exhibiting another bunch of leaf tobacco] is what is commonly sold as Havana fillers. There is in this hand of tobacco half a dozen good wrappers from which a man could make a good cigar; if you like, I will roll one and you can smoke it. You put it in the power of the inspector, who receives \$1,800 a year, to find one wrapper in this and make me pay 75 cents a pound duty; while another inspector may not see it, and another importer will pay only 35 cents a pound. Ought such a law to be on our statute-books? I say no. You can not impose an ad valorem duty on tobacco, because it is not an article with an established or known price. It is impossible to collect such a duty. You cannot put two specific duties on the article, because it is impossible to collect that equitably. There is nothing left, except to put a specific duty on all classes of unstemmed leaf tobacco. If, from the arguments, you are not convinced that 35 cents is sufficient, make it what you like; but make it specific, so that we will not be at the mercy of an inspector in the custom house, against whose decision we have no appeal and no redress, except in the courts after years of litigation. I say such laws ought not to be framed, nor any attempt made to enforce them, because they can not be equitably enforced.

This [indicating] is American tobacco, and you see it is much larger. Here [indicating] is Sumatra tobacco. This is an article on which we are invariably required to pay this amount of 75 cents per pound duty, because of the shortness of the leaf, which is small, and it takes a great many more than one hundred to weigh a pound. On that we have to pay 75 cents a pound. This is a finer article of Sumatra, and it is also 75 cents a pound. But the lightness of weight and the length of the leaf is no indication of value; leaf weighing less than one hundred per pound, paying 35 cents duty, is often of more value than that which pays the higher duty.

Mr. GEAR. Explain the law on that point.

Mr. SCHROEDER. The law reads this way: Leaf tobacco of the requisite size and fineness of texture to be suitable for wrappers. The inspector admits that he never examines Sumatra tobacco as to fineness of texture. He simply says it is 75 cents, if it takes more than one hundred leaves to the pound. "Have you examined as to that?" he is asked in court. He says, "No; we have not. It is impossible to do it. We have no cigar factory in the custom-house. Nobody can tell that; but it is commercially known as wrappers." There is a peculiar thing about tobacco—

Mr. CARLISLE. Would not the Cuban tobacco come in, too, under the same rule?

Mr. SCHROEDER. Yes, sir; if you can draw the dividing line between wrappers and fillers. But you made this qualification expecting to describe Sumatra leaf wrappers as a class. You failed; and that is where the law will be set aside in the courts, so far as it refers to Sumatra tobacco.

There is another point: You will be asked here to increase very much the difference in duty between stemmed and unstemmed tobacco. There is some justice in that demand. The difference between stemmed and unstemmed tobacco is such that in order to receive the same amount of duty on the stemmed part, which is the only part used, the stem being of no value, you would have to add one-third of the duty on unstemmed tobacco, in order to equalize both duties; in other words, if unstemmed be 36 cents a pound, the stemmed must amount to 25 per cent. more, because the stems amount to about one-third of the weight of the whole leaf. The duty on stemmed tobacco should, then, be 48 cents a pound, unless you wish to put on it a duty that would prohibit the importation of stemmed tobacco. You will be asked to make the duty on stemmed tobacco 60 cents per pound. It will be said to you that it will be in the interest of American labor. The American manufacturer, especially he who makes pure Havana cigars, has the filler tobacco stemmed and cured in the city of Havana, before it is brought here, to improve the quality by manipulating the tobacco the same as does the Havana cigar manufacturer.

Mr. CARLISLE. That is to get the benefit of the climate?

Mr. SCHROEDER. There is a difference in the humidity of the atmosphere which makes the climate more favorable for stemming tobacco, and there is a difference in duty, and I am free to admit, that fact also influences this action on the part of the manufacturers and importers. But when it is claimed you should put a prohibitory of 60 cents per pound on stemmed tobacco, I say wait until the American laborer asks you for that protection. Do not yield that point because some importer, who is not engaged in that business and would like to drive his more enterprising competitor out, asks it, and because perhaps the home manufacturer will buy of him tobacco in the leaf if he can not stem it in Havana. The class of labor employed in stemming tobacco is mainly minor children and a few old people; and I do not think that there is much harm done if there should be less of that class employed. But even if you wish to protect the American laborer, an increase to 50 cents a pound, or rather 2 or 3 cents more than one-third of the duty on stemmed tobacco, will cover it.

Mr. McMILLIN. I do not get your calculation.

Mr. SCHROEDER. One hundred pounds of tobacco will come in at 35 cents, stemmed.

The stem is equal in weight to 25 per cent. of the whole leaf, so one-third increase on the 75 per cent. left after stemming will bring you exactly where you were before, and one hundred pounds unstemmed are equal to 75 pounds stemmed. Now, 46½ cents on stemmed tobacco will be equal to 35 cents on unstemmed; at present the difference is 5 cents, so it is 7¼ cents in favor of the unstemmed per pound.

Mr. CARLISLE. Is not the manufacture of cigarettes in paper wrapper increasing in this country?

Mr. SCHROEDER. Yes, sir.

Mr. CARLISLE. Suppose we were to reduce the internal-revenue tax upon this latter class of cigars so that a cigar could be made of tobacco of the same weight that the paper cigarette now has, what effect would it have on the paper cigarette?

Mr. SCHROEDER. I do not think it would have any effect on it. It is a matter that makes so small a difference that it would not affect consumption. The duty is only \$3 per thousand.

Mr. CARLISLE. Can you make a cigar entirely out of tobacco now of the size of the paper cigarette, without paying more than \$3?

Mr. SCHROEDER. No, sir, I think you can not. But I am not sufficiently posted to say positively.

Mr. CARLISLE. So that in order to get the lower-taxed cigar by the internal-revenue laws you have to wrap it with paper.

A GENTLEMAN. A million are made with cigar wrappers. I believe they pay the same tax.

Mr. McMILLIN. What would be the effect of abolishing the internal-revenue tax on the cigar manufacturing business? Would it be to keep it in the large establishments, or to cut it up among a larger number?

Mr. SCHROEDER. I do not think it would have any effect at all. I manufactured cigars before there was a tax on them. I also have paid the internal-revenue tax for a number of years. Cigars are sold by the manufacturer on merit and reputation, and when you go to a dealer to buy cigars, you buy those of some manufacturer in whom you have confidence, for a fine wrapper on the outside will cover a poor filler and other deficiencies.

Mr. McMILLIN. It hides a multitude of faults.

Mr. FLOWER. Are you a manufacturer in New York?

Mr. SCHROEDER. No, sir; I am an importer and dealer in domestic cigar leaf tobacco.

Mr. FLOWER. Do you know how many manufacturers of cigars there are in New York?

Mr. SCHROEDER. There are a large number of them.

Mr. FLOWER. There are twenty-two hundred, I believe. Do you know how many there were in 1860?

Mr. SCHROEDER. There were not two hundred and twenty.

Mr. FLOWER. My information is there were fifteen thousand.

Mr. SCHROEDER. There were not fifteen thousand cigar makers in New York State. I doubt if there were fifteen thousand in the United States.

Mr. FLOWER. Every one, I suppose, was a cigar manufacturer in 1860, before the law went into effect—that is, every one who made cigars was a boss, was he not?

Mr. SCHROEDER. Anybody could have made cigars who could buy the tobacco.

Mr. FLOWER. What does he have to do now?

Mr. SCHROEDER. He has to procure a license.

Mr. FLOWER. What is the amount of the bond?

Mr. SCHROEDER. It is according to the number of hands employed.

A GENTLEMAN. It is \$500, and an additional amount for every hand employed.

Mr. FLOWER. Any man who could not read the English language could not very well manufacture cigars as a boss?

Mr. SCHROEDER. I think a man who could not speak the English language would hesitate about going into the business. As far as I am concerned I do not argue the matter either in favor or against a repeal of the tax. I am only expressing what my opinion is. I manufactured under both systems. I am not afraid of the abolition of the tax, so far as the manufacturer of these domestic cigars are concerned. The single cigar-makers could not compete with them. They can not present their goods in packages like regular manufacturers; and when they can even now, they soon become regular manufacturers, because somebody who sees their merit will back them or take them as partners.

Mr. BAYNE. Have you read the schedule proposed by the Senate bill?

Mr. SCHROEDER. I did, but I do not know whether I quite caught it. If this committee decided that the duty on such tobacco shall be 75 cents per pound, then make it 75 cents specific on all tobacco. Do not leave us to the mercy of the custom-house inspector, who will claim in a bale of fillers where 90 per cent. are suitable for fillers and 10 per cent. may be suitable for wrappers that they should pay 75 cents a pound, even though he can't say to a certainty what percentage there may be.

Mr. LA FOLLETTE. How much manipulation is required to discover whether it is a wrapper or filler?

Mr. SCHROEDER. A manufacturer takes this tobacco, moistens it with water, and lets it lie until the water is gone through the fibers of the tobacco, or he puts it in a warm place, where it lies until thoroughly softened, and the quality is then tested by burning it, and he discovers what proportion, if any, be may use for wrappers.

Mr. LA FOLLETTE. Do you say he does not know until he has subjected it to that test and waited for the period of time necessary to elapse?

Mr. SCHROEDER. I say he does not.

Mr. McMILLIN. That process would destroy any subsequent bulk and it would have to be used. It would be impracticable to apply that test in the custom-house.

Mr. SCHROEDER. It would not be at all practicable to apply that in the custom-house.

Mr. McMILLIN. In purchasing, how is that determined by the purchaser?

Mr. SCHROEDER. By subjecting samples to that treatment; the manufacturer would not dare buy a bale of Sumatra without that test.

Mr. McMILLIN. Is it necessary to subject our tobacco to the same operation?

Mr. SCHROEDER. Not so much so. Our tobacco is a larger leaf; it is packed solidly and firm, retaining its moisture and flexibility, and you can tell about it very much quicker. But you can not tell whether the domestic wrapper is suitable for a wrapper without burning it; that you must do.

Mr. McMILLIN. You must subject the domestic to that soaking process?

Mr. SCHROEDER. No manufacturer would buy any quantity of domestic tobacco, unless he satisfied himself how it would take water. That is, how it will go through that process. There is a great deal of business done on confidence. A man may buy a package of tobacco on the representation of a dealer that it will stand all these tests. No large transactions are made without subjecting the samples to that test. After the manufacturer has seen the samples drawn by himself out of the package before he buys a lot of Sumatra tobacco, he wants to test it to see how much it will yield and how is the quality. And not until he has done that, will he make up his mind whether he is going to purchase or not. That is done both with wrappers and fillers.

Mr. McMILLIN. The manufacturer buys from a dealer, does he, or from the farmer?

Mr. SCHROEDER. Mainly from the dealer; frequently from the farmer; very large transactions have been made direct.

Mr. McMILLIN. Do these buyers, as they go about through the country, burn some of the tobacco before buying it?

Mr. SCHROEDER. Yes, sir. No buyer will ever make a success unless he does it. It is the rule and the custom of the trade to draw from every package of domestic tobacco a sample by a regular inspector, and which is guaranteed by him, for which he is paid. You can not draw such a sample from foreign tobacco, and I will give you the reason why. The tobacco that is packed here is put up regularly, each package contains a certain grade, but the dealer or manufacturer does not know anything about the history of the bale that comes from Havana or Sumatra. He can only get at the outside, and you can not get any inspector to draw a sample from any given package of foreign tobacco and guaranty the packages to be alike; therefore no such inspector's samples are drawn.

Mr. McMILLIN. The reason for that is that the tobacco imported, especially this Sumatra tobacco, is mixed, is it not? That has been done for the purpose of evading the duty.

Mr. SCHROEDER. That is an erroneous idea.

Mr. McMILLIN. Do you give in your statement just read the quantity of importations for the various years since 1880?

Mr. SCHROEDER. Yes, sir.

Mr. McMILLIN. Do you give the number of pounds, and the number which pays 75 cents a pound and that which pays 35 cents?

Mr. SCHROEDER. No, sir, but the average duty paid last year on Sumatra leaf was about 55 cents, or half of each.

Mr. CARLISLE. This [showing a clipping from the Tobacco Journal] gives what purports to be the importation of Sumatra by months from 1881 to 1889. Is that correct?

Mr. SCHROEDER. Yes, sir; that is correct.

Mr. CARLISLE. I will file it with our papers on this matter. If you have no objection, I will be obliged if you will leave your tabular statements and argument with the committee.

Mr. LA FOLLETTE. Does it show whether this [indicating] pays 35 cents or 75 cents?

Mr. SCHROEDER. The duty average is 55 cents.

Mr. LA FOLLETTE. How do you ascertain that average of 55 cents?

Mr. SCHROEDER. From the importations.

Mr. LA FOLLETTE. You had to know how much paid 75 cents and how much paid 35 cents in order to ascertain that average?

Mr. SCHROEDER. Yes, sir.

Mr. LA FOLLETTE. How much paid 75 cents?

Mr. SCHROEDER. About one-half.

Mr. LA FOLLETTE. About one-half comes in by paying 35 cents. It is all wrapper leaf, is it not?

Mr. SCHROEDER. No, sir; not as graded by the law. It is not all suitable for wrappers.

Mr. LA FOLLETTE. Is the Sumatra not all used for wrappers?

Mr. SCHROEDER. No, sir.

Mr. LA FOLLETTE. I suppose there is always waste on wrapper leaf. Is that used for fillers?

Mr. SCHROEDER. It is used for fillers and for making smoking tobacco.

Mr. LA FOLLETTE. The statistics read here in reference to the domestic productions are from what sources?

Mr. SCHROEDER. From the agricultural reports. I will leave you these. I will also hand in my tabular statements.

Mr. McMILLIN. Is this tabular statement also taken from the agricultural statistics?

Mr. SCHROEDER. Yes, sir; I got it from Professor Dodge himself.

Mr. Schroeder submitted the following papers:

COTTON.

States.	1879.			1880.			1881.
	Acres.	Pounds.	Value.	Acres.	Pounds.	Value.	
Virginia							
North Carolina	625,900	97,640,400	\$10,740,444	933,000	184,734,000	\$18,473,400	
South Carolina	944,600	135,077,800	14,858,558	1,441,600	266,096,000	29,336,560	
Georgia	1,592,000	248,352,000	24,835,200	2,786,300	454,166,900	45,416,690	
Florida	161,600	16,968,000	1,696,800	251,600	35,727,200	3,215,448	
Alabama	1,892,700	321,739,000	35,393,490	2,400,600	378,932,400	37,893,240	
Mississippi	2,055,000	382,230,000	38,223,000	2,275,000	391,300,000	39,130,000	
Louisiana	1,322,600	267,044,000	26,704,400		161,616,000	16,161,600	
Texas	1,935,000	338,625,000	33,862,500	2,395,100	550,873,000	49,578,570	
Arkansas	1,177,500	323,812,500	32,381,250	1,080,200	232,243,000	23,224,300	
Tennessee	762,900	204,457,200	20,445,720	816,200	165,688,600	14,911,974	
All other States and Territories.	126,300	31,575,000	2,999,625	147,700	32,494,000	2,924,460	
Total	12,595,500	2,367,540,900	242,140,987	15,475,300	2,854,471,100	280,266,242	

States.	1884.			1885.			1886.
	Acres.	Pounds.*	Value.	Acres.	Pounds.*	Value.	
Virginia	46,302	13,500	\$593,852	44,913	14,821	\$579,501	42,667
North Carolina	1,061,048	404,100	17,663,211	1,071,658	407,230	15,922,693	1,071,658
South Carolina	1,716,128	511,800	22,227,986	1,733,289	554,652	21,969,766	1,655,291
Georgia	2,958,930	807,400	35,141,278	3,047,698	960,025	39,413,826	2,956,267
Florida	268,111	57,300	3,151,500	273,473	73,897	4,357,860	270,738
Alabama	2,740,941	648,700	29,862,905	2,795,760	760,447	31,349,428	2,823,718
Mississippi	2,392,447	883,200	39,426,018	2,535,994	1,019,470	41,854,341	2,548,674
Louisiana	922,581	485,200	21,426,432	1,005,613	487,722	20,106,359	1,035,781
Texas	3,186,668	995,400	45,330,516	3,506,335	1,332,027	54,613,107	3,771,740
Arkansas	1,259,858	531,400	23,711,068	1,348,048	610,666	25,226,612	1,354,788
Tennessee	815,678	313,800	14,153,949	864,618	321,638	13,259,527	847,326
All other States and Territories.	70,920	30,200	1,304,640	74,466	32,765	1,336,812	75,955
Total	17,439,612	5,682,000	253,993,385	18,300,865	6,575,300	269,989,812	18,454,603

*Bales.

CORN.

States.	1879.			1880.			1881.
	Acreage.	Product.	Value.	Acreage.	Product.	Value.	
Maine	52,900	1,587,000	\$1,206,120	31,300	1,108,020	\$853,175	31,300
New Hampshire	57,200	1,359,000	1,450,020	36,890	1,401,820	1,023,329	36,900
Vermont	56,600	2,037,600	1,487,418	56,300	1,801,600	1,279,136	35,800
Massachusetts	38,500	1,386,000	1,081,080	55,900	1,875,330	1,406,497	56,000
Rhode Island	8,400	268,800	201,600	12,106	363,180	328,862	12,100
Connecticut	76,500	2,218,500	1,641,690	55,900	1,621,100	1,215,825	55,900
New York	688,000	22,704,000	13,849,440	801,600	27,895,680	15,900,538	761,500
New Jersey	263,800	8,969,200	5,202,136	347,200	14,235,200	8,266,416	336,800
Pennsylvania	1,271,600	44,506,000	24,033,240	1,374,500	55,804,700	29,576,491	1,374,500
Delaware	180,000	4,800,000	2,673,000	202,120	6,467,840	3,233,920	204,100
Maryland	448,400	13,721,040	7,134,941	678,190	21,702,080	10,634,019	671,400
Virginia	1,050,400	19,957,600	9,779,224	1,809,200	45,230,000	18,996,600	1,809,200
North Carolina	1,711,900	25,678,500	14,893,530	2,253,300	36,954,120	19,216,142	2,101,600
South Carolina	1,293,600	9,702,000	7,276,500	1,263,000	11,745,900	9,044,343	1,308,900
Georgia	2,218,000	20,627,400	14,439,180	2,384,700	21,939,240	15,138,076	2,388,700
Florida	228,900	1,945,650	1,575,976	374,700	3,522,180	2,993,853	359,700
Alabama	1,954,100	25,403,300	16,766,178	1,828,980	22,679,352	15,195,166	2,035,700
Mississippi	1,557,900	24,926,400	15,454,368	1,590,300	23,218,380	14,627,579	1,606,200
Louisiana	829,500	12,592,560	9,570,300	784,880	14,912,720	9,006,759	745,000
Texas	2,246,000	29,198,000	30,073,940	2,670,180	66,754,500	35,379,855	2,803,700
Arkansas	954,700	22,432,860	13,011,024	1,294,010	32,530,250	16,851,622	1,425,600
Tennessee	2,015,960	50,897,500	18,232,075	2,788,330	62,469,792	22,489,125	2,915,300
West Virginia	364,600	11,302,600	5,199,190	576,900	17,307,000	8,134,290	571,100
Kentucky	2,023,000	64,736,000	23,952,320	2,956,700	86,039,970	32,695,189	3,042,400
Ohio	3,019,600	105,686,000	41,217,540	3,198,400	119,949,000	49,175,400	3,134,400
Michigan	835,500	30,913,500	13,911,075	855,430	31,816,001	16,015,360	894,000
Indiana	4,088,500	134,920,500	45,872,970	3,421,700	99,229,300	39,691,720	3,637,800
Illinois	8,920,600	312,221,000	96,788,510	8,840,180	240,452,896	86,563,043	9,096,600

COTTON.

1881.		1882.			1883.		
Pounds.	Value.	Acres.	Pounds.*	Value.	Acres.	Pounds.*	Value.
		61,985	24,000	\$1,032,000	55,786	17,300	\$735,250
		1,050,543	463,000	19,909,000	1,050,543	398,200	17,321,700
		1,587,244	630,000	27,090,000	1,618,989	469,600	20,662,400
		2,844,305	942,000	41,448,500	2,872,748	752,500	33,110,000
		260,402	62,000	3,472,000	257,799	58,900	2,650,500
		2,534,388	810,000	36,450,000	2,610,420	630,400	28,052,800
		2,233,844	1,064,000	47,348,000	2,278,521	901,300	39,657,200
		887,524	560,000	24,920,000	931,900	490,200	21,568,800
		2,810,113	1,326,000	59,670,000	3,034,922	1,118,000	49,192,000
		1,110,790	697,000	31,365,000	1,188,545	518,500	22,814,000
		815,760	337,000	15,165,000	807,602	310,700	13,360,100
		79,793	42,000	1,827,000	70,218	35,000	1,470,000
		16,276,691	6,957,000	309,696,500	16,777,993	5,700,600	250,594,750
1886.		1887.			1888.		
Pounds.	Value.	Acres.	Pounds.*	Value.	Acres.	Pounds.	Value.
6,400,050	\$537,604	40,334	16,134	\$638,261	42,351	6,649,107	\$551,876
168,250,306	14,133,026	1,066,301	443,581	17,752,112	1,071,633	176,819,445	15,029,653
231,740,740	19,234,481	1,622,185	595,342	24,343,534	1,646,518	266,735,916	22,672,553
405,008,579	33,210,703	2,941,486	947,158	39,388,513	2,970,901	463,460,556	39,394,147
27,886,014	2,286,653	262,616	66,179	1,829,383	259,990	30,158,840	2,533,343
367,083,310	30,467,917	2,809,599	842,880	35,881,402	2,851,743	456,278,880	38,783,705
463,663,972	37,654,110	2,548,674	1,062,797	43,872,200	2,592,001	523,584,202	45,028,241
228,907,601	18,999,331	1,066,854	504,622	20,917,591	1,088,191	219,814,582	18,904,054
754,348,000	61,102,188	3,960,327	1,584,131	66,530,334	4,158,343	806,718,542	67,764,358
325,149,120	26,662,228	1,388,658	611,010	25,495,761	1,416,431	297,450,510	25,283,293
144,892,746	11,881,205	855,799	316,646	13,188,306	881,473	176,294,600	14,985,041
13,899,765	1,125,881	78,234	29,729	1,207,889	79,016	14,222,880	1,208,945
3,127,230,233	257,295,327	18,641,067	7,020,209	291,045,346	19,058,591	3,438,188,080	282,139,209

*Bales.

CORN.

1881.		1882.			1883.		
Product.	Value.	Acreage.	Product.	Value.	Acreage.	Product.	Value.
1,064,000	\$968,240	30,987	904,400	\$832,048	30,367	1,062,800	\$871,496
1,262,000	1,097,940	37,269	870,700	835,872	38,014	1,368,500	1,122,170
1,990,000	1,711,400	56,916	1,930,300	1,814,482	58,623	1,817,300	1,435,667
1,406,000	1,237,280	57,120	1,237,200	1,175,340	58,262	2,039,100	1,631,280
327,000	294,300	12,100	277,900	255,668	12,947	414,300	352,155
1,427,000	1,141,600	57,577	1,155,800	1,109,568	57,001	1,710,000	1,385,100
20,085,000	15,465,450	769,115	21,187,500	16,314,375	761,423	17,512,700	12,784,271
7,829,000	6,028,330	343,536	9,942,800	7,556,528	346,971	9,715,100	6,314,815
34,599,000	25,949,250	1,388,245	43,518,800	30,463,160	1,403,127	37,857,400	25,364,458
2,840,000	1,784,000	208,182	3,936,600	2,322,504	212,346	3,822,200	1,941,100
16,277,000	10,417,280	691,642	17,904,700	10,384,726	691,542	16,251,200	8,288,112
27,200,000	19,312,000	1,881,568	35,904,000	19,029,120	1,919,199	26,868,700	16,121,220
26,877,000	21,311,830	2,446,056	34,260,000	18,158,171	2,494,977	28,092,200	18,649,930
8,809,000	8,720,910	1,861,250	16,356,200	11,122,216	1,388,481	11,107,800	8,108,694
19,745,000	19,152,650	2,747,005	36,617,500	23,801,375	2,829,415	24,615,900	16,482,653
3,170,000	3,170,000	392,073	3,708,900	2,067,120	399,014	3,399,200	2,787,344
20,250,000	19,642,500	2,300,341	31,982,500	19,188,500	2,277,338	26,189,300	16,701,152
17,646,000	16,940,160	1,798,944	30,233,600	18,628,480	1,870,902	25,257,100	15,911,973
9,693,000	9,469,140	720,336	14,636,400	8,781,840	924,667	13,130,600	8,666,196
83,877,000	33,043,250	3,280,329	63,416,300	36,781,454	3,608,802	63,146,300	37,887,780
21,028,000	19,766,320	1,596,672	34,485,900	15,863,514	1,740,372	30,456,500	16,141,945
36,232,000	26,087,040	3,119,371	75,188,600	31,579,212	3,212,852	64,250,000	28,273,900
12,980,000	9,605,200	588,232	14,927,000	8,657,660	588,233	14,294,000	7,575,820
51,621,000	36,136,800	3,703,248	75,500,900	30,200,468	3,258,410	78,201,800	32,844,753
79,760,000	48,653,600	2,677,680	97,819,200	57,857,001	2,818,480	73,560,000	34,573,200
25,068,000	15,792,840	2,929,600	28,581,600	16,863,144	911,165	21,412,300	11,134,396
79,618,000	47,773,800	3,438,332	107,484,300	51,592,464	3,541,482	95,620,000	39,204,200
176,733,000	102,505,140	7,914,442	182,336,900	85,098,343	8,151,463	203,786,500	81,514,600

CORN—Continued.

States and Territories.	1879.			1880.			1881.
	Acreage.	Product.	Value.	Acreage.	Product.	Value.	Acreage.
Wisconsin	1,023,400	39,912,600	\$15,565,914	1,023,254	33,767,382	\$13,189,279	1,054,000
Minnesota	419,000	15,715,000	4,243,050	442,230	15,478,050	5,572,098	508,500
Iowa	4,873,400	185,189,200	44,445,408	6,847,180	260,192,840	67,650,138	6,710,200
Missouri	3,836,200	141,939,400	35,484,850	5,650,120	160,463,400	57,766,827	5,650,100
Kansas	2,718,800	89,720,400	21,224,508	3,625,200	106,218,360	30,803,324	4,196,500
Nebraska	1,523,400	62,459,400	13,116,474	1,919,600	59,507,600	14,876,900	2,149,200
California	100,500	2,814,000	2,223,060	80,650	2,580,800	1,961,408	96,700
Oregon	4,450	142,400	132,432	4,850	113,005	92,664	5,000
Nevada				487	9,740	7,792	525
Colorado				13,795	255,207	196,509	13,800
Arizona							
Dakota							
Idaho	91,700	2,751,000	2,475,900	167,000	5,010,000	3,607,200	178,700
Montana							
New Mexico							
Utah							
Washington							
Total	53,085,450	1,547,901,790	580,486,217	62,317,842	1,717,434,543	679,714,499	64,262,025

States and Territories.	1884.			1885.			1886.
	Acreage.	Product.	Value.	Acreage.	Product.	Value.	Acreage.
Maine	30,610	1,062,000	\$796,500	31,222	1,009,000	\$706,300	31,534
New Hampshire	38,744	1,286,000	977,360	38,386	1,299,000	922,290	38,578
Vermont	60,282	1,999,000	1,299,350	61,488	1,979,000	1,266,560	62,718
Massachusetts	57,097	1,941,000	1,397,520	57,668	1,961,000	1,372,700	58,821
Rhode Island	12,818	390,000	304,200	12,818	429,000	308,880	12,946
Connecticut	57,000	1,768,000	1,149,200	58,140	2,033,000	1,280,790	58,140
New York	753,810	23,674,000	13,604,400	731,196	22,448,000	13,019,840	716,572
New Jersey	343,500	10,992,000	5,935,680	350,370	11,212,000	5,942,360	346,866
Pennsylvania	1,403,000	43,466,000	22,602,320	1,417,030	46,074,000	22,576,260	1,438,285
Delaware	214,450	3,975,000	1,709,250	216,595	4,174,000	1,669,600	216,595
Maryland	698,400	15,237,000	7,313,760	726,336	15,999,000	7,359,540	719,073
Virginia	1,938,391	29,480,000	16,508,800	2,132,230	31,838,000	14,963,860	3,110,908
North Carolina	2,519,927	31,499,000	18,899,400	2,545,126	25,199,000	13,859,460	2,596,029
South Carolina	1,444,020	13,320,000	9,057,600	1,487,341	13,453,000	7,533,680	1,457,594
Georgia	2,857,700	30,925,000	21,647,500	2,857,700	32,162,000	18,653,960	2,886,277
Florida	403,913	3,837,000	3,069,600	420,070	3,799,000	2,659,300	441,074
Alabama	2,322,885	30,197,000	18,420,170	2,346,114	31,405,000	17,272,750	2,393,036
Mississippi	1,889,600	25,510,000	15,816,200	1,927,392	25,765,000	13,913,100	1,946,666
Louisiana	865,450	11,007,000	7,374,690	917,377	15,410,000	8,167,300	935,725
Texas	3,752,709	60,290,000	37,379,800	4,090,443	84,406,000	41,358,940	4,417,678
Arkansas	1,757,710	32,465,000	17,531,100	1,898,327	38,309,000	17,622,140	2,069,176
Tennessee	3,245,082	65,723,000	29,575,350	3,569,590	75,581,000	29,476,590	3,533,894
West Virginia	594,115	11,900,000	6,664,000	6,665,409	15,827,000	6,330,800	665,409
Kentucky	3,258,416	71,880,000	30,908,400	3,551,667	90,569,000	31,690,150	3,516,150
Ohio	2,846,664	85,393,000	35,011,130	3,017,464	111,865,000	35,796,800	2,987,289
Michigan	929,388	26,022,000	10,408,800	938,682	30,706,000	10,440,040	948,069
Indiana	3,612,312	104,757,000	35,617,380	3,720,681	131,994,000	38,278,260	3,720,681
Illinois	8,151,463	244,514,000	75,808,640	8,559,036	268,998,000	75,319,440	8,559,036
Wisconsin	1,066,685	26,200,000	8,908,000	1,085,019	32,750,000	11,135,000	1,109,779
Minnesota	765,340	23,630,000	7,797,900	648,913	18,431,000	5,897,920	668,380
Iowa	7,329,652	252,600,000	58,098,000	7,549,542	242,496,000	58,199,040	7,927,019
Missouri	5,995,931	197,850,000	51,441,000	6,295,728	196,861,000	49,215,250	6,484,600
Kansas	4,565,000	168,500,000	37,070,000	4,884,550	158,390,000	38,013,600	5,812,615
Nebraska	3,235,298	122,100,000	21,978,000	3,526,475	129,426,000	24,590,940	3,879,123
California	160,000	4,800,000	2,880,000	155,200	3,840,000	2,611,200	156,752
Oregon	5,890	164,000	101,680	6,479	148,000	103,600	6,673
Nevada	830	21,000	14,280	847	21,000	15,750	855
Colorado	25,300	710,000	461,500	27,830	959,000	652,120	29,778
Arizona	2,850	60,000	40,200	2,993	66,000	49,500	3,020
Dakota	465,000	13,950,000	4,185,000	530,100	15,345,000	4,296,600	662,625
Idaho	1,820	36,000	27,000	1,911	41,000	33,620	1,950
Montana	830	21,000	15,750	880	22,000	17,600	890
New Mexico	47,200	950,000	646,000	47,672	979,000	763,620	48,625
Utah	13,473	292,000	204,400	13,742	409,000	245,400	13,330
Washington	3,210	105,000	78,750	3,371	89,000	63,190	3,375
Total	69,683,780	1,795,528,000	640,735,560	73,130,150	1,936,176,000	635,674,630	75,694,208

REVISION OF THE TARIFF.

981

CORN—Continued.

1881.		1882.			1883.		
Product.	Value.	Acreage.	Product.	Value.	Acreage.	Product.	Value.
29,040,000	\$15,681,000	1,117,240	32,201,600	\$17,066,848	1,122,826	23,579,300	\$11,318,064
16,252,000	8,613,560	681,050	21,127,600	9,507,420	727,155	15,124,800	6,503,664
173,289,000	76,247,160	6,777,302	175,487,600	66,685,238	6,980,621	169,629,000	54,281,280
53,069,000	60,494,850	5,763,102	170,037,000	66,314,430	5,878,364	161,655,000	56,579,250
76,377,000	44,298,660	4,280,430	144,452,600	53,447,462	4,708,473	172,800,000	44,928,234
58,913,000	22,976,070	2,364,120	82,478,200	27,217,806	2,813,303	101,278,900	24,306,936
2,633,000	2,053,740	98,634	2,790,900	2,372,265	100,607	2,464,800	2,095,080
101,000	75,750	5,450	130,000	104,000	5,504	129,300	96,975
13,000	13,000	830	18,000	16,200	847	21,100	8,440
352,000	369,600	21,076	422,400	380,160	21,287	532,100	452,285
		2,709	57,000	62,700	2,736	54,700	47,042
		186,247	4,650,000	2,371,500	270,058	4,915,055	2,211,775
5,761,000	5,472,950	1,580	45,000	47,250	1,627	32,500	29,250
		492	18,000	18,900	502	10,040	9,036
		45,594	965,000	1,061,500	46,506	930,100	771,983
		13,208	275,000	247,500	13,340	280,100	246,488
		2,646	62,000	49,600	2,672	61,400	55,260
1,194,916,000	759,482,170	65,659,545	1,617,025,100	783,867,175	68,301,889	1,551,066,895	658,051,485

1886.		1887.			1888.		
Product.	Value.	Acreage.	Product.	Value.	Acreage.	Product.	Value.
989,000	\$662,630	32,165	1,132,000	\$769,760	30,878	596,000	\$447,000
1,364,000	927,520	38,578	1,323,000	912,870	37,421	846,000	609,120
2,058,000	1,358,280	62,001	2,204,000	1,498,720	61,470	1,494,000	986,010
1,922,000	1,268,520	59,997	2,124,000	1,486,800	59,397	1,788,000	1,215,840
408,000	273,360	12,946	414,000	289,800	12,558	382,000	267,400
1,992,000	1,254,960	58,140	1,977,000	1,324,590	56,977	1,778,000	1,155,700
22,426,000	12,558,560	709,408	23,410,000	13,343,700	705,859	22,870,000	13,204,600
9,418,000	4,709,000	346,866	10,406,000	5,723,300	350,335	11,351,000	6,016,000
40,545,000	19,056,150	1,394,561	44,905,500	22,452,500	1,397,350	45,414,000	22,707,000
3,590,000	1,507,800	216,595	4,332,000	1,862,760	220,027	3,844,000	1,691,360
15,039,000	6,466,770	719,073	19,415,000	8,736,750	740,645	17,553,000	7,898,850
32,793,000	14,756,850	2,153,126	37,680,000	17,709,600	2,131,595	34,745,000	17,025,000
27,215,000	15,512,550	2,673,910	35,830,000	21,139,700	2,673,910	28,343,000	16,438,910
13,318,000	7,990,800	1,501,322	15,013,000	9,308,060	1,576,988	13,715,000	8,229,000
31,197,000	18,718,200	2,915,140	32,067,000	20,202,210	2,923,885	28,069,000	16,841,000
4,597,000	3,263,870	454,306	4,816,000	3,419,360	463,392	4,541,000	2,951,650
28,893,000	17,335,800	2,464,827	33,522,000	18,101,880	2,489,475	31,616,000	17,388,800
25,507,000	15,049,130	1,886,319	32,633,000	17,295,490	1,933,477	28,422,000	15,347,880
14,640,000	8,052,000	1,001,226	18,022,000	9,191,220	1,031,263	15,263,000	8,089,300
69,213,000	38,759,280	4,499,405	76,490,000	39,009,900	4,814,363	92,436,000	37,898,760
42,140,000	20,648,600	2,068,349	41,367,000	20,683,500	2,130,399	41,543,000	19,940,640
73,314,000	29,325,600	3,497,848	75,204,000	37,602,000	3,637,762	75,665,000	31,779,300
15,194,000	6,381,480	658,755	12,516,000	6,758,640	678,518	16,149,000	7,751,520
88,758,000	30,177,720	3,160,668	57,840,000	30,655,200	3,160,668	81,545,000	27,725,300
96,204,000	33,671,400	2,805,961	73,797,000	35,422,560	2,862,080	93,018,000	32,556,300
27,635,000	10,501,300	841,316	18,930,000	9,086,400	967,513	29,025,000	12,190,700
118,795,000	38,014,400	3,569,994	71,400,000	32,130,000	3,605,694	125,478,000	38,988,180
209,818,000	65,043,580	7,347,915	141,080,000	57,842,800	7,788,790	278,060,000	80,637,400
28,493,000	10,542,410	1,018,778	25,775,000	10,825,500	1,069,717	32,733,000	11,783,880
19,905,000	6,767,700	606,756	18,081,000	6,689,970	703,837	20,622,000	6,599,040
198,847,000	59,654,100	7,196,148	183,502,000	64,225,700	7,771,840	278,232,000	66,775,600
143,709,000	44,549,790	6,406,785	140,949,000	52,151,130	6,534,921	202,583,000	60,774,900
126,712,000	34,212,240	5,242,979	76,547,000	28,322,390	5,924,566	158,186,000	41,128,360
106,129,000	21,225,800	3,865,158	93,150,000	27,945,000	4,097,067	144,217,000	31,727,700
4,262,000	2,642,440	156,752	4,703,000	2,868,830	155,184	4,314,000	3,019,800
178,000	133,500	6,673	182,000	116,480	7,140	161,000	109,480
22,000	16,720	863	24,000	14,880			
938,000	469,000	31,267	938,000	590,940	34,394	777,000	442,890
67,000	53,600	3,111	59,000	38,350			
15,805,000	5,847,850	636,120	20,992,000	7,347,200	737,899	18,816,000	6,209,200
42,000	28,140	1,939	56,000	33,600			
22,000	14,300	908	25,000	15,000			
973,000	681,100	51,056	970,000	698,400	53,609	992,000	664,640
267,000	160,200	13,197	285,000	213,750	33,500	486,000	308,180
88,000	60,000	3,375	74,000	49,580	6,100	122,000	70,760
1,665,441,000	610,311,000	72,392,720	1,456,161,000	646,106,770	75,672,763	1,987,790,000	677,561,580

TOBACCO.

States.	1879.			1880.			1881.
	Acres.	Pounds.	Value.	Acres.	Pounds.	Value.	Acres.
Massachusetts.....	2,900	4,350,000	\$478,500	3,242	4,927,840	\$739,176	3,291
Connecticut.....	6,900	9,660,000	1,159,200	10,070	15,487,660	2,323,149	8,753
New York.....	2,850	2,432,750	291,930	5,135	6,572,800	788,736	5,037
Pennsylvania.....	20,300	29,617,700	2,065,593	29,739	34,854,108	3,485,411	33,080
Maryland.....	40,800	25,826,400	1,291,320	26,726	18,841,830	1,318,928	38,265
Virginia.....	113,400	86,524,200	4,326,210	118,821	78,421,860	6,273,749	139,663
North Carolina.....	21,400	11,898,400	832,888	63,229	35,724,385	3,215,195	56,071
Arkansas.....							2,023
Tennessee.....	55,200	44,160,000	2,208,000	38,603	24,319,890	2,188,780	40,286
West Virginia.....	2,850	1,875,300	112,518	4,071	2,898,522	318,841	4,112
Kentucky.....	160,000	126,880,000	6,344,000	224,087	149,017,855	10,431,250	239,911
Ohio.....	21,000	14,091,000	845,460	35,489	38,434,587	2,306,075	30,760
Indiana.....	7,900	6,036,000	331,800	10,642	7,609,030	380,451	10,760
Illinois.....	7,000	4,550,000	273,000	5,574	3,912,948	195,647	5,062
Wisconsin.....	5,300	5,474,900	656,988	9,168	11,395,824	1,367,499	10,045
Missouri.....	22,700	15,050,100	752,505	14,120	11,027,720	882,218	13,950
All other States and Territories.....	2,600	2,251,600	157,612	3,800	2,850,000	199,500	6,170
Total.....	492,100	391,278,350	22,727,524	602,516	446,296,889	36,414,615	646,239

States.	1884.			1885.			Acres.
	Acres.	Pounds.	Value.	Acres.	Pounds.	Value.	
Massachusetts.....	2,730	3,715,000	\$463,230	2,594	3,798,000	\$455,714	2,594
Connecticut.....	8,064	9,481,000	1,175,644	7,661	12,066,000	1,496,193	7,292
New York.....	5,386	8,162,000	979,440	6,733	10,234,000	1,023,416	5,833
Pennsylvania.....	25,991	34,143,000	3,585,015	23,392	26,392,000	2,456,160	28,695
Maryland.....	41,811	31,255,000	2,281,615	43,065	24,552,000	2,084,303	44,892
Virginia.....	149,495	99,763,000	7,382,462	161,445	107,711,000	7,970,619	161,397
North Carolina.....	69,600	34,858,000	4,008,670	77,952	37,417,000	3,966,198	75,141
Arkansas.....	2,185	1,111,000	83,325	2,291	1,606,000	112,406	2,409
Tennessee.....	45,048	31,392,000	2,197,440	46,850	26,939,000	1,885,713	49,629
West Virginia.....	4,149	2,343,000	224,928	4,100	2,782,000	211,444	4,398
Kentucky.....	276,139	208,692,000	15,631,900	265,093	209,423,000	13,612,526	251,838
Ohio.....	35,983	29,349,000	2,113,128	36,703	33,767,000	2,127,306	36,805
Indiana.....	12,812	9,318,000	624,306	13,324	9,593,000	863,395	22,545
Illinois.....	5,736	3,944,000	276,080	5,908	4,963,000	446,645	10,710
Wisconsin.....	14,663	14,360,000	1,464,720	27,127	31,196,000	2,963,625	24,229
Missouri.....	16,170	15,810,000	1,201,560	16,493	14,514,000	1,015,969	16,053
All other States and Territories.....	8,706	3,808,000	456,688	8,696	4,783,000	573,936	6,750
Total.....	724,668	541,504,000	44,160,151	752,520	562,736,000	43,265,598	750,210

TOBACCO.

1881.		1882.			1883.		
Pounds.	Value.	Acres.	Pounds.	Value.	Acres.	Pounds.	Value.
5,000,964	\$750,144	2,962	4,250,819	\$531,352	2,814	4,038,278	\$533,053
13,763,759	2,202,201	8,665	9,772,269	1,270,396	8,145	9,576,824	1,292,871
6,291,217	880,770	8,059	9,751,386	1,170,166	5,440	9,068,789	1,178,943
38,806,661	5,044,735	29,772	31,044,629	3,725,343	28,879	36,322,099	4,358,652
25,869,218	2,069,537	39,030	29,232,216	1,753,933	40,693	31,570,793	2,052,102
77,649,854	6,677,907	143,853	89,297,332	6,518,705	129,996	67,866,972	5,429,278
24,827,532	3,351,716	64,482	32,275,792	3,873,095	60,000	29,048,213	3,631,627
979,922	82,313	2,124	1,175,906	99,952	2,300	1,100,000	95,700
22,157,300	1,683,954	41,897	31,020,220	2,078,355	40,221	28,638,602	1,712,316
2,066,531	175,655	4,235	2,169,858	216,986	4,108	1,952,872	205,052
163,037,700	14,347,316	242,227	198,905,094	15,912,480	230,116	171,059,155	14,711,087
35,419,913	2,833,593	33,819	33,648,917	2,355,424	32,128	29,947,536	2,305,803
7,719,373	578,952	11,298	9,108,860	637,620	11,863	8,471,240	635,343
3,346,195	274,387	5,163	3,848,124	307,850	5,679	3,155,462	252,437
8,702,770	1,087,846	11,250	10,443,324	1,253,199	12,750	5,743,828	631,821
12,233,959	1,015,418				15,400	10,540,000	895,900
2,008,146	315,892	22,686	17,132,012	1,485,094	8,307	3,545,978	443,977
449,880,014	43,372,336	671,522	513,077,558	43,189,950	638,739	451,545,641	40,455,362

1886.		1887.			1888.		
Pounds.	Value.	Acres.	Pounds.	Value.	Acres.	Pounds.	Value.
4,231,000	\$592,340	2,464	3,511,000	\$596,904	2,464	3,893,120	\$486,640
11,667,000	1,633,380	6,198	9,173,000	1,311,745	6,136	9,602,840	1,248,369
7,583,000	872,045	5,775	7,623,000	876,645	6,179	6,487,950	778,554
34,951,000	4,124,218	28,121	40,213,000	6,031,955	19,500	24,180,000	2,587,260
25,238,000	1,640,470	41,607	26,603,000	1,463,148	33,775	14,016,625	770,914
91,189,000	6,383,230	132,346	79,408,000	6,352,608	127,052	64,034,208	3,842,052
31,559,000	2,998,105	60,113	29,155,000	2,915,481	57,107	25,755,257	1,931,644
2,108,000	158,100	2,361	1,228,000	196,435	2,408	1,155,840	80,909
31,763,000	1,905,780	45,659	26,254,000	2,756,662	67,119	45,640,920	3,651,274
2,749,000	192,430	3,958	2,216,000	281,493	5,620	4,496,000	359,680
193,915,000	11,634,900	196,434	115,896,000	13,907,527	323,408	283,306,284	21,247,971
35,333,000	2,473,310	31,284	19,240,000	1,731,569	39,105	35,191,500	2,745,171
14,880,000	892,800	8,450	3,718,000	185,900	18,252	16,153,020	1,130,711
6,158,000	369,480	3,320	1,494,000	149,400	4,648	2,946,832	223,959
23,744,000	2,374,400	11,050	11,271,000	1,239,810	13,813	12,846,090	1,220,379
11,959,000	837,130	12,842	6,421,000	642,100	14,126	15,108,928	1,048,714
3,510,000	386,100	6,548	2,816,000	337,877	6,613	2,975,850	312,464
532,537,000	39,468,218	598,620	386,240,000	40,977,259	747,326	565,794,264	43,660,665

STATEMENT OF J. S. VAN DUSER.

Mr. J. S. VAN DUSER next addressed the committee. He said:

Mr. Chairman and gentlemen, Mr. Schroeder has attempted to show to the committee that the producers of cigar leaf tobacco are asking for something impracticable and unreasonable.

He boldly declares that the farmers instead of suffering injury from the introduction of this foreign wrapper tobacco are better off to-day than before it began to come into this market. He seeks to have you believe that manufacturers are using more American-grown fillers in place of the Cuban filler, which compensates for the loss in the use of American wrapper by the introduction of the Sumatran.

He gives tables of so-called statistics to verify his statements. It is enough to say for his figures, wherever he obtained them, that so far as they can be compared with the official census reports they do not prove trustworthy. For instance, he states the product of tobacco in Wisconsin for 1879 at 5,474,900 pounds. The official census states the product for that year at 10,608,423; quite a discrepancy. In Connecticut he puts the 1879 product at 9,669,000, and on page 670 of the first part of the Tenth Census it is given as 14,044,652 pounds. There is a like discrepancy between his figures and those of the official census for each of the other States mentioned. As to the price per pound for the several years after 1879 no reliance can be placed upon them, for at the best they are estimates, which, the farmers in the several States know are very far from correct. Mr. Schroeder's own statements go to disprove his figures, for he has explained how the quality of the crops in the various sections fluctuates from year to year, making Connecticut the favorite one year and Pennsylvania the next, etc., and yet from 1879 to 1885 there is a variation in the annual price of Wisconsin tobacco according to his figures of only one-half cent per pound. The price is exactly the same in 1879, 1880, 1882, 1883, and 1884, while there is but slight variation in the prices given in any of the States. A collection of estimates and tables that would fill a volume the size of an unabridged dictionary will not change the fact that during the present decade a foreign wrapper tobacco has been imported into this country that has almost wholly displaced the cigar wrapper of our own growth.

Seven million pounds, Mr. Schroeder stated, were imported in 1889. This would wrap, at the estimate made by Mr. Schroeder, 2,333,333,000 cigars. He states in his paper that the Havana wrappers imported last year would wrap 120,000,000 cigars. Add the 120,000,000 Havana wrappers to the 2,333,333,000 of Sumatran wrappers, and we have a total of imported wrappers in 1889 amounting to 2,453,333,000. We made nearly 4,000,000,000 cigars. This leaves about 1,500,000,000 cigars to be covered with domestic wrappers. Five-eighths of all our American cigars were wrapped with foreign wrappers, whereas eight years ago more than nineteen-twentieths of them were wrapped with home-grown tobacco. Can such a change be brought about without the home producer feeling its harmful effect on his industry? Remember it is the cigar wrapper in our domestic crop that makes it profitable. And the most intelligent and painstaking growers who have provided at great expense every facility in the way of improved curing sheds, rooms for assorting, improved machinery, implements, and devices, as well as choice varieties of seeds, who have given years of study and research in increasing their knowledge and perfecting their methods, find that as the market now stands all is of no avail, for the carelessly-grown crops are worth as much as the best, for all are rated as binder and filler. The dealer may get fancy prices for a large portion of the fillers, as Mr. Schroeder has explained, or he may put off some of the fancy selected wrappers to be worked on cigars as Sumatran wrappers, but the farmer fails to get any of these advantages. He sees no way out except by the intervention of the tariff, by which importations of foreign leaf, prepared by cheap coolie labor, may be restricted.

Mr. Schroeder in his zeal makes his statements most too broad at times. He very naturally favors a uniform duty of 35 cents on all foreign tobacco, but when he declares that he believes that any higher rate would be injurious to all business interests concerned, including the producer, he says too much.

Then when he calls your attention to the danger of compelling the American people to stop smoking by driving them back to domestic-wrapped cigars through the workings of a protective duty, he carries his agreement to an absurd length. Certainly no harm could be done this nation by checking the smoking habit. Why could he expect the committee to hesitate about protecting an important industry for fear of checking a habit out of which few make money.

Mr. Schroeder attempts to make his case still stronger. He says, "You might as well expect to force the American who has acquired the habit of drinking imported wines and champagnes to take kindly to being forced to substitute the coarser wines produced in this country by prohibiting the importation of the foreign article. You would much reduce the consumption and injure the farmer in the end."

Here appears his solicitude for the farmer again. The farmer could not stand a lit-

the prosperity which protection would bring. It would injure him in the end. As to the wine: The importers of foreign tobacco can probably afford to gratify a taste for foreign wines. But he seems to say between the lines, "cold water ought to satisfy the groveling farmer. It is the only safe beverage for the tiller of the soil."

Again says Mr. Schroeder, "Tobacco will be raised in the United States whenever the farmer can get as much or more for tobacco as the result of his labor as for other products." There is some truth in this, but if you are going to let foreign tobacco come into this market unhindered, to displace the only part of the American crop which sells above the cost of production, there can be but one result, the wiping out of the cigar leaf-tobacco production as an American industry, and crowding the tobacco-growers back into the production of other farm staples, just as by taking off the protective duties from cigars you would annihilate that industry.

Mr. Schroeder says, "The production will be as a rule equal to the demand, and when you protect tobacco by a duty equal to the whole cost of production, which in no State in the Union, except in Florida, is more than 12 cents per pound, you have done all you possibly can for the farmer."

We are therefore to understand that the present tariff rate of 35 cents per pound is three times too high. Still Mr. Schroeder has said that he owns a tobacco farm in Florida, and that where he grows tobacco is the only place where the cost exceeds 12 cents per pound. Therefore, we infer that on account of high prices for labor in Florida Mr. Schroeder is willing to let stand the present exorbitant tariff. It is fortunate indeed for the growers of New York, New England, and other sections of the North that Mr. Schroeder has embarked in tobacco growing, else he would demand a reduction of the tobacco duty to 12 cents per pound. But according to his theory, no one but the Florida growers will receive any benefit from the excess of duty over 12 cents per pound, and we should therefore think his unselfish interest in the consumers and the cigar operatives would lead him to sacrifice any possible gain to himself and still insist on bringing the duty down to 12 cents per pound. Let me ask Mr. Schroeder, is protection a sham or does protection protect? Is it possible to build up, defend, or restore an industry on American soil by preventing the products of cheap foreign labor from supplying our market, or is it all an idle dream? Does not the duty on cigars protect the American manufacturer? Why not, according to Mr. Schroeder's theory, put the tariff on cigars at 40 cents per pound instead of \$2.50 per pound, and leave off the ad valorem 25 per cent. ? This would amount to the cost of the cheap German cigar. The trouble with M. Schroeder and with a great many city people is that he looks upon the farmer as a veritable "beast of burden." He (the farmer) should be satisfied if he gets enough to eat, however plain and coarse, and should uncomplainingly suffer hardships, the result of unjust and unequal laws, if only those laws are supplying the conditions which will protect the favored ones in the enjoyment of their luxurious living, their foreign wines and champagnes."

Mr. Schroeder's zeal lets us into one of the tricks of the trade. He tells us that at least 50,000 cases of our domestic fillers, weighing from 300 to 400 pounds per case, are annually used by the cigar manufacturers of this country, and adds, "No one knows the difference." According to Mr. Schroeder, 20,000,000 pounds of American filler tobacco, for which the farmer has received from 1 to 3 cents per pound, has been smuggled into "pure Havana-filled cigars" and takes the place of 20,000,000 pounds of Havana filler, which would have cost the manufacturer \$1 per pound, or \$20,000,000. The profits of the transactions are shared in this way by the farmer and the middlemen. 20,000,000 pounds at say 2 cents equals \$400,000 as the farmer's share. It costs the farmer \$2,400,000 to grow it at 12 cents per pound. The manufacturers and dealers get what is left, or \$19,600,000, and Mr. Schroeder thinks the farmer ought to rejoice over this increasing demand for his filler tobacco.

Mr. Schroeder's statement may be true. The American smokers may be defrauded in buying for Havana-filled cigars those that contain only such tobacco as the farmers have sold at 1 or 2 cents per pound. But the farmers are not partners in the scheme. They do not seek such partnership. It may be that cigar-filler tobacco can be profitably grown in Florida, but the cigar-leaf growers must get profit from that part of their crops required for cigar wrappers or their industry is gone. As well destroy the market for flour and try to make the miller believe that an increased demand for bran, by reason of it being used to adulterate spices or other food, will be as well for him. The farmers have seen how high tariff rates of duty have kept out foreign competition and how they have built up and enriched other industries, and they believe they have one industry at least that is in peculiar and pressing need of this same kind of national protection.

Note what Mr. Schroeder says about the rapid advance in the prices of tobacco from 1863 to 1870. "The reason for the advance in price after 1863 to the year 1870 is found, first, in the premium on gold, while tobacco was sold for currency; and in the enormously rapid increase in the manufacture of domestic cigars, caused by the tariff of 1863, which so raised the duty on cigars as to shut Germany entirely from our mar-

ket, closing a number of factories in that country, employin gmany thousand operators, who had up to that time almost wholly supplied this country." If, as Mr. Schroeder says, the high tariff of 1863 did just what it was expected to do, shut out cheap German cigars, and restricted the importation of the better grades, why will not a high tariff on cigar wrappers in 1890 shut them out; and if they are shut out, why don't it follow that the American farmers will have to raise the leaf to take their place, and why won't prices be restored? It is true that home competition will ultimately affect prices, but we do not complain of this, for all American producers have to pay American wages; besides, wherever the tobacco is grown on American soil our country receives the benefit.

The same home competition exists to-day among American manufacturers of cigars. But take off the protective duty, and how long before those German factories, closed by the tariff of 1863, would be again in full blast, again supplying the coveted American market? That tariff of 1863 placed a minimum duty on cigars of nearly \$40 per thousand, when the German cigars were sold in our market without duty at from \$5 to \$10 per thousand.

And those German cigars would be sold here at these prices to-day if the duty were removed. Sumatran tobacco costs nearly \$1.50 per pound to import without duty. If the farmers were given the same measure of protection against it which the cigar manufacturers were given in 1863 against German cigars, the rate of duty would be fixed at over \$6 per pound. Mr. Schroeder has sought to convey the impression that American-grown wrappers never were fit for the purpose for which they were used. But the fact remains that previous to the introduction of Sumatran wrapper in 1882 American-grown wrappers were almost exclusively used on American-made cigars.

It is also true that the 10-cent cigars sold in our market previous to 1882 (notwithstanding the fact that they had to pay a much higher internal tax than is now required) were really better than the 10-cent cigar you can buy to-day. It is also a fact that American-grown wrappers are as a rule much finer, more carefully and expensively grown and handled to-day than before 1882, when they were almost exclusively used. It is true that the crops of some seasons are much better in quality than of others, and that preference is properly given to the product of different sections in different years, owing to weather conditions, etc. But the essential fact remains, that as long as American growers are protected in growing the wrapper leaf our great market requires, we will all have an equal chance for preference and a hope for our chosen industry.

But Mr. Schroeder again attempts to show that the farmers have not been injured. He says, "Our importations have constantly increased, and increased importations have made no difference in our home market, as far as the price of the home product is concerned. Domestic tobacco has held its own, and tobacco farmers have done a little better even during the last three years than formerly." Who knows better about this, Mr. Schroeder or the farmers themselves? Mr. Schroeder is too intelligent a man to believe what I have quoted above. When a foreign article has so effectually superseded our own product that it supplies the place of two-thirds of the only part of that product that is salable above the cost of production, it does not need any argument to prove that an injury has been done and that producers of the home product must suffer.

The tables of yearly prices are misleading and totally unreliable, as an examination of market reports or actual sales in any tobacco-growing section for the years named would show; but if they were correct, there might still be loss to the producer, for in the growing of finer varieties, more plants to the acre, requiring an increased amount of labor, prices that would have been profitable ten years ago would now leave loss to the grower.

Mr. Schroeder's figures as to production are not to be relied upon, as I have shown from the census reports for the year 1879, but if they, too, were true, and if it were a fact that nearly as much tobacco is grown now as was grown eight or ten years ago, the fact would remain that there should have been an increase to have kept pace with the growth of the cigar industry, and would have been, had the prevailing prices afforded a profit. We should be producing more tobacco than we produced eight years ago and the fine quality we are now producing should bring higher prices. I stated before the committee that the tobacco raisers have added from 3 to 5 cents per pound to the cost of raising their crops of tobacco during the past few years. For instance, in the early days of tobacco growing, tobacco was sorted into but two grades and this was done as it was stripped from the stalk. No examination of the separate leaves was made. The small bottom leaves were put into the filler grade and all the rest into the higher grade for wrappers and binders. This operation was simple and inexpensive, costing not more than one-half or 1 cent per pound. But the practice now is to strip off the leaves with great care, put them up in bundles wrapped in paper, and these bundles are carefully ranked away to be sorted during the winter. In this process each leaf is opened and carefully examined and put in the grade to

which it belongs. It is quite common to sort into eight or nine grades "AA" (first-class wrappers), long, medium, short; "A" (second-class wrappers), long, medium, short, and binders, which are sometimes put into two or three sizes, and fillers. I am told that in Connecticut whole packings have been sorted into as many as seventeen separate grades. This work at the prices paid for labor in this country costs much money. We can not do here what is practicable in countries where labor costs only from 5 to 10 cents per day. Nor can we compete in the production of leaf tobacco with raisers and handlers who get their labor at these rates. It is an easy thing to say that tobacco raisers have done better the last three years than formerly. Mr. Schroeder's remarking it does not make it so. The empty pockets and depleted bank accounts, ay, the increased debts of the farmers (all in spite of rigid economy), disprove his statements.

"But," adds Mr. Schroeder, "while the farmer has not done worse the American people have had better and more wholesome cigars." If it were possible to marshal the great army of American cigar smokers of ten or fifteen years standing, I would cheerfully submit this statement to their verdict. I most emphatically believe the cigars of the higher cost to the smoker are not only not better but not as good as they were ten years ago.

Sumatran tobacco, it is everywhere admitted, of itself would make an intolerable cigar. Mr. Schroeder says much of our tobacco is being used to displace fine-flavored Havana filler. It is therefore better than formerly. How then can Sumatran wrappers make the cigars any better? But Mr. Schroeder makes such statements as are pleasing to his mind. He does not think it necessary to spend much time in proving them. Consider this statement: "And even the tobacco farmers themselves, who smoke cigars, respect their own product, and have taken kindly to the combustion of what they consider their arch-enemy." So far from the truth is this statement that in tobacco-growing districts there are cigar dealers who have even to this day refused to handle the Sumatran-wrapped cigars. Tobacco-growers who smoke get a cigar with domestic wrapper whenever they can, and so would the vast army of smokers were they guided by their own taste in the matter. One would hardly think Mr. Schroeder would make such statements sincerely. The picture of the tobacco farmer enjoying the combustion of his arch enemy is a happy one, but it is stated in most too much of a matter of fact way to be funny, and if not funny it was not worth saying.

Listen to Mr. Schroeder again: "I have said that the prices of corn, cotton, and potatoes govern the price of tobacco." Of course farmers won't raise tobacco which requires large outlays for sheds, fixtures, and labor if they can make as good a profit from corn or potatoes. Mr. Schroeder would evidently have the farmers interpret his meaning to be: "If you don't like the profits you get from growing tobacco under the 35-cent duty, why just try your hand at corn and potatoes."

Suppose I retort, "If you, Mr. Schroeder, don't think you can make sufficient money out of dealing in Sumatran tobacco with \$2 a pound duty to enable you to live on foreign champagne and a kindred diet, you can try digging sewers or shoveling coal for a living." Mr. Schroeder is reported to have made one or more millions out of the introduction of Sumatran tobacco in our market—more probably than all the 100,000 farmers engaged in growing cigar leaf tobacco have saved from their hard and patient labor during these past seven years, and he has the hardihood to come to you and tell you what is for the good of the tobacco farmers and what you can and what you can not reasonably give them in the way of protection. It is certainly humiliating for intelligent American farmers to listen to such an address as that of Mr. Schroeder's. He practically says that we don't know enough to realize what is for our own good. When in good faith and with confidence in the law-making power, as now constituted, we ask protection for an industry that is being crowded to the wall by competition with the product of pauper labor he turns upon us with the advice to raise corn and potatoes. Has the American farmer no rights which the American millionaire or the millionaire Jew is bound to respect? Is the farmer not worthy of consideration when his interests threaten to interfere with the schemes of a speculator in the products of cheap Chinese labor?

Are we to patiently submit to all manner of burdens, and be called fools because in our desperation we have come to the halls of Congress to ask that the policy of protection be made to include our own special industries? But Mr. Schroeder draws a lesson from the policy of the German Government. He says, "The German Government knows that a large import tax will not benefit the farmer, and while it follows a protection policy, it does not unreasonably increase the price to the manufacturer and consumer." Perhaps the farmer is treated in Germany so far as legislation goes as he has been too long treated here. But in this country farmers are numerous. They can not be choked off by the sophistries of Mr. Schroeder. If their interests are not considered in the future legislation, who can blame them if they cause changes in party supremacy or governmental policy.

Mr. Schroeder tells you that this Sumatran wrapper is needed "to cover up and

make salable the common growth of our cold climate." Before the Sumatran tobacco was known in this country, "this growth of our cold climate" was used to cover the aromatic and deliciously flavored tobacco of Cuba. Now our "common tobacco of this cold climate" is found to be so good in flavor that it is substituted for Havana fillers and covered up with the Sumatran wrapper. There is no trouble about raising wrappers in this country enough to cover "our common growth" but also to cover the Cuban filler as well.

But Mr. Schroeder, in his brief history of the rise and fall of tobacco prices in America, tells us, "The farmers prospered; they sent their daughters to boarding-school and their sons to college; they loaded their farms with debt, feeling confident of their ability to pay it off in a few years." What right had the farmer to think of sending his daughters to boarding-school or his sons to college? They should be kept upon the farm struggling to produce wealth to be amassed by their friends—the speculators of the city, according Mr. Schroeder.

It is wrong to permit legislation which might embarrass a man in gratifying his appetite which by habit long indulged, had become partial to foreign wines and champagne, but the farmer who would seek to have his industry saved to him, that he might continue to educate his his sons and his daughters, is presuming to ask something unreasonable of your committee and to seek encouragement in an extravagance not to be tolerated as belonging to his position in the business affairs of the country.

Has Mr. Schroeder an adequate conception of the farmer's importance in the industrial plans of this great people? Without the producers of wealth what would the speculator have to feed upon? Would it not be well to inquire as to what has become of the daughters who were sent to boarding-school and those sons who went to college? What if the tobacco crops have failed to bring profit! What if financial misfortune has overtaken some or many of the self-sacrificing New England farmers who dared to educate their sons and daughters! It is fortunate, indeed, that the children have been saved from the wreck. They have not proved failures, else where would our great commercial cities get their renewals of wealth, of mind, strength, and ambition from year to year. The children of those who live on foreign wines are not equal to the onerous burdens which belong to great enterprises.

As Mr. Schroeder approaches his tables he makes another happy ding at the farmer. He says: "The talk and agitation among farmers on the Sumatran question has doubtless led many of the unthinking to refrain from growing tobacco, and in that way they have been injured." Yes, the farmers by their agitation and talk have done whatever injury has been done. No one has stopped growing tobacco because it ceased to be profitable. Farmers are most apt to be influenced by talk which has for its purpose protection to their industry. Why, if the talk and agitation has had any effect it has encouraged farmers to cling to the industry and to continue to grow tobacco, because of the belief that sooner or later Congress would come to their relief and put up the bars against their foreign enemy.

Mr. Schroeder says the farmers received better returns for their tobacco in 1887 and 1888 than in 1882 and 1883. It is false. The same quality of tobacco was sold by the farmers at much better prices in 1882 and 1883 than in 1887 and 1888, Mr. Schroeder's figures to the contrary notwithstanding. I sold my 1883 crop at 18 cents though, and it was not worth within several cents per pound as much as my 1888 crop, which I sold at 13 cents. Both were sold at about the same time of the year. The same is true of other tobacco districts.

After various explanations and comments on his array of figures Mr. Schroeder says solemnly, "But mark my words, nothing but a prohibitive duty of at least \$3 per pound will cause any material reduction in importations. You may annoy the importer, the manufacturer, and the smoker, but you can not benefit the farmer, and a prohibitory duty will ruin all for some years, farmers as well as manufacturers." Mr. Schroeder is given to strong and solemn statements, but if you examine them closely you can not fail to see they are more ridiculous than solemn. How, indeed, is a prohibitory duty on the article that competes with his product going to ruin a farmer for some years? How is it going to ruin the smoker for some years, especially when in another solemn moment Mr. Schroeder assures us that such duty would cause the smoker to cease smoking entirely? Now, the farmers boldly invite such ruin. They face the danger without a quiver. Take Mr. Schroeder at his word and make the duty \$3 per pound, and I pledge you no American tobacco grower will be here asking for a removal of the duty "for some years to come." Mr. Schroeder depicts in quite glowing sentences the growth of the American cigar industry which followed the prohibitory tariff on cigars passed in 1863.

A similar protection against wrapper tobacco might bring joy and gladness and profit to the patient grower of the weed. When you prepare a dish of ruin like that described by Mr. Schroeder, just let the farmers have a taste of it. He thinks perhaps such talk will frighten us "unthinking" farmers, as he has seemed to believe

that many such have given up tobacco raising because of the "talk upon the Sumatran question" by their neighbors.

Mr. Schroeder continues to harp upon his "corn and cotton theory." Toward the close of his paper he says of the coarser Southern tobacco, "The supply is most always equal to the demand, and the value of corn and cotton controls the price of this product just as it does that of cigar leaf tobacco." Yes, the price of cotton in the South has a good deal to do with the price of cigar leaf tobacco in New England and Wisconsin, and the price of corn in the great cereal producing West must closely regulate the price of lugs in the Virginias and Mississippi and other Southern States which produce about 300,000,000 pounds of their peculiar tobacco in excess of this country's needs.

Mr. Schroeder mildly reminded the committee of his suits pending against the Government for all duties paid by him in excess of 35 cents per pound. He has paid the duty, added it to the cost of the tobacco, sold the tobacco at prices to cover cost, duty, profit, etc., and now proposes to collect back the duty for which his customers have re-imbursed him. He stated to the committee that no tobacco was 85 per cent wrapper; that is, the stem on every leaf is more than 15 per cent. of its weight, and on this ground he expects to win his suits. He wishes to exaggerate before your minds the difficulties of a tariff that would discriminate between fillers and wrappers. I am glad he called especial attention to "percentage clauses," for I believe they should be avoided. But I further believe that it is perfectly practicable to formulate a tariff that will place a high duty on wrapper tobacco and not necessarily interfere with filler goods.

Chinese laborers are excluded from our country. They are prohibited, yet that prohibition is of small avail if the products of their labor which compete with articles of our own production are not also prohibited. In the tropical climate where the Chinese coolie works in the tobacco-field, he lives on next to nothing and works for the merest pittance, 5 to 10 cents per day. Why, our wages for farm hands are 2,000 per cent. higher. We have never asked for a duty high enough to even up the rates of wages. We have never asked for enough to prohibit the product of coolie labor. It ought to be excluded. The duty ought to be prohibitory. It ought to be \$5 per pound. We have promised to be satisfied with \$2.

STATEMENT OF F. R. DIFFENDERFFER.

Mr. F. R. DIFFENDERFFER, secretary of the Pennsylvania Tobacco Growers' Association, appeared before the committee and said:

Mr. Chairman and gentlemen of the committee, I desire to say at the outset that in seeking for increased duties on imported cigar tobacco, I do not do this in the interests of revenue. On the contrary, the tobacco-growers would only be too glad if not a single dollar from this source ever found its way into the Treasury to increase the surplus.

Bear in mind there is no political bearing in what we ask. The tobacco farmers in fifteen States ask for increased duties, irrespective of politics. Who is benefited by the present rate of duty? The answer is, a few hundred makers of high-priced cigars. Who will be benefited by a higher duty? Thousands of farmers and farm laborers in the unbroken line of States reaching all the way from Massachusetts to Wisconsin.

Our friends, the Sumatran importers, tell me a high duty will not give us what we wish; that this tobacco will come in let the duty be what it will. We regard this view as absurd. We believe protection protects. We know it answers that purpose so far as our woollens, our cottons, and our countless other industries are concerned. By parity of reasoning we cannot see why it will not answer the same purpose in this case. Besides, if the importers are so certain that they will continue to import high-priced foreign wrappers let the duty be what it may, why don't they give us a chance to put our views to the practical test? That is all we ask. If we are wrong they will have lost nothing and we will be convinced of our error.

That protection does protect, even in this tobacco matter, circumstances have already proved. In 1883, under the old law, 3,818,931 pounds of Sumatran tobacco were imported; then the 75-cent law came in and during the year 1884 the importations fell off to 603,536 pounds—five-sixths in a single year.

I wish to distinctly impress upon this committee the very important fact that while the major portion of the Sumatran importations come into this country under the filler rate, there are no Sumatran fillers brought here at all. They are utterly worthless for cigar-making purposes. The street gamin who gets all his smoking from the stumps he fishes out of the gutter, would turn away with infinite scorn from the offer of a cigar made solely of Sumatran tobacco, if he knew the true character of the article. It follows, therefore, that every pound of Sumatran tobacco that has

come into the country at the filler duty, since the present law went into operation, has come in in clear violation of the intentions of those at whose instance the law was framed. The legislator who drew it thought he knew better what would suit us than we did ourselves, changed the phraseology we gave him, and the consequence has been that tobacco-laden vessels from the Netherlands have sailed right through the law without let or hindrance ever since. The Government has lost immensely in revenue by it while the growers have been crowded to the wall all along the line from the East to the West.

Of all the 42,354 bales of Sumatran wrappers brought into this country last year every one has been a wrapper bale, and yet three-fourths of the entire lot came as fillers and paid filler duty. A more outrageous swindle was never perpetrated on the Government.

Let us glance at the results of this Sumatran invasion. Ten years ago, in 1879, we had the most profitable tobacco season ever known in Pennsylvania, and doubtless it was the same all over the country. The East Indian enemy had as yet created no alarm. The farmers made money, paid off their mortgages, and were happy. Then this foreigner came in, slowly at first, but this year to the extent of 42,354 bales. What has been the result? Our domestic crop of last year lies in the hands of growers, unsold, unasked for. How has it affected my own county of Lancaster? In a good year we grow 45,000 cases. We have as much there now, but there is no sale for it. The 42,354 bales which have come from the Netherlands this year equal about 7,410,950 pounds, but 1 pound of these goods will cover as many cigars as 3 pounds of our domestic article, so we get what is equivalent to 22,235,850 pounds of pure wrappers or far more than the total product of Lancaster County. In short, the entire, magnificent yield of my county and State has been displaced by this unwelcome intruder. Yea, more. The importation this year equals the entire wrapper production of New England and Pennsylvania combined. Let us go a step farther. The United States Tobacco Journal, the persistent advocate of low-rate duties, some time ago asserted that there were not more than 25,000 cases of first and second grade wrappers grown in the country last year. If this be true, then our importations of Sumatran wrappers already exceed the entire wrapper-leaf product of the country. Is further comment needed? Is it any wonder there is no longer a demand for domestic wrappers?

We have over 9,000 farms in Lancaster County; three-fourths of them grow tobacco. Every farm has at least one tobacco barn—not a shed, but costing from \$500 to many times that sum. Many have two. Within sight of my own home is one that cost \$5,000. Our farmers have millions of dollars invested in tobacco barns and apparatus. All this is now threatened. We have one hundred and twenty-five tobacco warehouses in the county. Most are fine, large brick structures costing much money. All this investment is also threatened. Our tobacco is worth more to us than our wheat crop, although we are a great wheat-growing county. Do you wonder that these many thousands of farmers request us to come here and tell you this story, and ask you to give them relief—that relief which they believe will come through protection and through that only?

I wish briefly to allude to another objection to an increased duty on foreign cigar tobaccos, heard principally from manufacturers. How much protection do you ask, they say? Ain't several hundred per cent. on the value of the home-grown article enough? Let us examine and see who gets most protection, the farmers or these grumblers? We take as a basis the amount of tobacco that enters into the composition of 1,000 cigars. Here is the manufacturer's protection; we have taken the average weight of Havana-made cigars and their average cost:

One thousand cigars, weighing 12 pounds, at \$2.50 per pound.....	\$30.00
Twenty-five per cent. ad valorem on an average cost of \$50.....	12.50

42.50

I desire to state the above are official figures furnished by the collector of customs at the port of Philadelphia within a week, therefore their accuracy is indisputable.

Now let us see to what extent the farmer and grower are protected in their domestic product. Here is their side of the case.

Twenty pounds Havana fillers, at 35 cents per pound.....	\$7.00
Three pounds Sumatran wrappers, at 60 cents per pound	1.80

8.80

Eight dollars and eighty cents as against \$42.50, or \$33.70 more for the manufacturer than the farmer gets. It would be simple justice to equalize these accounts more nearly. Does it appear unreasonable to you that we should ask you to re-adjust the account?

There is another point which I trust your forbearance will allow me to explain. The importers and cigar manufacturers allege the Sumatran tobacco has become a necessity in this country. Is that so? Let us see. The cigar industry of this country was on a very substantial as well as profitable basis ten or twelve years ago. Then all our home-made cigars were wrapped with domestic leaf. The cigars gave satisfaction, and no one dreamed that a few years later a foreign wrapper would be insisted on as a necessity. We grow as good an article to-day as we did then. It has been said we can't grow as good tobacco as we did a dozen years ago. We deny the assertion. On the contrary, we grow better goods. Our barns, our appliances, and our methods are better than they were then, and so is our product. Fashion now demands a better-looking cigar, but does not get a better one than then. The domestic linsey-woolsey is discarded for the foreign broadcloth. It does seem to smack a little of the ridiculous for our friends the importers and manufacturers to tell us that the cigar wrapper leaf used in this country for a century has all at once become next to valueless, and that we must have a foreign article to replace it.

The halcyon days of the domestic tobacco-growers were just before the Sumatran article came among us. From 20 to 30 cents were paid for entire crops of seed-leaf wrappers, seconds, and fillers; now we are getting from 8 to 12 cents for seed-leaf wrappers, with the fillers thrown in. As it costs about 9 cents per pound to grow, the margin of profits may be easily estimated. It remains also to say that tobacco is the most risky of all crops—encounters more dangers than all others.

The domestic tobacco-growers are handicapped in this contest with Sumatran tobacco. The latter, as all know, is grown exclusively by wealthy syndicates, employing cheap coolie labor on cheap lands, which reduces the cost to a minimum. Their profits are phenomenal, while the home grower can barely manage to make both ends meet on his tobacco field. I hold that the American tobacco-grower is entitled to the same protection against the foreign tobacco producer that the American cigar manufacturer now has against his foreign rival.

One thing more, and I am done. The farmers bear their full share of the burdens of taxation as uncomplainingly as any other class, even when tariff legislation seems to bear unequally upon them. From the nature of their pursuits it is but rarely that they ask for special favors. They now come, therefore, with all the more confidence, asking your kindly offices in securing to them the stability and permanence of almost the only profitable pursuit left them. Their case demands no subtle demonstrations; they believe it tells its own story. The tobacco growers of Pennsylvania also ask for the abolition of the internal-revenue laws relative to tobacco in all its forms. They believe these to be detrimental in many ways, but more especially by preventing a fuller development of the cigar-making industry. There are at the present moment 1,850 cigar manufacturing establishments in the ninth district, with an annual output of 274,132,250 cigars. This could be largely and rapidly increased by the removal of the many vexatious restrictions now imposed by law.

To prove that protection does protect, I will mention the fact that in 1883, before this law went into operation, there were imported 3,819,931 pounds of Sumatra wrappers. In 1884 the imports fell off five-sixths as a result of the new law, when it was enforced. We grow as good an article to-day as we did then. Our tobacco is better now than it was then. Our methods of raising tobacco are better now, and our tobacco throughout the country is better. While three-fourths of all the Sumatra tobacco that came into this country during 1883 came in as fillers, the fact remains that no Sumatra fillers were brought here. The Sumatra tobacco is bitter. We cannot smoke it at all. You have to disguise the outside wrapper by putting on a binder. I think three-fourths of all the Sumatra importations have come in as fillers. There never was a greater outrage upon the farmers than that. This Sumatra tobacco cuts up more advantageously for the purposes of the manufacturer. Sumatra is fine throughout. It cuts two wrappers to the leaf. It takes 20 pounds of it to make a thousand cigars. I will say that I got this from the custom-house in Philadelphia on last Saturday. Therefore, these figures are official. They are the official amount of cigars entered at the port of Philadelphia during the last year. The average cost at the port of Philadelphia last year was \$50 per thousand. The ad valorem duty is \$12.50 additional. That makes a total \$62.50, and it is an enormous protection to the manufacturer. Now we get 8 to 12 cents a pound for seed-leaf wrappers. Three times out of four the tobacco-man will throw in the fillers. You can get them for the asking. Tobacco-growing is the most risky of all crops. No other crop has so many disasters as that has, which makes it a doubly risky crop. That is all I have to say.

ADDITIONAL STATEMENT OF F. R. DIFFENDERFFER.

In addition to the argument already submitted to the committee, I beg leave to make a few additional remarks chiefly to expose the fallacies contained in the address of Mr. Schroeder.

He admits that "you may by a prohibitive duty compel the American smoker to smoke the American wrapper tobacco." In saying this he concedes the entire question and directly contradicts the views of his low-duty colleagues, who have asserted Sumatran tobacco can not be kept out of the country.

It is the merest folly to assert, as he does, that to keep out Sumatran tobacco would be to decrease the consumption of cigars and "injure the farmers in the end." I merely have to say the farmers of Pennsylvania are very anxious to make this interesting experiment, and if it proves a failure they are willing to assume all the blame themselves.

He says "the American smoker wants, as a rule, a 5 or a 10 cent cigar." Now, would an additional cost of \$5 per thousand, which a \$2.50 duty per pound on Sumatran wrappers would entail, increase the cost of 5 and 10 cent cigars to the consumer? Every person at all familiar with the subject knows it will not. There is an enormous profit in high-priced cigars at retail, and an increased duty on Sumatran wrappers would not affect the retail price a single mill; and if it did, would it prevent the men who he says want high-priced cigars from buying them? He answers the question himself in the negative.

An increase of the duty on wrappers it is alleged, "will result in the manufacturer reducing the quality and cost of his filler to make up for the difference in the price" (of wrappers). There is nothing to substantiate such an assertion. The sharp rivalry between manufacturers would effectually prevent such a course. The argument does not merit serious consideration.

When Mr. Schroeder asserts "you can not help the grower to get a better price by putting a higher duty on foreign tobacco than you could by increasing the duty on tea and coffee," he utters what every school-boy knows is not so. Is not the grower of sugar and the maker of iron helped by the duty put on foreign-made sugars and iron? Does not the same rule operate alike in every case, and why will it not give the tobacco-grower the same assistance it confers on the Louisiana planter? But even here he contradicts himself, for in the same breath he exclaims "you may by a large increase in the duty, temporarily, for a year or two, advance the price." Give us the opportunity of getting this advance and we will run the chances of making it permanent.

It is almost impossible to read with a sober countenance the assertion that the price of corn and potatoes will regulate the price of tobacco. As well might he assert that the price of corn and potatoes regulates the price of sealskins and tombstones. The industry of the American farmers is a diversified one and can never run in the direction of an exclusive crop.

It is certainly a novel idea to assert that a wrapper weighing a few grains may make a bad cigar, while twenty times its weight used as a filler may produce a cigar of excellent quality.

He describes in detail how increased duties on cigars shut out the German article which came to us, created a demand for domestic leaf which could hardly be supplied, and made the tobacco industry prosperous. Can he deny the shutting out of Sumatran leaf would produce the same results now? The cases are identical, and like causes produce like results.

He asserts that "long before Sumatran leaf appeared the price of domestic leaf had found its true level," and yet his own statistics show that in 1881, a year in which 503,475 pounds of Sumatran leaf were imported, farmers realized higher prices than they ever did before.

He further declares "domestic tobacco has held its own and tobacco farmers have done a little better even during the last three years than formerly." His own quoted figures disprove his assertion. He admits it costs 12 cents per pound to grow cigar tobacco, and yet I have before me at this moment a list of twenty-nine sales made in this locality within the last ten days, twenty-three of which are under that figure, averaging $7\frac{1}{2}$ cents, showing that the tobacco was grown at a loss in a large majority of the sales made. Most farmers can not hold their tobacco; they must sell at current prices, let the result be what it will. Do these sales show the "farmers have done a little better even during the last three years?"

The declaration that farmers reject their own product and take to Sumatran tobacco is an assertion no attempt is made to prove; it can not be proved; it is without the slightest foundation in fact.

Far on in his argument Mr. Schroeder asserts it is fallacy that a high duty will shut out Sumatran wrappers, forgetful of the fact that he had previously admitted that it would have that effect. But we turn from his own contradictions and remind

him that an increase of the duty from 35 to 75 cents per pound in 1884 cut down the Sumatran importations five-sixths.

Mr. Schroeder declares "the increased importation of Sumatran leaf has no damaging effect on the value of the home product." Every man who appeared before your committee testified emphatically to the contrary. Such a reckless assertion is simply astounding.

Nowhere does Mr. Schroeder show his incapacity to deal fairly with this question more than when he attempts to contrast tobacco-growing and the prices realized with corn-growing and what it nets the farmer. The two crops admit of no comparison. It costs the Pennsylvania farmer perhaps \$25 to grow an acre of corn, and if he makes a good crop he may realize \$40 from it. The planting, cultivation, and harvesting are simple operations, and nearly all can be done when opportunity offers. Not so with tobacco. It is the most uncertain and risky of all crops. From the time the seed is sown until it is cured in the shed, it is a period of unceasing vigilance and toil with the tobacco-grower. Seldom does a day pass that he is not in his field early and late. The enemies of his crop are legion, and no amount of care can avert more or less damage. A good farmer will put from \$100 to \$150 worth of material and labor on a single acre. Is he not entitled to results commensurate with his labors and his outlay? To contrast corn-growing with tobacco-growing is to compare the fitful light of the fire-fly with the splendors of the aurora borealis.

Time fails me to note all the fallacies and contradictions to be found in Mr. Schroeder's argument. He repeatedly declares a high duty will not keep out Sumatran tobacco and as often declares that it will. He admits prices of domestic leaf have declined and he attempts to show why, and then repeatedly asserts that in the face of the large importations of Sumatran goods "domestic cigar leaf tobacco has advanced in price in every State." One tires in exposing these glaring inconsistencies.

Finally, he cautions Congress against enacting another law like the one now in existence, which he says can not be enforced. Why can not it be enforced? Because his friends the importers of Sumatran leaf have tried every means cupidity and cunning could suggest to evade it and defraud the Government. These men have packed their tobacco in such a way as to avoid the payment of the duty the law imposes. They have suits now pending against the Government for charging 75 cents a pound duty on Sumatran wrappers, which they claim should have come in under the filler rate, when the whole world knows not a pound of Sumatran fillers is ever brought into the country. Mr. Schroeder is in the habit of holding up these pending suits at every hearing *in terrorem* as it were, informing the Government how much it will eventually have to return to the poor, ill-treated and defrauded importers. I respectfully submit it is time to give us a rest on this phase of the question. If the importers had given that honest obedience to the law they should have done, they would not come here to twit the Government about its continuous evasions.

But I do not apprehend there will be any difficulty in framing a new law that will hold even a New York importer and compel him to pay the duty the statute imposes. I ask in behalf of the growers of Pennsylvania in the first place a law which shall recognize two classes of tobacco and two only, the two classes indicated by nature herself—wrappers and fillers. I ask for them in the second place a law which shall more nearly equalize the protection received by the cigar manufacturer and the tobacco grower. Mr. Schroeder is apprehensive men competent to distinguish fillers from wrappers can not be found. Let him possess his soul in peace. I will undertake to find hundreds of men in my own district amply qualified for this duty. They are to be found everywhere. I have shown in my earlier argument that the duty received by the manufacturer is \$42.50 on every 1,000 cigars, while the farmer is protected only to the extent of \$8.80. This is an unfair and unjust discrimination. Instead, I ask that the growers shall be protected in this wise on the material that enters into 1,000 cigars:

Twenty pounds Havana fillers, at 50 cents per pound.....	\$10.00
Three pounds Sumatran wrappers, at \$4 per pound	12.00
	<hr/>
	22.00

Even these rates would still cause the manufacturer an advantage of more than \$20 over the tobacco farmers.

In 1861, if I am not mistaken, the protection of the cigar manufacturer was only \$12.20 per 1,000 cigars. Repeated changes in the tariff have increased that sum to \$42.50, where it now is. The only attempt to benefit the grower in all that time was to increase the duty from 35 to 75 cents, and even that proved a dismal failure.

A law that will prove satisfactory to the growers of domestic leaf everywhere, and which I do not believe even the cunning of a Sumatran importer will be able to evade, is one that imposes a duty of \$4 per pound "upon all tobacco in any bale, box, package, or bulk, any part of which is suitable for wrappers if not stemmed, and

when stemmed \$5 per pound upon the entire contents of such bale, box, package, or bulk; on all other tobacco in leaf, unmanufactured and not stemmed, 50 cents per pound; if stemmed, 75 cents per pound. Such a law could not only be easily enforced, but would, I feel sure, raise a most important agricultural industry from a state of deplorable depression to its former prominence and prosperity.

Mr. Ertheiler, the speaker immediately preceding me, was emphatic in his statement to your committee that the case of the domestic farmers was desperate. Like the rest who demand lower duties, he literally bemoaned their fate.

Yet, while moaning over us, he actually advocated a reduction of the present duty to 50 cents per pound.

He said to you, as did others, that a duty of \$1 per pound will not keep the Sumatran invader out; that a \$2 duty even would give us no relief, and that a \$3 duty might temporarily check the importations. He and his friends have themselves indicated what the duty should be—what is required to give the home growers protection. These men have indirectly advocated our cause, and we thank them for it.

STATEMENT OF MR. NUDECKER.

Mr. NUDECKER next appeared before the committee. He said:

Mr. Chairman and gentlemen of the committee, I am in favor of the entire abolition of the internal revenue tax. The rules and regulations under the revenue laws are about as expensive as the tax itself. Tobacco costs 2 cents to put it up. Take the same without the rules and regulations, and it could be put up a great deal cheaper. Of smoking-tobacco, 95 per cent. is sold in small 2-ounce packages. The law requires four packages—2, 4, 8, and 16 ounces. The great bulk is sold in 2 ounce packages.

Mr. McMILLIN. You would not favor a reduction of the duty and a retention of the machinery?

Mr. NUDECKER. The machinery is what we want to get at. If you collect the tax, you must have the machinery. You can not keep one without the other. The internal revenue tax on tobacco creates monopolies. I do not believe that can be successfully denied. The rich farmers come here and ask for protection; but the poor man can not come here unless he walks, and he may not have any shoes. Now, leaf can not be sold. Our warehouses are full. I am a broker, however, and I represent three large firms, from which I get extraordinary dividends every three months. Is that a business for a Government which claims to be the free Government of the United States? If this is not a monopoly, there is none. I know that cigars can be made in the garret. The poor man can manufacture a cigar. Mr. Jones may buy his leaf at 2 cents, make cigars, and pay his grocery bill with it; and a man can go in and smoke his cigar for 2 cents. The only thing we need is a cigar two for a cent. The cigar which to-day sells for two for 5 cents retail will be sold for 1 cent.

Mr. GEAR. How do you make that?

Mr. NUDECKER. I can figure it for you. The present price is two for 5 cents. The internal revenue tax is 3 cents. There are $2\frac{1}{2}$ cents on the leaf. Labor is 20 cents, box ten labels 11, labor 5, manufacturers' profit 15; jobber's profit \$1.45. Of that kind of a cigar we sell 20,000 or 30,000 a month. They nearly all retail two for 5 cents, without the tax. There would be $2\frac{1}{2}$ cents worth of leaf, 30 cents in labor, box 5, manufacturer's profit 5 cents, jobber's profit 5 cents, total 75, or at retail \$1—everybody happy, and the common leaf worked up. At present the common leaf can not be worked up. The leaf sold at present at 2 cents will be worth 4 cents without the tax. We claim that to repeal the internal revenue tax will benefit the whole business; but in all that it will benefit cheap labor, cheap growers, cheap everybody, cheap mechanics—and they have but little now. A cigar-maker will go and buy that class of leaf. He will make it upstairs, and put it down at 30 cents, with 5 cents for profit. He can go home and work without any rent. He can do his work in his dwelling, and have his children to strip his tobacco. If he got 35 cents out of it he would make a profit.

STATEMENT OF GEORGE M. TRADER.

Mr. GEORGE M. TRADER, of Atlanta, Ga., and Danville, Va., next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, we ask your committee to give us an internal-revenue bill separate from every other bill, abolishing entirely the tax on tobacco. We do not want it introduced, and have it hampered by a tariff bill, or any bill which will delay it. If a bill is passed we would want a rebate, and we would prefer to have it take effect by the 1st of March, if possible—the sooner the better—and we find that the longer you put off the time for the taking effect of the law the greater the complications will be. Manufacturers' agents will go out and

sell a bill of goods without saying about the rebate. Two or three months before the rebate is to be collected he will ship the tobacco. The man goes on and uses a little of the tobacco. A great many other agents have guaranteed the rebates; and when the time expires, and the tobacco rebate is to be paid, the manufacturer claims that he did not make a promise to pay a rebate in a good many instances.

The CHAIRMAN. You would want a rebate, and have it paid quickly?

Mr. TRADER. We would want the law abolished completely and the rebate paid quickly.

STATEMENT OF I. BIJUR.

Mr. I. BIJUR, of New York, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, some of my friends the tobacco-growers in the country have requested me to appear before you and state some facts. I brought along no samples of tobacco to show you what tobacco is. I suppose you all know what is meant by tobacco. I brought along no cigars to show you how cigars ought to be made or anything that would take up your time. What I want to present are the facts.

Now there has been a great cry about foreign tobacco. You are told such tobaccos do not interfere with the trade. It is said the farmer does not suffer from the tobacco brought from the Island of Cuba, because it contains very little wrapper. Others maintain that the great injury which the farmers claim has been done to them has been caused by the importation of Sumatra tobacco, but if you come to the true facts of the matter you find that one class of tobacco comes from the West Indies and the Island of Cuba, and the other class of tobacco comes from the East Indies, from the Island of Sumatra, and between these two kinds of tobacco they commence and injure us from both sides, the one from the West and the one from the East Indies. The question is, what injury these tobaccos have inflicted upon our growers. Now, gentlemen came here and proved or intended to prove that all tobacco that comes from the West Indies has hardly any effect upon our growers; that that tobacco is no injury whatsoever; that that tobacco contains, as they claim, very little wrapper, and instead of being an injury they claim that that tobacco has assisted in building up an extraordinarily large trade and great industry; but at the same time they intend to make the committee here believe that that tobacco is no injury whatsoever, and therefore to please let it alone. Do not touch it. But if you want to touch anything, touch Sumatra. Keep it out; put the prices as high as you please, but be careful not to touch us. Now you must not touch us.

Now you want to get at the true merits of the case. Mr. Burnett stated here that there is no judgment in tobacco; that tobacco has to go through a certain process before you are able to determine how much wrappers are contained in tobacco that is brought from the island of Cuba. In order to do that you have to take and submerge the tobacco. He brought some samples of different kinds. I brought none to show you. If that tobacco is put in order and is examined you can see whether it contains any wrappers and enough to be used for wrappers. Mr. Burnett comes here and states that tobacco brought from the island of Cuba never in any way or manner interferes with the growers of the domestic wrapper tobacco, but assists it and has helped to build up a great trade and great industry; that they employ 100,000 men a year to manufacture that foreign article into cigars. If you want to get at the true fact whether that tobacco contains any wrappers or not, all we have to do is just to see it does or not. Now, 100,000 men employed in making cigars, each man would probably produce 1,000 cigars a week, and, if I am not mistaken, 100,000 would produce in one year 500,000,000 cigars from that tobacco which is no injury to our growers at all, according to the statement of Mr. Burnett. It has helped to build up a great city; a city on a piece of land which is nothing but sand, and with 30,000 people who are also occupied in that industry, and I leave out those 30,000 people also engaged in that industry and only claim these 100,000 men who are employed in manufacturing this foreign tobacco into cigars from the island of Cuba. On the other hand, another gentleman made a statement, and he said: "Gentlemen, be careful; do not touch the Havana tobacco, because it is no injury whatever. The Sumatra tobacco that comes to our country—that is the thing that ruins us. Gentlemen, be careful not to hurt innocent men."

The CHAIRMAN. What duty do you suggest on this?

Mr. BIJUR. I want to show where the injury is inflicted upon our growers.

The CHAIRMAN. What duty would you suggest?

Mr. BIJUR. I shall come to that presently, if you please.

The CHAIRMAN. You know we only have a limited time.

Mr. BIJUR. I will not detain you very long. I will try to make it as short as I can.

The CHAIRMAN. There are a number of great interests here waiting to be heard.

Mr. BIJUR. I was promised a hearing yesterday, but through no fault of mine I was prevented from appearing before the committee.

A MEMBER. There are two gentlemen here from my own county, farmers of western New York, who are largely interested in the production of potatoes. They desire to be heard. One is Mr. Smith, and the other is Mr. Polk, and, as I can not remain, I will be glad if you will hear them as soon as possible.

THE CHAIRMAN. We will be very glad to hear them just as early as we can; as soon as we get through with other interests. [To Mr. Bijur.] Proceed.

MR. BIJUR. It was stated here yesterday that Sumatra tobacco, no matter under what circumstances, has taken hold of the country; that no matter what price you put as a duty on that tobacco, it will come in any how; that it is an article with which we can not dispense. That I deny. Now, the next question is not what that tobacco is doing, but what injury it does. The answer is very plain. That tobacco is crippling the industry of seven of the principal States of the Union; that is what that tobacco does. Whether it comes from the island of Cuba or whether the tobacco comes from the island of Sumatra, that is just what it does. It destroys the industry of seven big States in our Government, and those seven big States, when the Government was in trouble, were the first to make sacrifices to preserve the Union. These people, the farmers of the seven States, threatened with annihilation, come before you and ask you to help them, and I believe they are entitled to it.

Now, what is the protection they ask and what is the remedy? That is a very important question. They came here three, four, and five years ago, in 1883, I think, and asked for the same identical thing, and Congress gave them a hearing, and they gave us in that connection a plain law which almost any child could understand, a law which ought to be enforced, but I am sorry to say the executive power did not see it in that light. If it had not been for that you would have cut off the first bale of Sumatra that came to this market. Had the ruling of the Secretary of the Treasury been as the law prescribed, the first bale of Havana wrappers and the first bale of Sumatra wrappers would not have come to this country, and we would not be obliged to-day to appear before you again and ask your kindness to interfere in our behalf. That law states plainly that leaves of a certain fineness shall pay 75 cents a pound. For every leaf that is contained in a bale in excess of 100 pounds another duty shall be imposed upon it. If it was less than 100 pounds, 35 cents is exacted and no more; anything more would be a violation of the law. Now, there was the ruling of the Secretary of the Treasury. The law stated that the tobacco should be assorted, and for over a hundred any such leaf of tobacco should pay 75 cents a pound, and if it was under it should pay 35 cents a pound. Had that law been carried out at that time we would not have seen such a muddle; the law was very plain. One amount is brought in at 35 cents, another amount is brought in at 42½ cents on an average, and another amount is brought in as tobacco at, say, 50 cents on an average. The first time any fine bales of tobacco suitable for wrappers has been taxed at 75 cents a pound was in 1880, when some was brought from Cuba. Now it is plain, if it is true, as they claim, that there is very little wrapper in that Havana tobacco; that it is too thick and too large, as Mr. Burnett states; that out of every ten he gets a few wrappers to make up his loss on his first and seconds—

THE CHAIRMAN. Will you be kind enough to state what you think is a remedy?

MR. BIJUR. It is rather a difficult thing to state a subject in a few words which has now been almost fifteen years in dispute and quarrel among the growers. The remedies for this are two. One remedy is, not to give the manufacturers of foreign leaf the advantages they have. The manufacturer, so long as he sees an advantage in one class of tobacco, just so long will he manufacture that class of tobacco. He will take the tobacco which yields him the largest profit. If it is foreign tobacco, so well and so good. He buys it and manufactures it, and he will drop the domestic tobacco and go to the foreign. If the imported tobacco gives him the greatest advantage, then he will drop the domestic tobacco and go to the manufacture of the foreign tobacco. The foreign article is what he wants. The dealer does not care one way or the other. He will deal in one thing as well as another, provided he has his orders from the manufacturer what to give him. It is not material to the dealer whether he deals in Sumatra, Havana, or domestic tobacco, so long as the manufacturer requires that tobacco. It so happens that the manufacturer who exclusively manufactures foreign tobaccos has much better protection than any manufacturer who would undertake to manufacture our domestic tobacco: and there is where the trouble is. Now, what is the remedy? It has been generally asserted that all cigars manufactured from foreign tobacco have no competition because the duty on foreign cigars is so high that no matter at what price they manufacture the tobacco from the leaf they are always protected, and can not compete against the foreign article. But our manufacturers ought to have been protected from the start. They are protected against the foreign cigars. They have to face that new enemy, the manufacturers who brought here exclusively foreign tobaccos.

It was found for the first time that any manufacturer who undertakes to manufacture foreign tobacco for cigars in this country could manufacture them cheaper than they could do it with the tobacco raised in this country, and he would have an easier

sale on account of the reputation of the foreign tobacco. The manufacturer on account of the cheapness of that tobacco could manufacture cheaper than our article, and we could not compete with the other. And so it was found there was no use for the American wrapper. That article which used to pay the farmers for four or five acres of tobacco as high as four or five thousand dollars, in round numbers (they received a dollar a pound for tobacco), would sell in any quantity at 75 cents a pound.

Mr. LA FOLLETTE. What remedy do you suggest?

Mr. BIJUR. The remedies are two. It should be so regulated and taxed that the manufacturer of foreign tobacco shall have no advantage between the cost of imported cigars and the cigars manufactured here from the imported tobacco. If that is given to the manufacturer he will drop that foreign tobacco just as quick as a hot copper.

Mr. LA FOLLETTE. And the second remedy?

Mr. BIJUR. The second remedy is to raise the tax on all tobaccos that come in competition with our tobacco. How to do it is the difficulty.

Mr. FLOWER. That is what we are here for.

Mr. BIJUR. That is what I will explain. I believe I can if I am not interrupted. Now, tobaccos are an altogether different production from any other production known in the trade. The highest value of a pound of tobacco from Kentucky, under the name known commercially as "fillers," may be very expensive at 2 cents a pound. The same size tobacco brought in from the island of Cuba, not any larger and only used for the same purpose, is cheap at 90 cents and \$1 a pound. So there is a great difference. Now, it was asked here yesterday whether 35 cents a pound duty on tobacco is not enough protection on tobacco that brings 8 cents a pound. There are two questions. How far can our grower stand the raising of tobacco at the rate of 8 cents a pound? The next question is, where the protection is 35 cents a pound, what protection is 35 cents a pound against that tobacco? The answer is very plain. The one tobacco being dear at 2 cents, and the other tobacco very cheap at 90 cents and \$1 a pound, and of course the one does not bear any resemblance to the other. The tobacco has to be judged by its intrinsic value. Every country and every island produces tobacco different from that produced in any other country or any other island, and in every spot you find the same, on the island of Cuba the same conditions. You find tobacco worth 5 cents a pound, and dear at that. You will find tobacco raised that is worth \$4, \$5, and \$6 a pound, and if there is a duty of 35 cents a pound on all tobacco you will find tobacco worth 5 cents a pound pays in proportion the same duty of 35 cents that tobacco worth \$4, \$5, and \$6 a pound pays. If tobacco is taxed at 35 cents a pound that comes from the island of Sumatra, what is that tobacco able to do? I have shown to you that tobacco is able to destroy the industry of seven extraordinarily large States, and why? Because 3 pounds of that tobacco is able to cover 1,000 cigars, because that has a glossy and extra fine appearance. Three pounds of Sumatra or Havana wrappers, which are much the same thing, would cover 1,000 cigars. Then 30 pounds of Sumatra tobacco or fine Havana wrappers would cover just 10,000 cigars, and the work is very trifling on those 30 pounds of tobacco.

Now, if we want to imitate, which is the great object in our manufacturing industries, especially of cigars, that identical cigar we would use domestic tobacco, which would require 400 pounds. Of these 400 pounds the lowest estimate at which this tobacco can be put into the manufacturers' hands would be 25 cents a pound. If you have a rate of 8 cents a pound duty, the wrappers could not be sold at less than 25 cents a pound. If any manufacturer undertakes to imitate those 10,000 cigars made out of 30 pounds of tobacco, all he possibly, at the utmost, could get out of 400 pounds would be 10,000 cigars; all the balance is destroyed. Its value is small. It has hardly any value, say 5 or 6 cents a pound. Then the next question will be, will he be able to compete with cigars made of foreign tobaccos? I claim not. The advantage will be to the men who make 10,000 cigars from 30 pounds of these foreign wrappers.

Mr. LA FOLLETTE. What do you think the rate of duty should be?

Mr. BIJUR. To be on an equal footing with any foreign tobaccos, the lowest estimate of wrappers should be at \$3 a pound. Then there will be protection to the farmer. He can not compete with this imported article, because the imported article is generally worth 60 cents, 80 cents, and \$1 a pound, and it is so uniform that there is waste in that tobacco. Our waste from this tobacco which costs 25 cents would be very great.

Mr. LA FOLLETTE. What rate do you think the dealers should pay?

Mr. BIJUR. That is a different question. I have not finished my first statement yet. If there should be a protective tariff on wrappers, between \$3 and \$5 would be something of protection to the growers, and the minute that point is reached the manufacturers will drop their foreign tobaccos, because there would be no profit in them, and they would go to the other. Now, the next question is the fillers. Fillers I guess we could not change, because 35 cents is not too much. It does not hurt the smoker when he gets a cigar when the fillers pay a tax of 35 cents.

Mr. LA FOLLETTE. So you think you should leave the tax on fillers at 35 cents, and put the duty on wrappers at \$3 to \$5.

Mr. BIJUR. Yes; in fact that will give the growers a chance to sell their tobacco. Under the present system they can not sell it at all.

Mr. CARLISLE. Are you a farmer or grower of tobacco?

Mr. BIJUR. I am a packer of tobacco.

Mr. CARLISLE. You are not a grower?

Mr. BIJUR. No, sir.

Mr. CARLISLE. Where is your place of business?

Mr. BIJUR. New York.

STATEMENT OF S. G. HUBBARD.

Mr. S. G. HUBBARD, of Hatfield, Mass., president of the New England Tobacco-Growers' Association, next addressed the committee. He said:

I represent an organization which I think was the first association in the field. We were organized in December, 1882. We had just then seen the effect the Sumatra tobacco had upon our product. There was a large importation for the first time that year, and our organization sent delegates to Washington to see if we could not get a law that would prevent that alarming increase of importation. We succeeded in getting the rate of duty raised to 75 cents. I think the provisions of the law, with which we were satisfied, is in the House revenue bill of the Forty-seventh Congress; but before the committee of conference agreed on that bill it was reduced in the Senate bill to what the present law is. We did what we could to prevent its enactment, but without avail. It was too late.

I want to say a word about the internal revenue tax. Our association have voted repeatedly, year after year, asking for a repeal of the internal-revenue tax. We look upon that as a tax upon the product of 12 cents a pound. It has been said here that the average value is about 8 cents per pound in the tobacco-growing States. If so, that is a tax of 150 per cent. on our product. The question has been asked, and I have heard it asked here, if we did not have a pretty large percentage of protection. I think it is very easy to show from the facts that it has no protection at all. This growth of the foreign industry has resulted in spite of that, which shows that under the protection of the present law it is simply a tariff for revenue, and it is the unfortunate condition of the agriculture of the United States that we have no protection comparatively with other industries. There may be a fair protection on the rice and sugar, but aside from that I claim that we have no adequate protection on our agricultural industries. The people are uneasy about this matter; we feel that Congress ought to do something for the farmers, and so we appear here confident that you will do something for us.

Mr. FLOWER. You would keep the tax on, or raise it on the imported Havana or Sumatra tobacco and cigars, or do you think we ought to repeal the internal revenue on domestic tobacco?

Mr. HUBBARD. I would like to see the internal-revenue tax repealed.

Mr. FLOWER. I mean on imported Havana and Sumatra tobacco. Would you like see it raised or kept at the present rate?

Mr. HUBBARD. We want to see it increased.

Mr. LA FOLLETTE. Do you mean on the manufactured cigars or on the raw material or leaf tobacco?

Mr. HUBBARD. On all. We do not object to the protection the cigar manufacturers have.

Mr. LA FOLLETTE. Do you ask to have it increased?

Mr. HUBBARD. No. I did not understand your question.

Mr. LA FOLLETTE. I stated —

Mr. CARLISLE. Before you proceed on that point, you spoke of a tax on tobacco being equivalent to 150 per cent., assuming it is worth 8 cents a pound.

Mr. HUBBARD. It would be 150 per cent.

Mr. CARLISLE. That is on the cigars, not on the leaf.

Mr. HUBBARD. It amounts to just 12 cents.

Mr. CARLISLE. On the cigars?

Mr. HUBBARD. On the tobacco used in the cigars.

Mr. CARLISLE. But you do not pay a tax on the leaf tobacco used in cigars?

Mr. HUBBARD. There is a Government tax of \$3 a thousand.

Mr. CARLISLE. That is on the cigars when they are made.

Mr. HUBBARD. That is on the basis of the tobacco of 25 pounds to the thousand.

Mr. CARLISLE. That is not imposed on the leaf until it is converted into the cigar. In other words, the farmer does not pay it.

Mr. HUBBARD. We think that is indirectly the fact.

Mr. CARLISLE. Will you explain to the committee how it affects you in the end? That is what I wanted to know.

Mr. HUBBARD. I think it would be apparent from the mere statement of it.

Mr. CARLISLE. If it is so plain, please state to us how it is that the tax on the manufactured tobacco is a tax on the farmer.

Mr. HUBBARD. I would like to read something which I have prepared here.

Mr. CARLISLE. If you have something to read, of course I will wait until you get through.

Tobacco, the seventh in importance of agricultural productions of the United States, requires a greater amount of labor in its growth and preparation for market than any other farm crop. Up to the year 1880 American tobacco furnished all the domestic requirements in material for cigars, cigarettes, and manufactured tobacco in all its varieties to supply the wants of our own people and a large export trade. Tobacco for the finest cigars has always been an article of import from Cuba to a limited extent.

The present tariff law on imported tobacco is in part as follows:

"Leaf tobacco, of which 85 per cent. is of the requisite size and of the necessary fineness of texture to be suitable for wrappers, and of which more than one hundred leaves are required to weigh a pound, if not stemmed, 75 cents per pound; if stemmed, \$1 per pound. All other tobacco in leaf, unmanufactured and not stemmed, 35 cents per pound." The law went into effect July 1, 1883. It was adopted at the close of the Forty-seventh Congress in response to the requests of American farmers. The law was framed by a cigar manufacturer, and was substituted in the revenue bill in place of one the farmers had agreed upon, which is a part of the House revenue bill of that Congress. See Congressional Record, vol. 61, 18*3, page 2566.

This remarkable law was so artfully worded and seductively introduced by an enemy disguised as a friend of farmers, that it was adopted by the committee of conference and became the law. There is no question that a majority of Congress at that time intended to give our agricultural interests protection to the extent of 75 cents per pound against the Sumatra tobacco grown and controlled to this day by grasping foreign syndicates and trusts.

This tobacco, used solely in wrapping cigars, has displaced to a large extent the American wrappers since the year 1881. As the wrapper grade is the only part of their crop which pays a profit to Americans, this foreign competitor has driven hundreds of farmers into bankruptcy and many others out of the business from the Atlantic to the Mississippi, through the success of importers in evading the 75-cent rate of the law, in spite of the extraordinary efforts of the Treasury Department to enforce it. Statistics show that the law has been and still is practically null and void in its 75-cent per pound rate of duty. For the fiscal year ending June 30, 1887, less than one-half of 1 per cent. of the Sumatra wrappers imported paid a duty of 75 cents per pound. It was expected after the new decision of Assistant Secretary of the Treasury Maynard, which went into effect September, 1887, that a large percentage of this tobacco would pay the higher rate of duty. For the three months ending December 31, 1887, only 52,891 pounds paid the 75-cent rate of duty, which is not over 6 per cent. of the total amount imported, and the fact is known that the importers in every instance filed appeals against the decisions of custom-house appraisers when the tax was assessed at the higher rate of the law.

Although checked by the late decision of the Secretary, the imports of Sumatra tobacco have reached alarming proportions. During the last calendar year they amounted to more than 42,000 bales, and the foreign trusts or syndicates that control this tobacco have made dividends of more than 200 per cent. annually to their share-holders. These facts clearly show the necessity of correcting the law and imposing a higher rate on all imported wrappers, if Congress cares to protect American farmers and laborers against the persistent encroachments of Chinese and Coolie labor which are represented in this product of the East Indies.

Sumatra tobacco of the grades imported into the United States is sold in Amsterdam, the port of export, at prices ranging from 75 cents to \$2 per pound.

Would first call attention to the high rate of protection that has given prosperity to cigar manufacturers. On imported cigars \$2.50 per pound and 25 per cent. ad valorem. One thousand cigars will average to weigh 15 pounds. The duty is 35 cents per pound on leaf tobacco, amounting to \$12.75. The duty, \$2.50, and 25 per cent. ad valorem on cigars, \$47.50. Excess of protection cigars vs. leaf, \$38.75 on each 1,000 cigars manufactured, which gives American manufacturers a complete monopoly. This statement of facts should be kept in view while the committee are endeavoring to make a fair and equitable adjustment of tariff duties for protection of the manufacturers of cigars and domestic tobacco-producing industry. Previous to the year 1881 and back to the war period all the material used in the ordinary cigars was grown in the United States. This tobacco then averaged to the farmers about 20 cents per pound; 25 pounds of unstemmed leaf was required to make a thousand cigars and cost the manufacturer \$6 to \$10, paying an equitable profit to farmers and manufacturers. Since the

substitution of Sumatra for domestic wrappers the American farmer, while still furnishing the bulk of material used as before shown, has been driven to the verge of bankruptcy.

The following statement will show conclusively the loss to farmers :

Since Sumatra tobacco has come into use as a wrapper the domestic wrapper has been largely supplanted by this foreign product. The present tariff law has in its unjustly low rates of duty on imported wrappers proved to be totally inadequate to furnish protection to the farmers. Now, we call your attention to the following proof: It takes the same number of pounds of tobacco when Sumatra wrappers are used as it does when domestic tobacco alone is used, the relative cost being about as follows:

Three pounds Sumatra, at \$2.25	\$6.75
Twenty-two pounds American, at 10 cents	2.20
Total.....	8.95

Showing a loss of two-thirds of her market.

As compared with the first statement it shows a relative loss to our farmers, to state it moderately, of \$5 on each 1,000 cigars manufactured. We are now considering the common grade of cigars, which sell for about \$20 per 1,000. The usefulness of the cigar depends upon the aroma and quality of the American tobacco it contains, and only on the Sumatra for its good looks externally, quality and aroma being entirely deficient in the latter.

It is an unfortunate condition of our farmers that the present tariff on tobacco is a tariff for revenue only, which favors the rich syndicates of a foreign nation and impoverishes our own agriculture.

We are sent here to represent the great body of farmers in our respective States who have contributed, each as he was able, a small sum to support us, their representatives, to petition your body for relief. Some of us have been engaged in this unpleasant work before the last three Congresses. Now, when we are making a final effort we hope and expect our appeal will be heard. A tariff rate of \$2 on unstemmed wrapper leaf tobacco, while not giving us anything like the protection enjoyed by cigar manufacturers, will be satisfactory to us; even with such a rate we are told that Sumatra wrappers would still be used. Two dollars per pound is only about one-third the rate of tariff on imported cigars; therefore no injustice would be done to manufacturers, as they would be left in full control of this entire manufacture through the high tariff on all imported cigars.

Our predictions of the growth of this strong competitor, which has been pushed by powerful syndicates of a foreign nation, have been verified by the remarkable results until we find that in the year 1889 more than 40,000 bales, which is equivalent to 160,000 cases, of American wrappers were used as a substitute for the American product. The simple statement of this fact is conclusive that the present law gives us no protection for our wrappers, which is the only portion of the crop that ever paid the cost of production.

A simple statement will show you what the farmers and domestic dealers have lost in the tobacco used to make 1,000 cigars. For that purpose 25 pounds of unstemmed tobacco is used. If domestic tobacco, the following is a fair estimate of the grades and cost of material before the advent of Sumatra:

Fourteen pounds wrappers, at 50 cents per pound, cost	\$7.00
Eleven pounds binders and fillers.....	1.10
Total cost.....	8.10

Over 42,000 bales of Sumatra wrappers were imported into the United States during the last calendar year, and it is estimated that 50,000 bales of Sumatra were used as cigar wrappers. Sumatra tobacco will average about 180 pounds per bale. It is claimed by the importers that 2½ pounds of this tobacco will wrap 1,000 cigars, and that it sells for \$2.50 per pound. Assuming that it takes 3 pounds, then one bale of this tobacco contains 60,000 wrappers and 50,000 bales contains 3,000,000,000 cigar wrappers.

Three pounds of these wrappers cost, at \$2.25 a pound.....	\$6.75
Twenty-two pounds of domestic tobacco used as binders and fillers, at 8 cents, cost	1.76
Total	8.51

The unit of 25 pounds is used because it is agreed that 25 pounds of unstemmed leaf is required to make 1,000 cigars. It is conclusive, therefore, that the American farmer has lost his market to the amount of \$6.75 on each 1,000 cigars manufactured,

and on the whole 3,000,000,000 the enormous sum of \$20,250,000 taken from American farmers to enrich foreign syndicates from a product of Asiatic coolie labor.

Mr. Chairman, we ask for a rate of duty that will give us fair and reasonable protection against this foreign competitor that is rapidly undermining an important industry in ten Northern States.

After careful and thorough investigation of the condition of the farmers in the States I represent, of the dealers in domestic tobacco who usually purchase this product from the farmers, we have reached the conclusion that nothing less than \$2 per pound will give the protection required to place our industry on a paying basis and inspire a gleam of hope to our despondent farmers. Our condition in reference to this foreign competitor is analogous to that of the rice planters of the South, who find that the Chinese, through their cheap labor, are able to lay down rice in New York at 1½ cents per pound. The law properly gives them protection, 2½ cents per pound, a protection of 125 per cent. Now, if our foreign competitor is valued at the average price of \$2 per pound, such a rate of duty will give us only 100 per cent. protection as against it.

In considering this question fairly it will be seen that only from one-tenth to one-eighth of any cigar is Sumatra, therefore it will be found that if the 25 pounds was of foreign tobacco, under this arrangement of duties the following would be the result if only the finest of this tobacco was imported :

Two and one-half pounds, at \$2 duty.....	\$5. 00
Twenty-two and one-half pounds imported fillers, at 35 cents.....	7. 87
Total.....	12. 87

Average duty per pound, 51 cents.

To offset this the cigar manufacturer has a much higher rate of protection on imported cigars. It now averages \$3 per pound on the entire weight of each 1,000 cigars imported, \$40, still securing to them the advantage of \$27.13 on each \$1,000 cigars they manufacture.

I am a grower of tobacco to the extent of about 24 acres annually in the Connecticut Valley, and give my experience of the cost of handling a single acre :

Rental of land and shed.....	\$35. 00
Manures and fertilizers.....	60. 00
Labor preparing ground, weeding beds, setting, watering, worming, cultivating, harvesting, and stripping into bundles.....	60. 00
Labor, sorting and packing.....	30. 00
Interest on capital employed and insurance to carry the crop through the sweat.....	15. 00
	200. 00

In 1886, the total cost per acre of 1,500 pounds was 13½ cents per pound. In 1888 the total cost per acre of 1,300 pounds was 15½ cents per pound.

This country has the capacity of producing all the wrappers required by the cigar industries of the country and a large surplus for other nations if required.

I want to say one word about our friends on the other side. They do not seem to care or seem to want the tax removed. Some want them retained. Even the New York Leaf Board of Trade do not care. Some of the members of the board want the tax with a rate of 35 cents. Other members of the board of trade want two rates and a tax of \$2. I have a letter from a large importer in New York who would like to have the tariff rate \$2 on imported Sumatra. He is one of the largest importers in the country. I suppose it would not be fair to mention the name.

Mr. LA FOLLETTE. Have you stated the relative wrapping capacity of these two kinds of tobacco, the domestic wrapper and the imported wrapper ?

Mr. HUBBARD. I think I had it in the paper there.

Mr. LA FOLLETTE. If you have stated it you need not read it again.

Mr. HUBBARD. My figures are about 14 pounds of domestic tobacco to wrap 1,000 cigars. That formerly brought 40 and 50 cents a pound.

Mr. GEAR. Mr. La Follette's idea was, will the American tobacco wrap as many cigars as the Sumatra tobacco ?

Mr. HUBBARD. It takes 14 pounds of American to wrap 1,000 cigars, and 3 pounds of Sumatra to do the same.

Mr. CARLISLE. When you speak of 14 pounds you mean 14 pounds unstemmed ?

Mr. HUBBARD. Yes, sir.

Mr. CARLISLE. When you speak of Sumatra you mean the same as unstemmed ?

Mr. HUBBARD. Yes, sir.

Mr. LA FOLLETTE. Are you a tobacco grower ?

Mr. HUBBARD. I have been one for a good many years. I have been engaged in the business ever since 1851. I have also been a tobacco dealer.

Mr. LA FOLLETTE. How many acres do you grow each year?

Mr. HUBBARD. About 25.

Mr. LA FOLLETTE. Have you for a series of years kept careful count of all the expenses of producing that tobacco, so that you can make a statement to this committee of the cost per pound per acre? If you have made that calculation, you can just state it in substance without taking up the time of the committee to read it.

Mr. HUBBARD. I think I have it here.

Mr. LA FOLLETTE. If you have a detailed statement, you may leave it with the stenographer.

Mr. HUBBARD. I will state that fifteen years ago land in my section of the country was worth \$500 an acre.

Mr. LA FOLLETTE. Have you got that written out, Mr. Hubbard?

Mr. HUBBARD. Yes, sir. I have this, but it is in such form that I would rather read it. Now, I put the rental of that land at \$10 an acre. This is the first item, "Manures and fertilizers, \$60; preparing the ground, weeding, planting, seeding, cultivating, harvesting, and stripping, \$60 per acre." I will state that I rent some of my land. I rented 13 acres this past year. I paid \$60 an acre. That hangs the tobacco in the sheds, takes it down, strips into bundles, and delivers it in my warehouse. Then we have sorting and packing in the cases, \$30 an acre; the interest and insurance on the capital employed, \$15 an acre, and then there is the rent of the sheds, \$25 per acre. My plant of sheds cost \$8,000.

Mr. FLOWER. That is \$200. Now, what do you get for an acre?

Mr. HUBBARD. We get from 1,300 to 1,500 pounds.

Mr. FLOWER. You receive how much; from 12 to 15 cents?

Mr. HUBBARD. When I get 1,500 pounds per acre, the cost of raising is 13½ cents per pound. At 1,300 pounds per acre, which was the last two crops, it would make the cost 2 cents more than that.

Mr. FLOWER. You would get from 12 to 15 cents?

Mr. HUBBARD. Yes, sir.

Mr. FLOWER. It would hardly get your seed back.

Mr. HUBBARD. I am holding now two crops. I have got about \$8,000 of capital invested.

Mr. LA FOLLETTE. Do you know from your own observation whether there is a considerable quantity of tobacco unsold held now in the hands of the farmers because of the low prices?

Mr. HUBBARD. Oh, yes; there is a large quantity of it. There is very little yet sold.

Mr. LA FOLLETTE. How much of the crop of this last year?

Mr. HUBBARD. The old crops are pretty much sold, but the present crop is in the hands of the farmers mostly.

Mr. CARLISLE. Do you have to manure and fertilize the lands every year?

Mr. HUBBARD. Yes, sir.

Mr. CARLISLE. At an expense of about \$60 an acre?

Mr. HUBBARD. On an average.

STATEMENT OF W. C. MORSE.

Mr. W. C. MORSE, of Painted Post, Steuben County, N. Y., next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I am here as one of the representatives of the Chemung Valley Tobacco Growers' Association, an organization of farmers reaching into three Congressional districts for perhaps 200 miles in the valley of the Chemung and its tributaries, and reaching to the Susquehanna.

The tobacco interest in the valleys which I represent has for many years been the leading product of our farmers, and has drawn us largely from the production of the staple products, of which we have a surplus. But for the past few years we have been suffering from the importation of a foreign product into our market, with a steady and rapid increase, until it has driven out of our market almost entirely that portion of our crop which brings a price above the cost of production; and the matter to be determined here is whether this large industry and source of wealth to the country, spreading over many States, must be abandoned and given over to a foreign country to supply our market with the product of Mongolian labor. This is the condition which confronts us at the present time.

The proof (in part) of which you will realize from the following official statistics. This foreign product was first brought to this country in 1881, paying a 35 cent per pound rate of duty. In 1883 it had increased to the enormous amount of 3,818,931 pounds.

The tariff rate of duty of 75 cents per pound was that year imposed. The following

year but 603,536 pounds were imported. Means of evasion were devised to escape the higher rate of duty, so that, in 1885, 2,217,917 pounds were brought into our market. Its yearly increase has been such that during the past year (1889) it amounted to 5,676,540 pounds. Bear in mind that we are taking Sumatra 13 pounds to the thousand cigars. Right there let me state in regard to something that is misleading in regard to the estimate of 14 pounds to the thousand for our tobacco. While the Sumatra leaf is small, when we cut away the selvage we take almost the entire leaf, which leaves very little waste, and that waste is very bitter. Our leaves are large, and when cut make a large waste, which waste is utilized by the dealer in tobacco, so that the actual wrapping capacity of our tobacco, so far as the tobacco is used, very little exceeds theirs. That point is misleading, because they say it takes so much more of ours.

Mr. LA FOLLETTE. One of the cigar manufacturers here yesterday—Mr. F. A. Schroeder, I believe—stated that all the cuttings and the waste from the Sumatra was used; was made up into tobacco to be sold as smoking tobacco or used in the cigars. State the facts about that.

Mr. MORSE. I will tell you my experience about the matter, and what I found out in regard to the ramifications of this imported tobacco. In the city of Detroit I inquired of many cigar manufacturers in regard to its price, etc., and knowing it was very bitter I said to one manufacturer: "What do you do with the refuse or cuttings?" He said, "We put them in and sell them." I asked if they were not objectionable. He said except for its being such an infinitesimally small thing it would destroy the sale. That is the practical condition.

Mr. LA FOLLETTE. It is put in in such small quantities that it is not detected by the consumer?

Mr. MORSE. By the way, it is only used on the wrapper on that part where they cut off the tips. That is so small I presume it would add very little to it, and during the past five years there has been brought into our market 21,317,699 pounds, for which \$18,895,227 has gone to a foreign country, depriving us of our own market, which we had from its infancy satisfactorily supplied.

Mr. GEAR. Has not the price been reduced?

Mr. MORSE. The prices have been reduced and we hold the cases; they are stored to-day. There is another misleading answer of Mr. Hubbard's. You asked if a considerable quantity of tobacco still remained unsold in his locality. There is to a very large extent in some localities, but in my locality there is not.

Mr. LA FOLLETTE. Mr. Schroeder was asked yesterday how much stock he had on hand of domestic tobacco. He said there were over 7,000 cases in the warehouse at Lancaster, N. Y.

Mr. MORSE. I know the farmers' warehouses at home have become bankrupt because the prices have been depressed. We have had this market from its infancy. Tobacco is a native of this country. We found it here, and it has grown up in this large proportion, making this last year nearly 4,000,000,000 cigars in this country.

And had it not been the product of cheap labor, beyond a doubt it would never have become a competitor in our market. Our opponents are artful in taking the through price in our primary markets, at the present depressed condition, as a basis of calculation of per cent. of rate of protection. When the competition reaches less than one-half of our entire product, and that portion only which has ever paid the cost of production and on which we formerly made any profit, so while it competes with less than half it destroys the whole.

The wrapper portion is the only part of our tobacco which ever paid us any profit above the cost of production. The binders and fillers always come below the cost of production and are not taken into account. We have looked to the wrappers for years and years for our profits. So you will see that all the profit we get is from these wrappers, which must produce a profit on the whole thing.

The proper basis of calculation is the wrapper only, and that at its former remunerative price, and the degree of protection, commensurate with that given our opponents, the cigar manufacturers, and has for many years kept in check foreign competition. Add to the above sufficient to dislodge an entrenched competitor who has had years to grow to large proportions while we have been striving in vain to get proper recognition during the past four years.

The farmers of our country have been struggling for the past few years desperately to keep good their homes, and many have not succeeded, and all are despondent. We can not much longer endure this strain and loss. Do not expect us to supinely rest under present conditions.

The protection which was indicated in the schedule I got from the Department yesterday would not be of any consequence to-day, as there was only a small amount brought in. Something must be done, not only in our State, but all over the country, and I want to say right here we are burdened with a surplus of staple products from our large Western wheat-fields and corn-fields, etc. Within my recollection the granary of this whole country was in the western and central part of my

State, what is known as the Genesee country. We have but a small portion of this whole country, and yet we have special industries in that State which will undoubtedly be represented before you. They need careful consideration, for the reason it has drawn us from the production of these staples; they have moved farther west, and we are to-day consumers, and have been for the last ten years, of the production of these Western prairies. We do not grow any wheat through the tobacco region. To-day I am feeding cattle bought in Michigan. I am feeding corn brought from the State of Illinois. This is the way our tobacco money is disseminated, and we have been converted into consumers when heretofore we were producers. This is the crisis of this tobacco business, and if we do not get redress to-day for the losses which have been entailed upon us, we feel that it ends the cigar leaf tobacco production of this country. We go back to the production of the staple products in competition with the far West, and they will still further depress that market. Instead of being consumers we become producers, and augment the store on hand.

While for many years nearly all the other industries and interests have received recognition here, the farmers has been forgotten; his modesty has nearly caused his ruin and not until we were driven to the wall have we adequately realized our condition. We are much the largest labor element of the country. Our labor results in the production of wealth to the entire country, from which all other industries and interests draw. Who but the farmers pay the larger burden of taxation?

Now, the farmers pay the great burden of taxes. Now, gentlemen, we were told here yesterday, as before I was told in New York by a great many interested in Sumatra tobacco, that it was utterly impossible for us to grow a wrapper that would be acceptable to the consumers to be put upon the cigar.

MR. LA FOLLETTE. On the ground of its appearance only?

MR. MORSE. On the ground of its appearance. No one has ever attempted to controvert the assertion that Sumatra has any quality whatever as a smoke. It is bitter, but it is glossy and bright and fine in texture; but unless you can get the aroma from our own tobacco, it is utterly impossible to use it.

MR. GEAR. You consider the chief value of the Sumatra to be its appearance; to make the domestic cigar look nice?

MR. MORSE. Yes, sir. It is a good "dude" cigar. That is the kind he smokes; that is the idea. Now, that is all there is of Sumatra; only just that one thing. Now, the American people are sharp in looking up new things, and they take on to new things very readily. That very thing has brought this Sumatra to the front. When one competitor goes into the market in competition with another, he wants to get the start of him. He goes to the dealer and says: "I have got something new; something you have not had, and something you can introduce with a good deal of flourish. It will take and go to the front, and you can sell a good deal of it." I was standing in the lobby of a hotel in Detroit one Sunday. This was four years ago, in the infancy of Sumatra. Two salesmen were standing there, and one was telling his companion, this is his expression, how he "waxed" another salesman with his bright cigars, and called the domestic cigars "stinkers." "Why," said he, "I can beat them every time. I have something new; something they are not acquainted with, and I can beat them every time. They have no orders, and my pockets are full." This was the practical working of the Sumatra tobacco at that time. When we go to New York they tell us they do not want the goods. One man said: "You can not raise wrappers. There is no wrapper in the United States grown in any State to-day." I telegraphed to the manufacturing establishment who manufactured these cigars here [exhibiting box] from a crop of tobacco grown within about a mile of my own farm. Take one and smoke it, Mr. Breckinridge; you love a good smoke. This is not very expensive; three for a quarter, or \$55 a thousand, I think. These are a domestic wrapper and binder, with Havana filler. That man told me the other day that he manufactured about 6,000,000 cigars, and yet he was a small manufacturer in a small town, and that he never yet had worked the Sumatra wrapper.

MR. BRECKINRIDGE. I want to ask you about the sales of American tobacco. Take, for instance, your own crop. You are a grower?

MR. MORSE. Yes, sir.

MR. BRECKINRIDGE. Why have you not sold your crop of this year and last year?

MR. MORSE. I could not get a buyer. I made an effort to sell them. I got them sampled in October, and made a trip West, where I had formerly sold.

MR. BRECKINRIDGE. Where did you go?

MR. MORSE. Buffalo, Detroit, Cleveland, and Cincinnati.

MR. BRECKINRIDGE. Did you see the manufacturers in those cities?

MR. MORSE. Yes, sir; I visited the manufacturers.

MR. BRECKINRIDGE. Did you try to sell your crop?

MR. MORSE. I did.

MR. BRECKINRIDGE. Would they not buy it?

MR. MORSE. No, sir.

MR. BRECKINRIDGE. Is it a good crop?

Mr. MORSE. It is.

Mr. BRECKINRIDGE. Is it a good wrapper tobacco?

Mr. MORSE. I will relate something so as to give you the practical working and results of that trip. In Detroit I found one gentleman to whom I had sold formerly. The last crop I sold him was my 1885 crop. I will state this so you will understand it more thoroughly. Our 1885 crop would not be fit to work until 1886. Tobacco has to be aged, and that is another disadvantage under which we labor. It is not like wheat, where we can send it immediately into the market.

Mr. GEAR. It has to be carried over about a year?

Mr. MORSE. Yes, sir. They have to dry it or introduce some artificial process to age it. In some instances they claim it is successful, but the general production has to be carried a year, and at two years it attains the highest degree of perfection, and the fillers perhaps at three or four. This gentleman wanted to see my crop, and this is the condition under which it exists to-day. He said that he reluctantly went into Sumatra; that his salesmen were driven off the road in consequence of Sumatra, and they could not get orders for any of his brands (that he had formerly covered with domestic goods) unless he would change and cover them with Sumatra. So, in consequence, he was obliged to go into the Sumatra. He sent a portion of my 1885 crop to Canada and had it on sale. He sent a man there and sold it. That was the condition of my 1885 crop. When he looked at the 1885 crop he said that it was the finest crop of Havana seed leaf domestic goods he had ever seen. He said that he wanted to look at my present crop, and that if it was possible for him to go back to domestic wrappers he wanted my goods and he would buy them. He was the only one who gave any attention to it. The only factory that I could learn of (and I visited a number of factories there) that was using partially domestic wrappers was a firm who used Miami Valley, Ohio, seed-leaf wrappers in the penitentiary shops, making stoga cigars. At Cincinnati I was told by a gentleman of one firm that was still running one brand of cigars on domestic wrappers, and he said if I had nice, light, fashionable wrappers he thought I could sell them if they continued to make these. But the gentleman said: "They are on the fence, with one foot on the ground ready to go into Sumatra." I went to see them, and they looked at the crop with a great deal of interest. They were satisfied with the quality, color, and all the requisites. I left them with this condition of arrangement: Within two weeks they would determine whether they would put that brand into Sumatra or not. If not, they would order me to ship. My tobacco stands at home to-day under these conditions.

Mr. LA FOLLETTE. As you have conversed often with these manufacturers, what reasons have they given for using Sumatra instead of the native leaf? Was it because it was a better quality, because it was finer in finish, or simply because it had got to be the fashion?

Mr. MORSE. Before I answer that question I want to add one thing more to the other. Not in a single instance could I get a man to give me a partial recognition or to look at it. They simply said: "I do not want it." If I had had a basket of potatoes I would not have got less recognition from cigar manufacturers than I did with the finest wrappers I could grow. I have yet to find the first man, either the importer, jobber, manufacturer, or smoker, that has ever said to me that there was the least particle of quality in Sumatra which goes to make up a good smoke. As I said about the cigar salesmen, in their endeavor to get customers from other competing houses, they always offer inducements and are always seeking to get something new. Consequently the result of that is new efforts to get out something of that kind. It not only enters into the cigar interest, but every production, and this production has crowded out something that is staple. They start in that way with the salesmen, who endeavor to increase their sales, and in that way they have driven out the domestic tobacco in every instance in every town. There is not a smoking stand or a jobber, or anything of that kind, but what inducements would be held out to by saying: "Here is something new and attractive, take it and push it." In that way it is done, without referring to its merits in any particular, but only on account of its being a bright, good-looking cigar. That is all there is of it.

Mr. LA FOLLETTE. Is it a more slightly cigar than the domestic?

Mr. MORSE. Gentlemen, you may go through this town and you will see cigars exhibited in the show-cases in the most attractive forms they can possibly put them. I venture to say that box of cigars [exhibiting] will lead more than half the exhibits in that case, if not more than half in the city, and in quality it would exceed any cigar, however much you may pay for it, covered with Sumatra wrapper, unless a man was a lover of quinine.

Mr. BRECKINRIDGE. Was that box prepared especially as an exhibit for this committee?

Mr. MORSE. No, sir. When I got to New York and our opponents told us that there was no such thing as a domestic wrapper in the country and it could not be grown, I then spoke to my companion and asked him if we had not better send for some home-grown product of one of our manufacturers. He thought it was a good idea,

and I telegraphed to these gentlemen, who forwarded me by express these cigars, wrapped from a crop which I knew all about. I knew where it was grown and I knew it was a domestic wrapper. I have the letter here, and it is as follows:

JANUARY 4, 1890.

DEAR SIR: Your telegram of the 4th instant received at 8.14 p. m. I shipped the cigars as soon as I read the telegram. I shipped by Wells, Fargo & Co.'s express. I hope you will receive them in due time. They are made of Haynie's wrappers and imported Havana fillers. We sell this cigar at \$55 per thousand.

Yours, respectfully,

HERMAN KRETSCHMAR & SON.

MR. BRECKINRIDGE. Can the domestic producers furnish wrapper leaf sufficient to wrap all the cigars of this country of as good quality as this exhibited here?

MR. MORSE. This is just what the grower would like to make and contract for today. This is what we are seeking for. As I said before, from its infancy the cigar interests and the domestic production have grown up hand in hand, in harmony and in entire satisfaction to the producer, to the manufacturer, and particularly to the consumer.

MR. McMILLIN. What does that wrapper sell for per pound—I mean, what does tobacco such as that sell for in the market?

MR. MORSE. I am a little at a loss to put a price when I am not able to sell.

MR. McMILLIN. What is about the average price?

MR. MORSE. The average price through?

MR. McMILLIN. Yes, sir; for a few years past.

MR. MORSE. Right there is a very misleading statement that enters into this matter to you gentlemen who are not conversant with the tobacco trade and interests. I will say tobacco is usually sold in our primary market all qualities for one price, and that is what we mean when we say "the price through."

MR. McMILLIN. Lugs, etc.?

MR. MORSE. We grow no lugs.

MR. McMILLIN. What is that price?

MR. MORSE. I could not give the present price, because there have not been any crops sold in our part of the country.

MR. McMILLIN. What was it last year?

MR. MORSE. Last year our fancy crops sold from 15 to 15½ cents. The average through the valley would not exceed from 7 to 8 cents.

MR. McMILLIN. The import duty on that which takes its place is from 35 to 75 cents.

MR. MORSE. Takes the place of what—the 7 or 8 cents?

MR. McMILLIN. I am speaking of the wrapper; the imported Sumatra wrapper, used instead of this, pays a duty of from 35 to 75 cents per pound, respectively.

MR. MORSE. Seventy-five cents on wrappers.

MR. McMILLIN. Seventy-five cents on wrappers, with 35 cents on the other. That is what I want to get at—the relative price of the two.

MR. MORSE. Do you understand the rating of the types?

MR. McMILLIN. In what respect do you mean?

MR. MORSE. Now, we have that fancy crop which we sell for wrapper at 15 to 15½. You will see, then, we have these lower grades of filler and binder which take 10 per cent. of the crop and are worth from 1 to 2 cents for the fillers and 6 or 7 cents for the binders. Where we get a through price of 15 cents there are three types of wrappers, what we call A, AA, and AAA. The lower grade would be perhaps 10 cents, a little less than the cost of growing; so it would take not to exceed 35 to 40 per cent. of the entire production, upon which we get a price for growing that entire production, and which the Sumatra tobacco competes against. Do you understand this? In order to get the rating prices through, it would run these wrappers up to 30 cents a pound.

MR. McMILLIN. Seventy cents is the highest you can get for them under any circumstances?

MR. MORSE. Yes, sir; a man would be quite fortunate to get that.

MR. McMILLIN. In my country we have three qualities; but ours is the heavy tobacco. That is all I wish to ask.

MR. MORSE. There are a few points of interest in this matter which I wish to relate in addition to what I have already said.

First, why a \$2 rate of tariff duty is necessary to sustain in a healthful condition our cigar-leaf industry.

It seems only necessary to name the fact that prior to 1881 we had built up a cigar production, from the leaf to the finished cigar, in quality and quantity far exceeding that of any other country in the world. The evidence of its quality and the acceptability to the consumer is its rapid growth to so great proportions. The foreign spec-

ulators, seeing this great market and the increased margin of profit which would accrue to them by the introduction of the product of Asiatic labor, was the cause and mainspring of the introduction of this foreign wrapper product into our market; not the necessity nor the requirements for a better article than we produced, nor failure to supply the demand. It is all speculation, and foreign at that. The nationality of all our opponents was evident.

While it is the boast of every American that in this country above all others labor is the most generously paid, and it is well known that Asiatic labor is of the lowest order and price of any in the world, and so demoralizing was it in this country that it was excluded by Congressional legislation, is not the product of such labor equally demoralizing? Is it not evident that two extremes enter into this problem? And who are entitled to your consideration, a foreign speculative interest, limited to a few importers, or a thousand of productive farmers, and a great and valuable industry? A \$2 rate of duty is not equal to the protection which the cigar manufacturers have had for many years, and of which all our opponents boast as the cause of the industry's great growth and prosperity, and they never were subject to this Asiatic labor.

Make a fair and just computation between the wage rate of the two countries and you will see, even at a \$2 rate of duty, we will not be made equal. From all sources from which we can get any information as to prices of Asiatic labor, the rates are from 50 cents per month to 10 cents per day, the latter maximum rate, while we pay on an average over \$1.25 per day. This shows a disadvantage of from 1,250 to 2,000 per cent. as against us, to be overcome by protective rates.

The foreign product is fully cured and aged, ready for the cigar manufacturer. It can not justly be compared with our product, in the state it is in when it is generally sold by the grower, as our opponents represented to you.

It is in the manufacturers' market where they are brought into competition when both are fully cured and aged. In that market our wrappers formerly brought from 50 cents to \$1 per pound. It is at that point that the rating should be made, and from the prices here given and for wrappers alone, rather than the entire product, with all the low grades included and in an unfermented state, as our opponents so unjustly represented to you. You will readily see the difference in the value in the green and after fermentation and shrinkage in the weight has taken place.

Is it not unjust that a few unscrupulous importers who have for the past five years defrauded the Government out of millions of dollars, using every device and trick they can conceive to evade the intent of the law, and boasting of their success, men who filch from the Government rather than support it, evidence of which is abundant in the United States Treasury Department, should be allowed to destroy the property and income of so great a number of farmers, who do at all times loyally support our Government?

STATEMENT OF JONATHAN WYCKOFF.

Mr. JONATHAN WYCKOFF, of Navarino, Onondaga County, N. Y., next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I represent the New York State Tobacco Growers' Association, located in the central part of the State of New York, comprising the Twenty-fifth and Twenty-seventh Congressional districts of New York. Our society in sending their delegates authorized them or instructed them to petition to your honorable body to repeal the internal tax on the grounds, first, that it was unnecessary for the purpose of raising revenue, for the reason that our Treasury now is sufficiently full, and contains more than is practically necessary for the wants of the country; therefore it is a direct tax on the people. Secondly, because it is all derived from our own resources.

I have heard it suggested here that the manufacturers want it retained for the purpose of a trade-mark. Gentlemen, what other occupation is there that asks the General Government to furnish them with a trade-mark? Do the farmers who produce the butter, cheese, and such things, petition the Government for a trade-mark for their product? If I manufacture a special article of very fine butter, do I want this Government to furnish me a trade-mark to protect my article? No, sir; and what is the reason the manufacturer of cigars shall ask this country for a protection in order to put it to the expense of procuring him a trade-mark? I think that reason was very unusual, for I do not think there is any reason in it. That seemed to be the reason with the opponents or parties that were opposing the abolition of the internal revenue; that was the only claim they set forth, that they wanted protection which would be a certain brand for their cigars. I think their argument was very poor, and I do not see any reason in it any more than that any other article should ask this country to furnish them with a trade-mark.

In regard to the tariff, we ask and petition your honorable body for protection. As farmers we claim we are not justly protected with other producers and manufact-

urers. The manufacturer of cigars at the present time has got about three-fold more protection on the manufactured article than the producer of the leaf has. Why is that so? What is the reason of discriminating between the producer, the farmer, and the manufacturer? In regard to the depreciation in the price of the crop, I would say here that in 1884 I sold my tobacco for 16 cents in the bundle. That means before it is sorted. In preparing our tobacco which we make in our neighborhood, there are five assortments. In the first place we pull it off the stalk and put it in bundles weighing somewhere from 10 to 20 pounds. I sold my tobacco in this state, and I got 16 cents a pound. It was in bundles, merely pulled from the stalk. That would be equivalent to about 18 or 20 cents a pound of assorted tobacco. This year I sold my crop for $8\frac{1}{2}$ cents a pound, and throughout our part of the country the most of the tobacco has sold at an average price of 8 cents. It sold 8 to 9 cents a pound, the very best about $8\frac{1}{2}$ cents. Now, you can see the depreciation in the product of tobacco. At the same time the Sumatra tobacco has displaced our tobacco at the rate of four-hundred-fold. The Sumatra tobacco has increased since 1884 at a rate of four-hundred-fold, and our tobacco has decreased in price 65 per cent.

Mr. McMILLIN. What would Sumatra tobacco sell at with the import duty paid—the tobacco that takes the place of yours?

Mr. WYCKOFF. I could not tell you the figures, because I am not versed in them.

Mr. McMILLIN. It would be over 50 cents, tax paid?

Mr. WYCKOFF. I would not undertake to answer the question, because I do not understand it. I do not want to make any assertion of which I am not sure.

Mr. McMILLIN. I did not know but what you knew it.

Mr. WYCKOFF. I see the practical effect as a farmer and as a producer of tobacco. I see the effect that the introduction of this foreign tobacco has had on our tobacco, and to illustrate the disadvantage and the depreciation in the value of the property of the farmers, in 1884 and 1885, when we were getting good prices for tobacco, tobacco land was worth in our section somewhere about \$200 an acre. To-day we can not sell tobacco land for over \$100 an acre; that is, good land that will produce good tobacco. In 1881 I rented land and paid \$25 or \$30 an acre, as a tenant, to raise tobacco on. At the present time last year a tenant or tobacco-raiser could get what good land he wanted for \$10 an acre. Now, gentlemen, you can see the present condition of affairs. That represents it. This is why we ask for this protection, and we think it is just. These are facts.

I would state here one thing more in regard to the tariff law. The reason that we petition to your honorable body for the repeal of that law is that at the present time this Government is collecting the taxes from the people of the United States to the amount of \$30,000,000. Gentlemen, it is just taking \$30,000,000 from circulation. It is taking it and locking it up in the Treasury. We have too much money now in the Treasury. It is wrong to have this money locked up in the Treasury and to keep it away from the people when we want it to use. Gentlemen, why do you not commence at home? Take this money and let the people retain this money instead of paying it for taxes and locking it up in the Treasury. Gentlemen, there is no protection to it, and there is no argument for protection.

Mr. McMILLIN. I find the quotations for Sumatra tobacco, duty paid, are \$1.60 a pound. Now, if that be true, do you think there is any tax which can be imposed that will force the use of yours, which they now might use at 18 cents a pound against tobacco that costs \$1.60 a pound?

Mr. WYCKOFF. Gentlemen, if there is any protection in a tariff, I can not see why it would not be.

Mr. McMILLIN. But it has not protected you thus far. It is already very much higher than the very highest price that you got, and that you say is declining.

Mr. WYCKOFF. I will answer the question in this way: It is not protected because the duty has not been high enough or else the officers in charge of collecting the revenue have evaded the meaning and purpose of the law.

Mr. McMILLIN. The duty is three or four times the price of your tobacco—four times what you got at the best sales you made in 1884. Now, if that has not done it, do you think it is in the power of the tariff to increase the price?

Mr. WYCKOFF. I think so. I think it is within the power of Congress to give it, and I think it will enhance the price of our product. It has been stated here so often before this committee that I thought it was not necessary to state it—that in the first place Sumatra tobacco is a better tobacco to handle. The quality is not as good, and no one claims that, but it is a better tobacco to handle with our present prices of labor, which we want to maintain, and we can not handle our tobacco to advantage in comparison with it as far as economy is concerned. Really, I am not as well versed in this as I am perhaps in agriculture.

Mr. McMILLIN. You are a practical farmer?

Mr. WYCKOFF. Yes, sir; a practical farmer.

Mr. McMILLIN. Is it not a lamentable fact that lands have run down rapidly in the last few years—all agricultural lands?

Mr. WYCKOFF. Let me answer the first question. The manufacturers would rather have Sumatra tobacco, because there is not so much waste and it does not cost near as much to make cigars out of Sumatra as out of domestic tobacco, and that is one reason why I think it should be taxed and kept from this country to benefit the laborers.

Mr. GEAR. Is it not true that the large proportion of Sumatra tobacco imported is fit only for wrappers?

Mr. WYCKOFF. Yes, sir.

Mr. GEAR. It is asserted, and it is imported with that view.

Mr. WYCKOFF. That is the purpose, certainly. This is really the purpose, for it is not used for anything else.

Mr. GEAR. The high price of this tobacco is partly owing to the less waste?

Mr. WYCKOFF. There is less waste in this Sumatra tobacco.

Mr. GEAR. You sell tobacco just as it comes from the field, "by and large?"

Mr. WYCKOFF. Yes, sir.

Mr. GEAR. Now, if you assort your wrappers, there would not be that relative distinction?

Mr. WYCKOFF. Yes, sir. I will explain it.

Mr. McMILLIN. What would that wrapper be worth in the market if you separate it?

Mr. WYCKOFF. In 1884, when I sold that crop for 16 cents, these wrappers were worth 30 to 40 cents. There is one misleading statement I wish to explain. In the first place we sell our tobacco when it is green. We sell this tobacco for 16 cents, as I did this year. In the first place, we will take that tobacco and it will cost 2 cents to arrange and assort it. Then we sell it green, as we call it, to the dealer. He buys that tobacco. If he holds that tobacco it will sweat off 20 per cent. in many cases. That fact has not been brought out.

Mr. GEAR. The man who buys that tobacco has to hold it in order to get the age on it, which is done at the expense of losing this 20 per cent. and that goes to his expenses, while the Sumatra tobacco has the age when it is imported into this country?

Mr. WYCKOFF. The Sumatra tobacco, as I understand it, is imported prepared in every way for manufacture. It does not have to go through any extra process to get it in shape except to stem it. There is just where the labor question comes in. I claim that it would be better if we could exclude it; that it would be better for the laboring men, because it would give them employment in the preparation of our tobacco.

Mr. McMILLIN. I agree with you that the farmer is getting the worst of this bargain some way or other, and like you I am candid enough to say I would be glad for him to get a little better. Is it not a fact that agricultural lands all through your country have run down in price for the last six or eight years?

Mr. WYCKOFF. Somewhat. But I will now illustrate that to prove it. There is no one of our products that has depreciated equal to tobacco.

Mr. McMILLIN. I understand that.

Mr. WYCKOFF. The reason that tobacco land has depreciated a great deal more than that—

Mr. McMILLIN. But all lands have depreciated.

Mr. WYCKOFF. All lands in a measure, but not so much in six years.

Mr. McMILLIN. Have they not all depreciated in the last nine or ten years, since 1879 or 1880?

Mr. WYCKOFF. Well, sir, I could not say they have.

Mr. McMILLIN. You do not think they have?

Mr. WYCKOFF. There is no sale for them.

Mr. McMILLIN. Is not that an element of depreciation, that you can not sell them?

Mr. WYCKOFF. I should say they have depreciated.

Mr. McMILLIN. Is it not a fact that corn has depreciated in value?

Mr. WYCKOFF. It has not depreciated.

Mr. McMILLIN. I mean taking it relatively.

Mr. WYCKOFF. It has in a measure.

Mr. McMILLIN. And wheat has depreciated in value?

Mr. WYCKOFF. In a measure.

Mr. McMILLIN. And potatoes. I believe you grow potatoes in your country?

Mr. WYCKOFF. That I could not tell. One thing I know about, and that is the beet crop has increased in value.

Mr. McMILLIN. But the standard crops have decreased in value; and have not the cattle raised upon your lands decreased in value?

Mr. WYCKOFF. In a measure.

Mr. McMILLIN. And horses?

Mr. WYCKOFF. No, sir; not those.

Mr. McMILLIN. But the cattle have. Do you raise hogs in your country?

Mr. WYCKOFF. Yes, sir.

Mr. McMILLIN. The hogs have?

Mr. WYCKOFF. Not particularly.

Mr. McMILLIN. On an average now, are not these things lower than they were six years ago?

Mr. WYCKOFF. No, sir.

Mr. McMILLIN. Well, your country is very different from mine. In our country we have run down about one-half in value.

Mr. WYCKOFF. Six years ago I sold pork at \$4.50; this year I sold it from \$4.50 to \$5.

Mr. GEAR. Light weight?

Mr. WYCKOFF. Dressed.

Mr. McMILLIN. The rule has been that the agricultural products have descended in price in the market.

Mr. WYCKOFF. They have in a measure.

Mr. McMILLIN. Also the land on which they are grown.

Mr. WYCKOFF. Yes, sir; but if you—

Mr. McMILLIN. That is all I wanted to know.

Mr. WYCKOFF. This does not apply directly to the question.

Mr. McMILLIN. I am asking you as a practical agriculturist. I intended to make the point that the decrease in the tobacco crop and tobacco land has been more rapid; but I wanted also to show what effect had been produced on agriculture generally.

Mr. WYCKOFF. Tobacco has depreciated more than 50 per cent. We raised a good deal of barley in our country this year. This year it is 43 cents. Last year it was 85 cents; so we cannot take any certain average.

Mr. McMILLIN. The tendency is downward with the barley crop?

Mr. WYCKOFF. I can not tell that. We claim that there is a ring, and that it is not from legitimate causes.

Mr. BAYNE. There has been a large importation of barley from Canada.

Mr. WYCKOFF. Yes, sir that is one reason; but it is not the reason for the depreciation in value. We claim, and we are well satisfied, there is a ring which has held barley. There are some large dealers through our part of the country who have got the barley in their own hands. Last year it was high enough, but this year they have got it down. You average a price for the present year and the price for the year before, and it makes a good fair average.

STATEMENT OF F. W. FENNER.

Mr. F. W. FENNER, of Little Utica, N. Y., representing the New York State Tobacco Growers' Association of Central New York, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, we were told yesterday by the manufacturers that the farmers were receiving fabulous prices per acre for tobacco. You have been informed in a few words by some speakers to what extent you have to use fertilizers and other articles in order to produce a crop of tobacco. Now, there is another consideration in regard to land which produces tobacco. We may have good fertile soil, and but few acres of that soil is good to raise a crop of tobacco. Consequently we have to take the very best lands; that alone would be worth a good deal more than our lands as a whole. We also have to have a great deal of property invested in sheds, etc. So you see it is plain enough that the price we receive for the tobacco is very little, and at the present time there is no profit in it. Now, when our market was good, before the Sumatra tobacco invaded us, the buyers came to see us and figured on our crop in proportion to the amount of wrappers which would be suitable to wrap cigars. Now they say we have not any wrappers. They simply buy it to take the place of fillers and pay filler prices, making, you see, a great difference. I would like also to keep before your mind that we believe in protection, and we believe that the judgment of this committee will give us that, because we think we are asking no more than any other industry is asking, and that you would be doing no more for us than for any other industry.

This is all the time I will take up, unless there are some questions which you wish to ask.

STATEMENT OF ROBERT STEWART.

Mr. ROBERT STEWART, of Baltimore, secretary of the Tobacco Board of Trade, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I would say here that I think consumers desire the abolition of the tobacco tax in its entirety on tobacco and cigars. I came here to advocate the Brower resolution which is now before the House. I think the manufacturers must be very hard up if they can not protect their own brands. What other goods are protected? In other occupations people are not in

the habit of filling up empty boxes. I have been a manufacturer for twenty years and I think no man of any reputation is afraid of his goods being imitated. There is a machine in New York that will brand every cigar and put a tag on it. What more do they want? Do they want somebody to smoke the cigar for them? The Government is not in need of the money, and what is the use of paying a tax which the Government does not need? We have paid this tax many years; we are tired of it and of the regulations. The manufacturers want the tax; they do not care whether it is 1 cent or \$1. As long as the Government wanted the money the consumers were willing to pay. Now the Government does not require the money and the people are not satisfied to pay this tax. On the millions of cigars that the people smoke they do not want to pay a heavy tax; they have not the money. Things are no longer as they were during the time of the war. These manufacturers are making big profits and are not satisfied; but they will have to be satisfied. Leaf tobacco now does not bring as much as it formerly did, and yet there is profit in growing it. The Government does not require the tax and the manufacturers must be satisfied to do without it. A few men in the employ of big corporations come up here and want the Government to protect their brands. Why can not they protect their own brands? Of the tobacco that costs no more than 4 cents a pound the consumer has to pay 40 cents a pound. That is not fair. The poor laboring man in the United States does not want to pay it. He requires some protection while it is going round. But we are not altogether selfish.

You gentlemen in Congress must legislate for the United States, for the whole people, and not for a few individual manufacturers and dealers. Some consideration should be given to the poor. It is not fair that they should be compelled to pay this tax. If you keep on 1 cent or 2 cents that requires the machinery to be kept on. That is what we object to. For instance, one man smoking tobacco costing 4 cents for the stock pays 4 cents tax. Each package must have the Government stamp on it. It requires labor to put it on. There is also a label put on the package. This tax is not fair when you do not want the money. One man may smoke a cigar costing \$10 a hundred; on that the tax is 30 cents a box; another man buys 100 cigars costing 80 cents; there is 30 cents tax on that, leaving only 50 cents for the cigar. The poor man pays the same amount on his cigar that the rich man does on his fine Havana. That tax is entirely too high.

Those manufacturers in Maryland and Pennsylvania who make those goods—there are a good many made in Virginia and North Carolina—would make finer goods and get better prices if the tax were off. And yet they will come here and ask for protection.

CIGARS AND CIGARETTES.

STATEMENT OF WALTER E. BARNETT.

Mr. WALTER E. BARNETT, representing the cigar manufacturers of New York, addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I am representing with my colleagues here the cigar manufacturers of New York. I desire to call attention to a matter with which I see you have already done something and then revoked it. I refer to section 2804 of the Revised Statutes, which calls for an inspection stamp to be placed upon imported cigars. Your chairman has explained to me the reason why it was cut out, and suggested what should be done in future in regard to it. I therefore propose only to give you an object lesson on the subject, and will furnish a brief letter if the committee would rather not take up time now.

In the original bill your committee, on page 34, which commences on line 17, enacted that "so much of section 2804 of the Revised Statutes which requires that a stamp shall be affixed to each package of imported cigars," etc. Allow me to say how that section of law originated. It never had been suggested until an importer of cigars was appointed appraiser of the port, and, selfishness being the motive that moves the world, he suggested the enactment of a law to put a distinguishing brand upon imported cigars. There are many people prejudiced in favor of imported articles. That is one of the reasons, but not the sole reason, why Sumatra has been preferred to the American seed-leaf. We demand of Congress to abolish this stamp simply for the reason that the manufacturers have cheerfully paid tax from the enactment of the law down to the present day to support the Government, and are then compelled to place our goods upon the market handicapped by this stamp the Government places freely upon the goods which compete with ours.

This cigar [showing an imported cigar-box] may be made in China, Japan, or in the islands of the sea, but when it passes the custom-house they put a distinguishing mark upon it. The manufacturers have cheerfully complied with the laws and have willingly paid the tax, and would willingly submit to a removal of the tax, if, in the

judgment of Congress, repeal was necessary, but every one of us contend that we ought not to be compelled to place our goods upon the market with the brand of "Cain" upon them and the imported indorsed by the Government.

Mr. LA FOLLETTE. The law will not let you sell your goods as imported goods?

Mr. BARNETT. We only want to sell them on their merits as other merchandise is sold. The silk manufacturers at present are building up a fine industry. If at the time when they commenced putting their silk on the market the Government had put a distinguishing mark upon the foreign silk, they would not have been able to do much.

The CHAIRMAN. Is there any certificate on any other class of merchandise?

Mr. BARNETT. No, sir; nothing else that is imported into this country. To some people, though a cigar may be made of the meanest and dirtiest tobacco grown in any part of the world, if it is imported it is good. A good many men are like a man who went into the Hoffman House and asked for some good old imported Bourbon whisky, not knowing that Bourbon County was in the State of Kentucky. A good many men fancy that they are doing the proper thing when they are asking for an imported cigar.

We have built up our manufactures in spite of all this. We respectfully ask either in this administrative bill, or in some other bill, a repeal of section 2804.

Mr. McMILLIN. Is this merely a brand, or is there a revenue stamp?

Mr. BARNETT. It is a stamp put on all packages, whether large or small. It refers to the inspection solely. Unlike the internal-revenue stamp, it has no money value. It is put on to cheap imported and high-priced cigars alike. It is a gratuity to the importer.

Mr. McMILLIN. There is no fee fixed as the price of this stamp?

Mr. BARNETT. No, sir.

Mr. FLOWER. When you import a box of cigars they attach this internal-revenue stamp as if it had been put on by the man who made the cigars?

Mr. BARNETT. We buy internal-revenue stamps and we pay for them, but the Government kindly puts this on free for the importer.

I want to bring one other fact to the attention of the committee. I import as well as manufacture. I make the accusation that nineteen-twentieths of the retail dealers of the United States violate the law. I stand here and say, that part of my cigars, and the cigars of those who are with me, at least two-thirds of them, are sold by retail dealers out of imported boxes in direct violation of the law. The dealers know we are producing finer goods than the imported; we are bringing in a finer quality of leaf, but they know that the prejudice which the Government has fostered by that stamp and they take advantage of it. Hence they will buy two hundred or three hundred, and give us an order to make others in the same shape and size of the imported goods. You go in and buy them at six for \$1, or two for a quarter and you think you are smoking the Havana-made cigars. We get no reputation out of that; we simply make a living, but make neither great money nor reputation. Two-thirds of the retail imported cigars are made inside the city of New York. That may seem to be a pretty broad statement.

Mr. FLOWER. Are they liable to arrest under the law?

Mr. BARNETT. Yes, sir; but you can not catch them.

MEMORIAL OF MANUFACTURERS.

GENTLEMEN: We, the undersigned committee of cigar manufacturers, respectfully petition your honorable committee to incorporate into your forthcoming bill for the revision of the tariff a provision for the repeal of section 2804, of the Revised Statutes of the United States, or so much of it as requires that a stamp shall be affixed to each box of imported cigars to indicate the inspection thereof by the customs officers, and state our reasons for the request as follows, viz:

First. That such inspection stamp is of no material advantage to the Government in the matter of preventing the refilling of empty cigar-boxes bearing an internal-revenue stamp. Any person desirous of using such box will do so, whether it bears such inspection stamp or not; in fact, the presence of such inspection stamp on a box would be an added incentive to one desirous of using old boxes, for he could then dispose of his cigars under the pretense that they were imported and so get a better price for them. It is a notorious fact that about all the old cigar-boxes now used in fraud of the revenue laws are old imported boxes, and this only because they bear such inspection stamp. While being of no material benefit to the Government in the collection of its revenues, it is a grievous injury to that large class of cigar manufacturers who make cigars entirely from Havana tobacco (both wrappers and fillers), an industry in which millions of dollars capital are invested and thousands of workmen are continuously employed, for the reason that there is a large class in this country who believe that nothing can be made as good in the United States as some-

thing from abroad. Therefore the inspection stamp is regarded by such people as a guaranty by the Government that the cigars contained in a box bearing this inspection stamp must necessarily be better than any made in this country.

As the only cigars to compete with those of Havana must be made from Havana tobacco entirely, we pay our duties on the raw material, as well as the internal-revenue tax, comply with all the requirements of the internal-revenue laws, and are then compelled to place our goods upon the markets of our own country in competition with goods from abroad, handicapped by this indorsement of the Government placed upon every box of the foreigners' goods.

Second. Cigars are the only article in the whole tariff list that bear such a designating stamp.

Third. Interested people, such as importers of cigars, claim that such inspection stamp prevents smuggling. Our answer to this is two-fold, viz: First, that cigars are a bulky article and can not be as easily smuggled as laces, silks, jewelry, kid gloves, etc., yet it had never been found necessary to put such a stamp on laces, silks, jewelry, kid gloves, etc. And secondly, that we, as manufacturers, are just as much interested in preventing the smuggling of goods which would compete with those of our own manufacture as would the Government in quest of its revenue.

Fourth. The presence of this inspection stamp on the boxes causes the importation of an immense quantity of foreign "cheap trash," which is palmed off on the people of this country, the only merit of which is the indorsement of the Government of the United States borne upon each box certifying that it is "imported." There has been a more or less regular trade for years past of manufacturing cheap grades of cigars in the Mexican sea-ports, of Mexican and other cheap tobaccos, and shipping them to New York by the same steamers which call at Havana, Cuba, and these goods are regularly palmed off on our people as Havana cigars and our Government lends (unconsciously) its aid to the fraud by placing this inspection stamp upon them, thereby certifying that they are "imported;" therefore something better than can be made in the United States.

Fifth. Your honorable committee is confronted with a plethoric public treasury and a demand for the reduction of the surplus. Remove this inspection stamp from imported cigars and you will find that the importation will fall off at least one-half immediately, as then home-made cigars will sell upon their merits and the importation of "cheap trash" from abroad will cease when they no longer bear a certificate from our Government, which to-day is the only thing that finds them a market in the United States.

We ask nothing from the Government but a fair field and no favors. All we ask is the right to place our goods upon the markets of our own country on their merits, as other manufacturers are allowed to do, unhandicapped by the Government of our own country. To us this is of far more importance than questions of internal-revenue taxes, or even duties, so long as an equitable ratio be retained between raw material and the imported manufactured article.

The retention of this section (2804) upon the statutes of the United States is the reverse of protection to American manufacturers; it would be, as it is now, protection to the foreign manufacturers at our expense.

We believe it only necessary to lay this matter before you in its proper light to have you strike these galling shackles from the limbs of one of the largest labor-employed industries in the United States.

Respectfully submitted on behalf of the committee.

E. MAYRARA,
Chairman, 89 Water Street, New York City.

WALTER G. BARNETT,
Secretary, 135-139 Maiden Lane, New York City.

THE COMMITTEE ON WAYS AND MEANS.

REMOVAL OF TAX.

WASHINGTON, January 7, 1890.

To the honorable Committee on Ways and Means, House of Representatives:

The cigar manufacturers of the United States, as a rule, favor the retention of the internal-revenue system. Some of them favor the abolition of the tax, or its reduction. Many of them favor the plan of making the industry free, and exempting it from the supervision and restrictive operation of the existing provisions of law.

But every honest manufacturer, every honest dealer, and every consumer of cigars, who gives the matter any thought, must be, and of necessity are, in accord in advocating the retention of these safeguards, which prevent the refilling of the empty package with spurious cigars, and which will protect the manufacturer in making and selling his wares and the consumer in buying them.

The New York court of appeals, in its opinion in the celebrated case of the matter of Jacobs, reported in the 98 New York court of appeals, page 98, uses the following language:

"We must take judicial notice of the nature and qualities of tobacco. It has been in general use among civilized men for more than two centuries. It is used in some form by a majority of the men in this State, by the good and bad, learned and unlearned, the rich and poor."

When a court of the standing of the New York court of appeals takes judicial notice of the use of tobacco we may safely advance the proposition that many millions of the male citizens of the United States use tobacco, and it is certain the majority of those use it in the form of a cigar.

In protecting both the manufacturer and consumer of cigars from fraud a valuable service is therefore rendered to a very large portion of the community.

The position taken by the cigar manufacturers on this question may be fairly stated as being the following:

Most of them would prefer not to have their business disturbed by any agitation or interference with the tax on cigars.

In case it is found necessary as a matter of governmental policy to reduce the income of the Government from this source, then it is most earnestly urged that the entire internal-revenue system, as applied to cigars, should not be annulled and abolished, but with a reduction of the tax to some nominal amount the good and protective features of the system may be retained.

The cigar manufacturers are not averse to the loosening of the strict legislative bands now encircling their industry; their only fear is, that should the present salutary and beneficial features of the internal-revenue system be swept aside, that such repeal will be followed by a perfect avalanche of fraud in refilling empty packages and the piracy of trade-marks. Under the present state of the law forbidding the refilling of the empty package, both manufacturer and consumer are fully protected. Should these safeguards be removed, it is certain that a reign of terror in the raids made by unscrupulous and dishonest dealers on the trade-marks of well-known and reputable dealers will follow.

The cigar manufacturers, therefore, simply ask that this protection be accorded, not alone to them, but to the many millions of consumers of cigars throughout the United States.

The tendency of all modern legislation in all civilized countries effecting commerce is towards the enactment of laws which shall preserve commercial honesty and give commerce protection. The tendency of such legislation in this country is towards securing uniform national laws, which will protect our commerce and our people. No State laws can do this so efficiently and completely as the laws enacted by the General Government, and the consumers of cigars, or the manufacturers thereof, have as much right to ask that the protection now afforded them by existing laws be continued as those interested in those matters succeeding in securing new legislation in the matter of our interstate-commerce laws or the laws regulating the manufacture and sale of oleomargarine.

The cigar manufacturers do not ask for the perpetuation of a system which shall uphold or sustain a class or a monopoly. They only ask that the grand protection afforded the consumer, as well as themselves, in the direction of honesty and fair dealing may be continued. They do not ask for new legislation on this subject. They only claim, and with right and reason, that wherever and whenever the Government can protect commercial interests it should do so. Tobacco yields a revenue to the government of every nation on the face of the earth. In some countries it is even exclusively handled or controlled by the governments thereof.

The cigar manufacturers of the United States who have contributed so many hundreds of millions of dollars to the United States Treasury, ask but a slight boon in the name of honesty and fair dealing when they ask that the protective features of the internal revenue system be retained, even if every other part considered obnoxious or useless be swept aside.

No legislation, which will, as in this case, surely open the flood-gates of piracy, imitation and fraud, should be recommended by your honorable committee, nor even presented for the consideration of Congress.

In as much as it is not proposed to abolish the entire system, and as its operations must be maintained so long as the whisky and oleomargarine taxes are to be collected, so the said system may be continued as well to prevent fraud and imposition in the sale of manufactured tobacco, as its operations were extended to protect the dairy interests of the country.

Respectfully submitted,

MORRIS S. WISE,
Counsel.

EDWARD HEYMAN,
*President Legal Protective Association of Cigar
Manufacturers of the City of New York.*

STATEMENT OF MORRIS S. WISE.

Mr. MORRIS S. WISE, of the Cigar Manufacturers' Association of New York, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, The National Cigar Manufacturers' Association of New York, which comprises within its membership men from all parts of the United States, have asked me to appear for them, as their counsel.

I wish to state that the tenement house cigar law is not in force in New York City to-day; it was declared to be unconstitutional. As to the question of the retention of the internal-revenue tax, we do not care what you do with the tax so far as the amount goes. We do not care in that respect whether you increase it or reduce it, but we do care very much for a system that has grown up and become a part and parcel of the cigar manufacturing business. A preceding speaker asserted that in his opinion the farmers and merchants thought that tobacco should be made free by the removal of the tax, so the very poor man in his garret with the use of child labor could buy tobacco and make cigars that would sell two for a cent. The cigar manufacturers of the city of New York, taken as a sample, are the best evidence that the internal-revenue system has not tended to prevent the poor man from rising to a position of commercial supremacy in this great industry. Ninety-five per cent. of the wealthy cigar manufacturers in the city of New York, and perhaps in the United States, were at one time workmen at the bench; so it is very certain that the internal-revenue system has not tended to prevent these men from coming to the front. If the Treasury surplus is too large, the proper thing to do is to reduce it by reducing the source of the income of the Government from the tax on cigars.

In the first place, the manufacturers ask a retention of the revenue system; and in the next place every workman demands it. As one preceding speaker said, the International Cigar Makers' Union, comprising a membership of over 100,000 workmen, have unanimously passed a resolution requesting Congress not to repeal the internal revenue system. The consumers of cigars in America have an interest in this question. Piracy and the refilling and imitating of packages, as is well known, is done now, and after a repeal of the law would be more successfully done. It would be an entirely different thing if the cigar-makers were demanding the abolition of this system. To my mind they need it as a protection, and for the convenience of the trade. We think we have the same right to ask this protection as the dairyman had to come to Congress and ask it to extend the ægis of protection against the manufacturer of oleomargarine. We think we have the same right to ask for the retention of this system. If the system is removed the packages of well-known manufacturers throughout the country will be refilled and sold as the genuine article of the manufacturer.

The tendency of all modern legislation in all civilized countries affecting commerce is toward the enactment of laws which shall preserve commercial honesty and give commerce protection. The tendency of such legislation in this country is toward securing uniform national laws which will protect our commerce and our people. No State laws can do this so efficiently and completely as the laws enacted by the General Government, and the consumers of cigars, or the manufacturers thereof, have as much right to ask that the protection now afforded them by existing laws be continued as those interested in those matters succeeded in securing new legislation in the matter of our interstate-commerce laws, or the laws regulating the manufacture and sale of oleomargarine.

The CH/IRMAN. Would you be protected by trade-marks?

Mr. WISE. Trade-marks can not be made to fully protect this industry. Our goods are imitated now. I think this trade is in this respect *sui generis*. It stands alone. Cigars are not packed in such a way that you would destroy the trade-mark and destroy the outer covering of the package in opening it. A dealer could keep on refilling our boxes with cigars, which were made, perhaps, in a garret, of tobacco that cost 2 cents a pound, and which would make cigars so cheap, as was so eloquently depicted by my friend who preceded me.

Mr. LA FOLLETTE. Could not the entire form of the package be changed so it would be destroyed in opening it?

Mr. WISE. No, sir; I think not. We find cedar wood answers best the requirements for packing cigars.

Mr. LA FOLLETTE. Suppose the packages were made of paper, for instance?

Mr. WISE. That would be of an ephemeral nature. I took a box of cigars to Washington. If it had been packed in a paper box it would have been liable to destruction. This form of cigar-packing is recognized throughout the world. We have adopted this as a standard package, and we do not think the cigar manufacturers should be compelled to change their package, and this standard package has been demonstrated to be the fittest for that purpose, and it should not be changed. Abolish this system and you will absolutely destroy many valuable brands of cigars.

The system is of great value to us, and it is also of benefit to the consumers throughout the United States.

Mr. GEAR. You think, in view of the fact that the Government has this internal-revenue system applied to spirits, that the expense of collecting the revenue on cigars would be incidental?

Mr. WISE. It would of course cost something to collect the tax. You would need a few more inspectors. The cost would, however, be quite small, say 10 cents a thousand cigars. We do not care how low you make the tax as long as you preserve unto us the protection of the system.

STATEMENT OF MOSES KROHN.

Mr. MOSES KROHN, of Cincinnati, Ohio, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I have been requested to come here by the cigar manufacturers of Dayton and Cincinnati to present their views to this committee. The gentleman who preceded me has so thoroughly given all the views on the matter, and as you have been kept here so long giving your attention to tobacco, I do not care to take up your time unnecessarily. I only wish to state that the manufacturers, as well as the working-men, and all those engaged in the cigar industry in Cincinnati and Dayton are heartily in favor of the retention of the tax on cigars.

Mr. GEAR. On cigars alone?

Mr. KROHN. On cigars. They believe that it is a protection to them, as it encourages honest industry, and that a man who has striven to establish a reputation in his line of business ought to be protected. If you remove the present system it is apt to create a system of piracy of favored brands, as has been already stated, by refilling the cigar boxes. I believe the internal-revenue system in relation to the manufacture of cigars has tended to give the smoker a more healthful and a better cigar than he could get for the same money before the system was inaugurated. If you abolish this system of protection, artificial flavoring will be used. We are using artificial flavoring now, but of such substances as are not hurtful. If cigars are to be made in garrets and kitchens, scraps from the table will be mixed with the tobacco and become a component part of the cigar. I do not think that is very desirable; and I believe that under this system the industry has been fostered and working-men have been paid far more wages under it than they were before or than they will be again. While I could urge other reasons, I will simply close by saying that I think the industry in Cincinnati and Dayton are entirely unanimous in favor of the retention of this tax. I do not think there is any diversity of opinion on the subject.

STATEMENT OF GEORGE H. HOPKINS.

Mr. GEORGE H. HOPKINS, of Detroit, Mich., representing the Detroit cigar manufacturers, read the following paper:

Mr. Chairman and gentlemen of the committee, for twenty-eight years the tobacco manufacturers have been compelled by the Government to do business in a certain way. That way has been changed twenty-three times. Whatever you do in reference to it do it quickly. We desire above all things to be let alone. I have a resolution adopted two years ago when this question was under consideration; a petition of manufacturers presented to Congress in March, 1888, and we respectfully submit it as covering our case to-day.

STATEMENT OF CHARLOTTE SMITH.

Mrs. CHARLOTTE SMITH, of Washington, D. C., addressed the committee. She said:

Mr. Chairman and gentlemen of the committee: I come before you as representative of the Woman's National Industrial League, an organization of wage-women believing that the daily increasing consumption of cigarettes is the direct cause for the increase of epilepsy, imbecility, and insanity. In some of the States the increase of insanity is reported as high as 40 per cent., which is mostly attributable to immoderate smoking of cigarettes by our youths.

In 1888 I wrote to every superintendent of public schools and private educational institutes in the State of Massachusetts to ascertain, if possible, the number of youths under fifteen years of age who were addicted to the use of tobacco. In some of the public schools the returns were as high as 70 per cent., and the general average was 60 per cent. How large is the general consumption of cigarettes is best illustrated

by the official returns of the United States commissioner of internal revenue, having in 1888 collected a tax upon 2,151,515,360 cigarettes.

Injurious as the smoking of cigarettes is, the women who are engaged in the manufacture of cigarettes are still greater sufferers. According to some returns furnished, seventy-six out of one hundred girls engaged in these factories become sick after having worked about six months making cigarettes. The mortality among these girls has been as high as 20 per cent. in New York and San Francisco.

Young girls attending grammar school at 25 Lafayette avenue, Brooklyn, N. Y., are in the habit of smoking cigarettes when at school, and have been known to smoke when outside of the building, on the street, and in front of the school-house. Principal Tutthill's attention has been called to these facts, yet his efforts in breaking up these noxious habits have proved in vain.

On June 28, 1889, the newspapers chronicled the fact that Mrs. Sadie Walters, of Chicago, an accomplished and beautiful woman, had become insane from smoking cigarettes. I have in my possession a list of four hundred and six women who have become insane from the immoderate use of smoking cigarettes during the past year (1889). Also, the death rate from cancer directly attributable to the use of cigarettes and cigars from 1860 to 1884 has increased from 326 to 542 to each million inhabitants.

Another equally reprehensible evil is the use of snuff by women of the South. Reports from Arkansas state that 90 per cent. of their women population are addicted to snuff-dipping.

The tobacco used in the manufacture of cigarettes is often adulterated, sometimes admixed with aka and sometimes with morphine. Rag-pickers collect stumps of cigars thrown away by smokers into the street; these stumps are cut up fine and used in the manufacture of some of the cigarettes.

It is also an admitted fact that paper used for cigarettes is injurious to health. There are three kinds of paper used in the manufacture of cigarettes. They are made from cotton and linen rags and from rice straw. The cotton paper is manufactured from the scrapings of rag-pickers; is bought in large quantities by the manufacturers, who turn it into pulp and subject it to a bleaching process. The lime and other substances used in the bleaching process have a very harmful influence upon the membrane of throat and nose. This cotton paper is so cheap that a thousand cigarettes can be wrapped at a cost of only 2 cents. Rice paper, which is less injurious, is too expensive, hence seldom used.

A tobaccoized paper is also manufactured of common cotton paper saturated with tobacco, and in such a manner as to imitate the veins of the tobacco leaf. Arsenical preparations are also used. Dr. Probst, of the State board of health of Columbus, Ohio, reports the case of a young man who was stricken with a peculiar disease. He lost his appetite, became pallid and emaciated, and seemed to be fast approaching the last stages of consumption. It was ascertained that the young man was a cigarette fiend. But so rapid was his decline that his friends demanded an analysis of the wrapper of the cigarette. An analysis was made, revealing the truth of the young man's condition. The wrapper contained arsenic in large quantities, and the victim was suffering from arsenical poisoning.

The Michigan house of representatives passed the "Jackson cigarette bill," which prohibits the manufacture, sale, keeping for sale, or giving away of any cigarettes or any imitation thereof.

Before closing allow me, gentlemen, to call your attention to the fact that for the past seven years I have used my best endeavors to call the attention of the parents, guardians, and legislators to the injurious habit of the use of tobacco. I have visited several States during that period, and have publicly spoken against the evil habits, and have particularly paid special attention to warn and plead with the youths of our country. I have repeatedly demonstrated to them that it not only stunts them in their growth but actually impairs their intellect.

BRIER-WOOD PIPES.

STATEMENT FROM DEMUTH & CO.

Mr. BURROWS presented the following letter:

NEW YORK, *January 4, 1890.*

DEAR SIR: In the bill brought before the United States Senate last fall to simplify the laws in relation to the tariff, we find changes which, if adopted, will cause additional trouble in deciding the correct classifications of the articles in question.

In the belief that you are ready to receive suggestions from manufacturers and importers, which will eventually lead to simplify the present existing tariff laws, put an end to the unlimited protests and appeals, and consequent litigations, and

give less chance to unscrupulous importers to evade the laws, we respectfully submit that sections 429, 430, and 431 could easily be condensed into one clause to read as follows:

"Pipes, pipe-bowls of any material, all smokers' articles whatsoever, including cigarette paper in all forms, and cigarette book covers, bags or pouches, whether used for chewing or smoking purposes, 70 per cent. ad valorem."

This would cover everything in the smokers' articles line and would set at rest the many doubts as to just classification. If you believe, as we do, that smokers' articles are a luxury, they should be classified alike.

The word "common" clay pipes is indefinite, and is therefore often misconstrued. Clay pipes, we believe, should, in order to do justice to that class of manufacturers, also be protected with 70 per cent. They now pay 35 per cent., while clay-pipe bowls, for which reed stems are used, pay 70 per cent., an omission, no doubt, of the tariff framers, and certainly an unintentionally wrong classification. The clay-pipe manufacturers are not protected with 35 per cent. Millions of boxes of these goods are imported annually, and nearly every clay-pipe manufacturer who formerly, when wages were much lower, succeeded in this country had to give up manufacturing, and the very few who are now working do so at starvation wages. We do not think that of all the clay pipes sold there is more than 5 per cent. of American manufacture.

We believe that this great difference in classification between clay at 35 per cent. and other material at 70 per cent. was made under the belief of the framers of the law that it would enable even the poorest men to get a pipe at a cheap price. But the clay pipe will be sold at retail for 1 cent, whether the duty is 35 per cent. or 70 per cent., the only difference being that at 35 per cent. more profit is enjoyed by the dealer, while the consumer has no benefit therefrom. Clay pipes are sold at about 40 cents per gross to-day, and it will be immaterial whether they are sold at 50 cents or even 60 cents per gross, there is still a very good margin for the retailer and no loss to the consumer, but the raise in duty would only be a just equivalent to other protections of this class, and would give employment to many working-men who have been driven out of their branch of business since more than twenty years.

The reason why we suggest to insert "tobacco-pouches or tobacco-bags, whether for the use of the smoker or of the chewer," in the same clause with "smokers' articles" is that these omissions have also given the Government considerable trouble, and we never know where the line can be drawn. We can not discriminate between the shape and style of these pouches. The same bag or pouch is used by the smoker as well as the chewer, and it is now held by the custom-house that if the bag is of a certain small size it pays 35 per cent., otherwise 70 per cent.

We fail to see why a special material, such as wood, needs the extra protection of one-half cent each. We believe that 70 per cent., as heretofore, is ample. The process of manufacturing wooden pipes, as far as the labor is concerned, is not more costly than that of any other material, such as meerschaum, china, rubber, clay, etc., especially with our new improved and excellent machinery. There is always a small demand for a certain French brier-wood pipe, and these pipes, owing to the nature of the material and their peculiarities, are not made in this country. They certainly form no part worthy of extra protection in our manufacturing business.

The wooden cigar-holders, also proposed at 70 per cent. and one-half cent each, are not imported, with the exception of the weichsel holders. The American article sells as low as \$1.50 per gross. Europe can not compete, and we do not see what benefit the manufacturers would have in putting an additional duty of 72 cents per gross on this innocent article. A weichsel, or so-called cherry cigar-holder, is imported, and sold for \$2.50 per gross. They are the product of special cultivation of one place in Europe, and are not made here at all.

Our stock represents the largest assortment of domestic and imported smokers' articles in this country. We believe that we can therefore fairly assert, without going into details of the cost of manufacturing and wages, that the old rate of 70 per cent. is fully all that is needed now. Our stock of smokers' articles amounts to about \$250,000, over 80 per cent. of which is manufactured in this country. About 10 per cent. are imported pipes, which are not made here, and 10 per cent. consist of pouches, cigar-cases, cigarette papers, etc.

The adoption of this extra half cent is positively not needed, and will be an annoyance to the importer as well as to the custom-house in new classifications and decisions when the question arises, for instance, as to whether a pipe made of wood with a meerschaum top bowl is to be classified as a wooden pipe, or a meerschaum pipe. Others would use the cigar-holders in applying them to the pipe-shank, which is very often done here on pipes, and then the question would arise as to whether this was a cigar-holder and a pipe, or only a pipe, and whether it should pay once or twice this specific duty of 72 cents per gross.

Another striking proof that the present protection is sufficient is that wooden pipes consist of the wood bowl, a mouth-piece which is made mostly of rubber or horn, and

a cover and pipe-band made of metal. These fittings of the wooden bowl constitute half the value of the finished pipe. Our pipe manufacturers with a protection of 70 per cent. are prospering, and manufacturers of wood, horn, and rubber have a protection of 35, 30, and 25 per cent. Now, if all these manufacturers of above materials, in other branches than ours, must get along with an average protection of not over 35 per cent., do you not think that we, as manufacturers of wooden pipes, are fully protected with 70 per cent.? This shows that there can be no loss if the three sections are condensed into one as above stated.

We remain, very respectfully, yours,

WM. DEMUTH & Co.,
Manufacturers and Importers.

Hon. J. C. BURROWS,
Washington, D. C.

NEW YORK, January 13, 1890.

DEAR SIR: We beg to refer to a letter which we wrote to the Committee on Ways and Means, in regard to smokers' articles, in which we gave an impartial opinion as to how the tariff could be simplified, and complications avoided.

Since writing the above a gentleman, with his attorney, appeared before you, asking that brier-wood be imported free, and brier pipes be taxed at 70 per cent. ad valorem and \$6 per gross.

This gentleman has no facilities for preparing and steaming American brier wood, and therefore finds it quite handy to ask you to have brier wood, cut into shapes of pipes, and, consequently, partly manufactured, come in free of duty. The present tariff protects this partly manufactured wood, but a decision of the Treasury Department, which was procured through misrepresentations, makes it free now. French brier-wood should be free, if imported in its natural crude state, but such wood as we now import, cut into shapes on which considerable work has already been done, should undoubtedly pay duty as well as any other partially manufactured article.

There is less American brier used than heretofore, but this is only because it could not compete since the decision referred to above was rendered. To put a tax of 50 cents per dozen on wood pipes would give our worthy competitor a protection of not less than 300 per cent. on wooden pipes which are manufactured and sold by all of us as low as \$4.50 per gross.

We remain, dear sir, respectfully yours,

WM. DEMUTH & Co.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

STATEMENT OF MR. STRAUSS.

MR. WILLIAM STRAUSS, of New York, appeared before the committee. He said:

Mr. Chairman and gentlemen: The subject that I am interested in and to which I wish to call your attention is the subject of brier-wood pipes. The last Senate bill proposed a specific duty of one-fourth of 1 cent on each pipe, and an ad valorem duty of 70 per cent. as against the existing 70 per cent. ad valorem, and at the same time suggested in another section of Schedule D, under wood and wooden ware, an ad valorem duty of 20 per cent. on brier-root on brier-wood. At present there is no duty upon brier-root or brier-wood.

The CHAIRMAN. Does it come in free now?

MR. STRAUSS. It comes in free at present. Any inequities of the proposed change would come in this way: It is proposed to increase the duty upon what is now free and comes in as a raw material and leave the ad valorem duty on pipes, because the proposed increase of one-fourth of a cent on each pipe at a specific rate would hardly be sufficient to compensate for the difference which we would be obliged to pay upon the wood, which is 20 per cent. ad valorem.

MR. BURROWS. It would be half a cent on each pipe?

MR. STRAUSS. Yes, sir; half a cent on each pipe, and 70 cents a gross. We enter into competition with the cheap labor of Austria, Germany, and France, where the labor averages \$2.40 per week in factories turning out brier-wood pipes as against a compensation of \$12 to \$18 per week for the same class of mechanics in this country. In other words, we are paying more than 500 per cent. difference in wages. Competition is keen and the business is not a profitable one, for, by reason of a Treasury decision, the American manufacturer is not alone hampered by the duty of 70 per cent. which now exists, but the Treasury decisions allowing packing to come in free, permitting the cases in which these goods are packed to come in free, so that by an ingenious method adopted by the importers cheap brier-wood pipes come in from Europe in a very respectable case upon which there is no duty, so that we are burned at both ends. They put a great many cheap pipes in fine cases, and in that

way they come in. The competing pipes being susceptible of cheaper manufacture here than it is abroad causes the importation of pipes with a celluloid bit which is attached to the foreign imported pipe which comes in free packing. The case pays no duty.

The CHAIRMAN. Suppose we restore the package clause?

Mr. STRAUSS. That would go a long ways towards relief. What we ask is an increase of the specific rate to 50 cents a dozen and the removal of the tariff on the wood and leave the wood as it is.

The CHAIRMAN. Is that assuming that the package clause will remain?

Mr. STRAUSS. That is assuming the package clause be removed. There was a specific duty upon pipes of \$1.50 per gross that was removed and changed. Now, we should like to have about 50 or possibly 45 cents a dozen duty, with the package clause removed. That would do away with what we have now to contend with. In other words, we want the pipe imported as a pipe to begin with. We do not wish to have a hybrid article to come in at an ad valorem duty and allowing them to affix this manufactured celluloid bit. We want them to pay on what comes in. It is a peculiarity of brier-wood that many imperfections are found in it. When the article is manufactured 55 to 65 per cent. of the goods manufactured turn out as what we call imperfect. They are called imperfect by the trade. The consequence is, when the imperfection is of a slight character, the consumer and person not well informed upon the tricks of the trade would not discover it. This [indicating] would be an imperfect pipe, for with a little putty filling it would be sold as a sound pipe. The percentage of imperfect pipes produced out of brier-wood is equivalent to from 55 to 65 per cent. These cheaper goods to the trade are sold at a lower price than the perfect goods.

The CHAIRMAN. But to the consumer how are they sold?

Mr. STRAUSS. To the consumer they are not sold cheaper. That is another inequity. When the pipe is badly bruised or scratched, or if an ornamented pipe, if it is disfigured, of course there is a nominal concession made to the consumer, but such a concession is not made to the buyer of the foreign goods when he is buying the goods abroad. The proportion say, in round numbers, is 60 per cent., so that we have to contend not only against the unfinished pipe imported in free cases paying no duty, but we also have to contend with a pipe nominally imperfect, but actually sound for commercial purposes. We do not have the advantage the importer has because we have to pay our workmen the same price per gross whether ninety-five or ninety-two of those pipes prove to be imperfect, or whether the one hundred and forty-four happen to be good. In other words, our labor is not fixed by the proportion of imperfect pipes, but on the proportion of goods turned out. What we want to call the attention of the committee to is the fact of these inequities—free packing and the unfinished pipe paying a nominal ad valorem duty; and then, in the third place, gets in under this nominal duty as against the pipe which we make and for which we pay full wages.

Mr. FLOWER. What do you suggest as the rate of duty?

Mr. STRAUSS. We desire to have 50 cents per dozen specific duty, and we wish to drop the 20 per cent. ad valorem which the Senate proposed.

Mr. FLOWER. How many men are engaged in this industry in this country?

Mr. STRAUSS. Five to ten thousand.

Mr. FLOWER. Where do you obtain your wood from?

Mr. STRAUSS. We import it. Except a small proportion found and dug up by some colored people in North Carolina there is no real trade in brier-wood in this country. All the brier-wood raised here would not be sufficient to supply the tenth part of what is necessary in the manufacture of pipes. People dig it out of the ground in the south and simply sell it to a shop keeper. There is no traffic in it. Such wood is found in lumps like this [indicating]. When found, it is in such form that it requires extra preparation to get it ready for market. It comes to us in this shape [indicating]. It is rather in the form of a bowl.

Mr. PAYNE. Where is it imported from?

Mr. STRAUSS. Italy and France. The German and French peasants dig it up. Upon examination of the records I find the difference between 1887 and 1888 in the amount of duty paid on brier-wood pipes to have increased about 35 per cent. In 1887 there were \$146,000 paid for pipes and smokers' articles, and in 1888, \$191,000 were paid. That is probably due to the additional fact that packing and the unfinished pipe business was taken advantage of by the importers. We close with the suggestion that the duty be made specific upon pipes at 50 cents per dozen, and we ask for a removal of the ad valorem duty on brier-wood which is proposed by the Senate bill, and that it be put on the free list.

Mr. BRECKINRIDGE. And you want the present ad valorem rate retained?

Mr. STRAUSS. Yes, sir.

Mr. BRECKINRIDGE. What is the price of your cheapest pipes?

Mr. STRAUSS. We are making brier pipes as low as \$9 a gross or 75 cents a dozen.

Mr. BRECKINRIDGE. What is the cheapest?

The witness here exhibited various kinds of pipes and gave the prices of them, giving the lowest price per gross as \$7.50, and the highest price per gross as \$54.

VIEWS OF MANUFACTURERS.

We desire a specific duty in addition to the present ad valorem, so that paragraph No. 429, page 66, of last year's Senate bill should read as follows:

"Pipes, pipe-bowls, and cigar-holders of wood, 48 cents per dozen and 70 per centum ad valorem."

We also desire that "briar-root or briar-wood" be taken out of Schedule D (of the proposed Senate bill), and be continued on the free list. The Senate bill in paragraph 216, page 51, proposes to place a 20 per cent. ad valorem duty. Believing that such a duty would work additional hardship upon manufacturers and increased advantages to the importers of pipes, we oppose the passage of such legislation on that ground.

The decisions of the Treasury Department having seriously affected manufacturers of pipes, we desire to call the attention of your committee to the same.

In support of the foregoing propositions we submit the following points:

First. The present importation of pipes, pipe-bowls, and cigar-holders of wood is of such a character that the condition of our manufacturers is simply one of hardship.

(A) The labor market here compels us to pay to our workmen an average of from \$12 to \$15 per week for this class of work, the greater part of which is hand work and not machine work. The labor market of Austria, Italy, and southern France, where many of these goods are made and against which we stand in competition, rests upon such a basis that the wages earned by these foreign workmen making such wares amounts to no more than between 7 and 8 gulden=\$2.80 or \$3.20 per week.

(B) One of the features of the trade is the enormous sale of so-called "seconds," or second quality goods, by which term is meant such manufactured articles as are not perfect in every respect. The proportion of "seconds" is equal to about 65 per cent. of the entire production. The "seconds" are sold at a reduction, running from 40 to 70 per cent. below the regular price—the reduction depending upon the amount of damage or defect appearing on the article. These nominal defects (for they consist merely of slight depressions or scratches, or abrasions, which are easily filled with putty, red lead, or other soft material, so as to deceive or pass unobserved by the unpractised eye) are sold to the consumer at substantially full market prices in this country.

A consumer thus obtains no advantage by reason of the reduced price of imperfect goods, but the American manufacturer is virtually deprived of his market. The goods are imported and entered as "seconds" and at a corresponding valuation.

(C) In addition to the "seconds," or imperfect goods, which the American manufacturer has had to contend against, he has also been compelled to witness the importation of pipes partially finished, and which, by reason of their unfinished state, were also entered at a nominal valuation, thus again paying a nominal ad valorem duty. Thus a pipe without the mouth-piece, or "bit," would be imported as an unfinished pipe; as such, the importer would be at liberty to have his own valuation placed thereon.

Many of the better class of pipes are imported in this unfinished state, thus paying a nominal ad valorem duty upon a good pipe. It would thereafter be finished here by adding a "bit," or mouth-piece, very often of celluloid—an American invention—or of amber, which is entered free of duty and turned into a variety of forms in this country at a nominal cost.

(D) The cost of the pipe in this country is based upon the amount of labor bestowed upon it. In other words, workmen are paid a certain price per gross, and receive such price whether 60 or 70 per cent. of the pipes turned out are imperfect (classed "seconds") or not. It thus happens that to the American manufacturer the cost of the imperfect or second class of pipes is as great as that of perfect pipes, of which last named only 30 to 40 per cent. come from a gross.

The second quality of pipes, by reason of facility of importation, comprises the bulk of imported briar-wood pipes. The first quality is mainly disposed of in Europe. The "seconds," being readily "doctored" or repaired by the use of putty or other soft material, are freely sold to the American consumer in competition with our first quality of pipes.

Now, with an American labor market showing an increase of from 300 to 500 per cent. compared with the labor market of Europe in this particular article, assuming that the goods of both countries were sold on a par as to quality, we have the ad-

ditional disadvantage of being compelled to submit to the low valuation at which the defective foreign manufacture is imported into this country, and thereupon sold as a sound article at just enough below American quotations to force our own manufacture out of the market, without giving the consumer a particle of benefit.

TREASURY DECISIONS AFFECTING THIS INDUSTRY.

The result of Treasury decisions in the packing carton or wrapping cases was of such a character as to cast additional burdens upon the manufacturer of pipes.

(A) The case or wrapper in which a pipe is packed is a very attractive feature and a very important element in its sale. The importer no longer pays duty upon that part of the pipe, hence the American manufacturer, if he wishes to have any pipe cases or wrappers, not only must pay 500 per cent. more for the labor necessary to make the case than is paid for the case in Europe, but must contend against the free importation of the same. It should be remembered that the pipe casing or covering is made of good leather, papier-maché, brass hinges, plush, velvet, satiu, or silk lining, and other materials which, if imported in bulk alone, would be dutiable. It thus happens that in addition to an increase of 500 per cent. in labor, the American manufacturer of pipe cases must pay so much more for the material entering into a case than the foreign manufacturer.

(B) In this way it happens very often that a very fine case covers an ordinary pipe. The case is entered free of duty; the low-priced pipe (perhaps a defective one, or it may be an unfinished one) is entered at a nominal price, paying a nominal ad valorem duty. After importation the case is used for a better class of pipes, or for pipes imported in an unfinished state but finished here. The low priced or damaged pipe imported in a fine case is taken from the case and is made to compete against our American manufacturer.

It may be incidentally remarked that the case is very often offered for sale. The profit made by the sale of the case by the importer goes to the still further reduction of the cost of his imported pipe.

(C) It will thus be seen that the effect of the Treasury decision is to place the American manufacturer of pipes at a disadvantage and disable him to compete with the importer, who already has the advantage of a low duty upon (a) defective pipes called "seconds," or (b) unfinished pipes (generally of good quality), but entered at a nominal valuation; (c) a non-duty paying case or packing sold at a profit.

Second. We desire to call the attention of your committee to the fact that briar-root or briar-wood is now on the free list. It should remain so, for the reason that there is no established industry of the sort in this country. The only wood of the kind that is to be had here is dug up in an indifferent way in a few localities. The fact is, that while we pay no more for the small production of domestic wood even without duty than we do for the imported, such limited production or quantities finding a ready enough market for some purposes, yet the domestic wood can never supercede or become a substitute for the imported article, as the latter is always necessary in order to make the "French" briar pipe.

(A) Notwithstanding the fact that the importers were clamorous for the duty on briar-wood and briar-root, the Mills bill avoided the snare. It is clear that the imposition of a duty on this wood would be a measure in favor of the importer and in direct hostility to the interests of the American manufacturer of pipes. The duty proposed on wood would add $1\frac{1}{2}$ cents to the cost of each pipe, and thereby still further remove the American manufacturer from competition with the imported pipe, which has already the numerous advantages and methods of escaping customs duty above pointed out. The addition of 18 cents per dozen to the cost of our manufacture would be just so much premium to the importer, as it would virtually operate as a reduction of duty to the importer.

(B) The demand by the trade and by the consumers for what is known as the "French" briar pipe is a fact. The trade and the consumer know the difference between the imported briar-wood and the American briar-wood, and a demand for the "French" briar-wood pipe could not be filled by American briar and pipes. Pipes made of imported briar-wood are generally designated by the trade as "French." There is not enough wood grown here to affect the pipe market, even with the present limited manufacture of briar pipes, inasmuch as the bulk of briar-wood that is needed by manufacturers is necessarily imported.

(C) The demand for duty on the imported briar-root or wood comes from the importer. His motive is not patriotic, nor is his business one of charity. If the present law in regard to briar-wood is not to stand, but if, on the contrary, proposed legislation would compel us to pay a duty on the wood which we use in manufacturing pipes, increasing the cost of each pipe $1\frac{1}{2}$ cents, we would not be immodest in asking for a specific duty of at least 60 cents per dozen on pipes, pipe bowls, and cigar-holders of wood, instead of 48 cents, as above requested, in addition to the proposed ad valorem.

Third. We believe that the sales of goods connected with the industry in this

country amounts to upward of \$4,000,000 per annum. If a specific duty were imposed upon the pipe as requested, and the wood be permitted to come in free of duty, a large industry would be built up here, whereby many more workmen could obtain employment at remunerative wages. There are employed at present in the trade and in all its branches, probably between five and ten thousand persons; the number now employed could be doubled and trebled.

The result of a specific duty, such as is asked for, would be to increase the output or production of the American pipe. Hence the greater demand for the briar-wood found in this country. Thus it would come that in addition to the sale of briar pipes made of imported briar-wood, the manufacturer would also sell briar pipes manufactured out of American briar-wood, so far as the limited supply of American briar-wood should permit.

To summarize the foregoing, our application seeks to secure a specific duty upon pipes, pipe-bowls, and cigar-holders of wood, in addition to the ad valorem duty, and also to secure the retention of briar-root or briar-wood on the free list and taking it out of the proposed Schedule D. We also desire to re-enforce and execute our rights under such proposed legislation by asking your committee to impose a proper duty on cases, packings, or wrappings in which the briar pipe, pipe-bowl, or holder is imported.

Respectfully submitted.

WILLIAM STRAUSS, 20 Nassau street, New York,
Representing manufacturers of briar-wood pipes.

AMERICAN CLAY PIPES.

The following papers were presented and ordered to be printed in the record :

To the members of the Forty-ninth Congress of the United States :

GENTLEMEN: Having submitted a lengthy appeal to you through the Secretary of the Treasury for a revision of the tariff laws on manufactured clay pipes brought into this country from the factories of Europe, and asking that the same be changed from ad valorem to specific duty, we would respectfully add the following very pertinent arguments why our plea should receive due consideration at your hands:

First. By granting our request, and making the duty 25 cents per gross, you will not only protect American-made goods, but you will do so at no extra cost to the consumer, and as that cost is now at the lowest possible price within the medium of our currency—namely, 1 cent apiece for those in most general use—reduction on same is of course out of the question. It is also conceded by those who are acquainted with the facts that the American clay pipe is much superior to the European article—American clay being ranked with the best in the world, and, being generally more porous than foreign, is hence more healthful to the habitual user.

Second. By increasing the import duty, and thus to some degree discouraging the importation of foreign-made pipes, this line of manufacture will be greatly stimulated in this country, and there will necessarily spring up factories for their production in regions where they could not now exist, and which are at present reached only by foreign goods. This is true of the entire South, the nearest home factory to this portion of the country being situated in the city of Baltimore. It may be asked, "Why do not American clay pipes reach the South?" The reason is very apparent. Importers in introducing foreign clay pipes to Southern dealers, through the medium of commercial travelers, do so at little or no cost for this special commodity, from the fact that clay pipes constitute but one of many articles so introduced, as their wares also include meerschaum, briar-wood, and every other variety of pipe, besides all other kinds of smokers' articles generally. On the other hand, the American manufacturer would be compelled to send agents to this distant portion of the country for the sole purpose of introducing clay pipes alone, and at the ridiculously low prices at which he is now compelled to produce his goods in competition with the cheap labor of Europe this would be next to impossible. For these reasons importers of European pipes have the Southern field virtually to themselves, and make good use of it, as will be seen from the fact that a common 1 cent pipe costs the consumer in the Southern States 2 cents apiece. With proper encouragement to American manufacturers to establish themselves in this large section of the country, this extortion—which mainly comes from the pockets of the poorer classes—would cease to exist.

Third. As our business is really a branch of pottery—the same methods being employed—we should at least receive the same protection accorded the other branches of that industry. The mechanics employed in the various potteries in the United States are thus enabled to earn living wages, while a skilled clay-pipe maker is compelled to work long hours to secure the bare necessities of life, and this because the

product of his labor comes in direct competition with European starvation prices, and the numerous other similar advantages enjoyed by foreign manufacturers.

For the foregoing reasons we therefore respectfully ask that the form of duty be changed from ad valorem to specific, and that said duty be not less than 25 cents per gross.

If, in the wisdom of Congress, the form of duty be not changed, then we ask that the ad valorem duty be so increased as to place us at least on an equal footing with other departments of pottery in general.

The efforts now being made to increase protection on American clay pipes are not confined to the manufacturers alone, but are strongly stimulated by their workmen, whose interests are identical with those of their employers on this all-important subject.

Respectfully submitted.

UNITED AMERICAN CLAY TOBACCO PIPE MANUFACTURERS' ASSOCIATION,
WM. MASTERS, *Secretary*, 638 Kosciusko street, Brooklyn, N. Y.

To the Senators and Representatives of the Fiftieth Congress of the United States :

GENTLEMEN: Having already sent our appeal to both sessions of the Forty-ninth Congress, asking for a revision of the tariff laws on manufactured clay pipes brought into this country from the factories of Europe, and hoping that the members of the Fiftieth Congress may grant the assistance we failed to procure from the other two sessions and help to prosperity an almost exterminated industry, we would respectfully add the following very pertinent arguments why our plea should receive due consideration at your hands:

First. By granting our request of making the duty 25 cents per gross you will not only protect American-made goods, but you will do so at no extra cost to the consumer; as that cost is now at the lowest price within the medium of our currency—namely, 1 cent apiece for those in most general use, reduction on the same is, of course, out of the question. It is also conceded by those who are acquainted with the facts that the American clay pipe is much superior to the European article, American clay being the best in the world because of its being more porous than foreign, and hence more healthful to the habitual user.

Second. There are only about eighty-five pipe-makers earning a living at the business in the United States where there was once, at the very least, two thousand; and, if we produced 92 per cent. of the pipes consumed in the United States, which is the aggregate consumption of all other products in the United States, there would be at least five thousand.

Third. It will be seen from this that this business has been and is still left out in the cold, as we do not produce 2 per cent. of what are consumed, and import over 98 per cent.

Fourth. To illustrate: When the other branches of our industry had no more protection than we have they never produced over 2 per cent. of our consumption.

Fifth. By increasing the import duty, and thus to some degree discouraging the importation of foreign-made pipes, this line of manufacture will be greatly stimulated in this country, and there will necessarily spring up factories for their production in regions where they could not now exist, which are at present reached only by foreign goods. This is true of the entire South, the nearest home factory to that portion of the country being situated in the city of Baltimore.

Sixth. It may be asked: Why do not American clay pipes reach the South? The reason is very apparent. Importers in introducing foreign clay pipes to Southern dealers through the medium of commercial travelers do so at little or no cost for this special commodity, from the fact that clay pipes constitute but one of many articles so introduced, as their line of goods also include meerschaum, brier-wood, and every other variety of pipes, besides all other kinds of smokers' articles generally.

Seventh. On the other hand, the American manufacturer would be compelled to send agents to this distant portion of the country for the sole purpose of introducing clay pipes alone and at the ridiculously low price at which he is now compelled to produce his goods in competition with the cheap labor of Europe. This would be absolutely impossible.

Eighth. For these reasons importers of European pipes have the Southern field virtually to themselves and make good use of it, as will be seen from the fact that a common 1-cent pipe costs the consumer in those parts 2 and 3 cents apiece. With proper encouragement to American manufacturers to establish themselves in this large section of the country this extortion, which mainly comes from the pockets of the poorer classes, would cease to exist.

Ninth. During the period that gold was at a premium there were several factories in the United States and about two thousand men making pipes alone, but when

greenbacks were put on par they had to give up after struggling hard and with great loss.

Tenth. The rates of interest, rents, and many other incidental expenses are much greater in the United States than in Europe.

Eleventh. In \$1 worth of pipes there is 88 per cent. of labor and 12 per cent. of materials.

Twelfth. It has been claimed that the proximity of the American manufacturers to the consumers gives them a great advantage in the item of freights. This is a mistake, for the freights from New York to any distant part of the country is oftener more than the freight from Europe to those distant points.

Thirteenth. The surplus revenue is increasing at a very alarming rate, and if pipes were 25 cents per gross specific duty it would discourage foreign pipes, and, we believe, would decrease the revenue on the item of pipes.

Fourteenth. As our business is really a branch of pottery, the same methods being employed, we should have at least received the same protection accorded the other branches of our industry. The mechanics employed in the various other kinds of potteries in the United States are thus enabled to earn living wages, while a skilled clay-pipe maker is compelled to work long hours to secure the bare necessities of life, and this because the product of his labor comes in direct competition with European starvation prices and the numerous other similar advantages enjoyed by foreign manufacturers.

For the foregoing reasons we therefore respectfully ask that the form of duty be changed from ad valorem to specific, and that said duty be not less than 25 cents per gross. If, in the wisdom of Congress, the form of duty be not changed, then we ask that the ad valorem duty be so increased as to place us at least on an equal footing with the other departments of pottery in general. The efforts now being made to increase the protection on American clay pipes are not confined to the manufacturers, but are more strongly stimulated by their workmen, their interests being identical with those of employers on this all-important subject.

Respectfully submitted.

UNITED AMERICAN CLAY TOBACCO PIPE EMPLOYERS' & EMPLOYÉS' ASS'N

TOBACCO AND SUGAR IN WISCONSIN.

Mr. CASWELL, of Wisconsin, appeared before the committee and said:

Gentlemen of the committee, I am very grateful for this opportunity of expressing to you the wish of my constituents in reference to a revision of the tariff. My people are deeply interested in the growth of tobacco. Large quantities are raised in my district. They are largely interested in buildings and land specially prepared for that crop. They can raise an excellent grade, suitable for wrappers, but the industry is greatly injured, I may say rendered unprofitable, because of the importation of Sumatra tobacco. My constituents believe we should fix the duty on that article at \$2 per pound, and that rate should be placed upon every package any part of which is suitable for wrappers.

Let me express also the hope that you will make a large reduction in the rate now levied upon sugar, if you do not take it off altogether. I do not believe in collecting fifty or sixty millions of dollars annually from this article of universal consumption to protect an industry which does not yield, with such aid, one-tenth of the amount consumed. I think nine-tenths of my constituents are for free sugar.

I thank you, gentlemen, for this opportunity, and trust you will give us such a bill as will meet with universal favor.

HOPS.

VIEWS OF THE UNITED STATES BREWERS' ASSOCIATION.

To the Senators and Representatives in the Congress of the United States :

In reference to a bill introduced in the House of Representatives by Mr. De Lano, of New York, and entitled "A bill to fix the rate of duty on hops, hop auxiliaries, and hop substitutes," said bill imposing a duty of 20 cents on hops in lieu of the present duty of 8 cents, your petitioners, the undersigned, trustees of the United States Brewers' Association, most respectfully beg leave to submit the following reasons why said bill should not become a law:

While the brewers of this country, the almost exclusive consumers of hops, are sincerely and earnestly in favor of protecting domestic agriculture against the competition of what is usually styled the pauper labor of Europe, they can not concede either the necessity or the justice or the wisdom of an increase of the present duty on hops.

Far from being in need of additional protection against foreign competition, the hop-growers of our country have for years successfully competed with foreign hop-growers in European markets, and have done and are doing so in a measure far exceeding the degree of competition which they have to meet in their own home markets at the hands of foreign growers. From the statistical abstract for 1888, issued in 1889 by the United States Treasury Department, it appears that the quantities of hops imported into and exported from our country from 1882 to 1888, inclusive, were as follows:

<i>Hops imported.</i>		<i>Hops exported.</i>	
	Pounds.		Pounds.
1882	955, 854	1882	5, 867, 363
1883	2, 122, 589	1883	7, 817, 228
1884	701, 104	1884	13, 516, 642
1885	1, 642, 086	1885	7, 055, 289
1886	2, 672, 762	1886	13, 665, 661
1887	18, 538, 049	1887	260, 721
1888	5, 585, 033	1888	6, 793, 818
	<hr/> 32, 217, 477		<hr/> 54, 976, 722

From the quantity imported must be deducted 1,152,316 pounds of foreign hops exported from our country, leaving for consumption an aggregate of 31,065,161 pounds as against 54,976,722 pounds of American hops exported during this period of seven years. It will be seen at a glance that the excess alone of exportation over importation—being 22,759,245 pounds—amounted to nearly three-fourths of the entire quantity of hops imported from foreign lands for consumption in the United States. The successful competition of American hop-growers with foreign hop-growers in the home markets of the latter is still more strongly illustrated by a table of the value of the quantities of hops imported and exported, respectively. The figures are taken from the official source already quoted and are as follows:

<i>Value of imported hops.</i>		<i>Value of exported hops.</i>	
1882	\$302, 102	1882	\$1, 456, 786
1883	1, 579, 003	1883	5, 616, 370
1884	304, 297	1884	3, 265, 211
1885	433, 706	1885	1, 391, 854
1886	444, 988	1886	1, 714, 488
1887	3, 404, 669	1887	54, 970
1888	1, 017, 494	1888	1, 203, 060
	<hr/> 7, 486, 259		<hr/> 14, 702, 739

The value of imported hops as stated above does not include duty or cost of transportation, etc.

These data, considered in connection with the fact that the present duty of 8 cents on every pound of hops amounted to an ad valorem duty of 49.50 per cent. in 1886, of 42.64 per cent. in 1887, and 43.90 per cent. in 1888, prove conclusively that there is no necessity for further protection to the American hop-growers—the successful competitors of foreign growers in foreign markets.

In addition to being unnecessary, the proposed increase of the hop duty would be extremely unwise, even if the interests of the hop-growers only were to be considered. In view of the large excess of American exportation over importation, it is not to be wondered at that hop-growers in those foreign countries in which American hops

are largely consumed, evince great dissatisfaction and clamor loudly for protective duties. An increase of the American duty to the point of prohibition, such as the bill in question proposes, would intensify the discontent of foreign growers and lead to retaliatory duties excluding American hops from these markets.

That it would not be just to allow the bill in question to become a law is easily demonstrated, for a duty of 20 cents on every pound of hops would be absolutely prohibitive in its character, and its effect would of necessity be exceedingly detrimental to the interests of the brewers, of small benefit to domestic growers, and of decided advantage only to the intermediary agent between producer and consumer; in fact, the absolute control of the market would then be in the hands of a few dealers.

The glaring injustice of the proposed increase of duty becomes still more manifest when the likelihood of occasional failures of American hop crops is taken into consideration. In such cases, examples of which are still fresh in the recollection of your petitioners, the brewers would sustain great pecuniary losses, while the domestic hop-grower would reap no benefit whatever from the existence of the proposed exorbitant duty.

Your petitioners beg leave to add that the New York State Brewers' Association, at a meeting held in March, 1889, adopted the following:

"Resolved, That to further encourage the cultivation of hops in this State we will join the various hop-growers' associations in a petition to Congress to so regulate the duty on foreign hops as to insure protection to one of the principal agricultural interests of this State."

It is worthy of note that at the said meeting only twenty-seven out of a total of one hundred and eight brewing members were present, while hop-dealers, malsters, and kindred trades were represented by forty-four delegates. This resolution was submitted to the United States Brewers' Association at a convention held at Niagara Falls in June, 1889, and there referred to a special committee, with instructions to ascertain whether all the local brewers' associations throughout the country would favor any increase of the duty on hops.

The result of this inquiry shows that all local brewers' associations are unanimously opposed to any such increase, and this result includes the unanimous negative vote of the local associations of the cities of New York, Brooklyn, Buffalo, and Rochester, the very associations whose members constitute 95 per cent. of the hop-consuming members of the New York State Brewers' Association.

The latter fact simply shows that on examining the question thoroughly the New York brewers became convinced that the present duty, under which the exportation of hops reached a point far exceeding the importation of foreign hops, affords the very protection which the resolution called for.

These are the reasons which, in the opinion of your petitioners, should prevent the passage of the bill here in question.

THIES J. LEFFENS, *Chairman*, Chicago, Ill.

HENRY CLAUSEN, Jr., New York.

GEORGE EHRET, New York.

JOSEPH LIEBMANN, Brooklyn, N. Y.

I. DANENBERG, East Newark, N. J.

HENRY H. RUETER, Boston, Mass.

G. F. BURKHARDT, Boston, Mass.

C. W. BERGNER, Philadelphia, Pa.

ELLIS WAINWRIGHT, St. Louis, Mo.

AUGUST UHLEIN, Milwaukee, Wis.

LEO ERNST, Chicago, Ill.

LEO EBERT, Ironton, Ohio.

EDWARD W. STIEFEL, Carroll P. O.,

Baltimore, Md.

JAMES LIEBMANN,

H. B. SCHARMANN,

Vice-Presidents.

NEW YORK, *February 6, 1890.*

The above is a correct copy of the original petition on file in the office of the United States Brewers' Association.

[SEAL.]

RICHD. KATZENMAYER,

Secretary.

COLUMBUS, OHIO, *January 20, 1890.*

We, the undersigned brewers and malsters of the city of Columbus, county of Franklin and State of Ohio, having heard that the member of Congress representing the twenty-fourth district of the State of New York is making an effort to greatly increase the import duty on hops, and as the present specific duty of 8 cents per pound is equal to an ad valorem duty of from 40 to 60 per cent. and fully represents the average cost of production of hops in the United States, respectfully protest most earnestly against any advance in the duty, as it would be a great hardship to the large number of consumers in all parts of this country, and would be prohibitory in its effect.

The hop producing sections of this country are confined to a very few counties in the State of New York, and also to a very few counties in the three States on the Pacific coast, viz, California, Oregon, and Washington, which alone could be seem-

ingly benefited by any increase of the duty, while some of the largest industries in every State of the Union will be directly and very seriously injured by any increase in the duty. The duty which for many years was 5 cents per pound was a few years ago, without cause, increased to 8 cents per pound, and has been very oppressive and is out of all proportion in comparison to other products.

As any further increase in duty would be disastrous in its consequences, we respectfully request you, as a member of Congress from this county, to use your influence and best efforts to prevent any increase in the duty and to have it reduced to its former standard.

THE L. HOSTER BREWING COMPANY,
By LOUIS HOSTER, *President*.
N. SCHLITZ.
BORN & Co.

Hon. JOSEPH H. OUTHWAITE.

IEWS OF G. S. HINMAN

FOOTPRINTS, N. Y., *January 15, 1890.*

DEAR SIR: Nearly all of the industries are having a hearing before your committee, but no one, so far as I have observed, has taken an interest in the hop industry, which is a great one in central New York. In many counties it is almost the entire industry, and for the last five years the prices have been ruinously low and disastrous to many growers. This county raises more hops than are brewed here, and yet our brewers import large quantities of hops, and pay at times 15 to 20 cents more than they could buy our hops for of as good quality. The reason is that nearly all brewers are Germans, and think they have got to have German hops to give their beer a German taste. I know of one brewery in Cleveland, Ohio, that uses nothing but Bohemian hops, and will buy nothing else.

These brewers can afford to buy any hop they choose, as their business is one of the most profitable in the country. You will note that foreign corporations are buying up all the best breweries in the country. Now the importation of hops into this country has a depressing effect upon our markets here and keeps the price way below the cost of production, and the growers are getting poorer every year. It is an industry that they can not go out of without great loss, as all growers have been to the expense of costly dry-houses and large outlay for poles, hop-boxes, and various other implements and tools that, if they were to give up growing hops, would be a total loss; besides, it is an industry that gives lots of employment to laboring classes, and if the grower is driven out of the business they would lose their employment. And I think, in justice to the grower and the laboring interest connected with him, you ought to increase the duty from 8 cents to 20 cents per pound. I have known of several instances where hops were bringing a fairly good price. Dealers here combined and imported large quantities of poor quality of German hops and thrown them on to the market and depressed the market so that it was almost impossible to sell at any price.

Truly,

G. S. HINMAN.

CHAIRMAN COMMITTEE ON WAYS AND MEANS.

STATEMENT OF HON. GEORGE E. ADAMS.

THURSDAY, *March 6, 1890.*

Hon. GEORGE E. ADAMS, Member of Congress, of Illinois, addressed the committee. He said:

When I was before you the other day I had in my hand a memorial of the American brewers in relation to the increase in the duty on hops. My contention then was that American hops are largely exported as well as imported; and also that American brewers buy German hops at a higher price than they would have to pay for the domestic article.

Mr. BRECKINRIDGE. You spoke of American hops being exported as well as imported. You mean hops—American hops—are exported.

Mr. ADAMS. Of course, I mean that American hops are exported, and that foreign hops are imported. Thank you.

If the American brewers use German hops in the brewing of American beer and pay a larger price for them than they could get good American hops for, it is for this reason: A certain number of years ago, say eight, ten, or fifteen years ago, there came to be a large importation into this country of certain brands of German beer. They came here and American brewers had to compete with them. They had to use German

hops in order to produce those particular brands of American beer which would successfully compete with the German beer which have been imported to this country for the last ten years.

Under these circumstances I contended that an increase in the duty on hops would be unreasonable and unnecessary.

It would not necessarily lead to a larger use of American hops for the brewing of beer, but it would simply lead to a larger importation of the German beer. German hops would come into this country, not as hops, but as beer. When I had made that statement, and Mr. De Lano had followed it with a statement in behalf of the hop-growers, members of the committee asked me about the manufacture of beer and the cost of hops, and other questions which I could not answer; nor could Mr. De Lano answer all the questions that were put to him in regard to hop-growing. It was therefore a greed that we should have this morning a statement by experts on the one side and the other. Mr. De Lano, I think, is absent, and the representatives of the hop-growing industry can not be here until March 10, but Mr. Lefens and Mr. Ernst have come on from Chicago, and other gentlemen have come on from New York by the invitation of Mr. Fitch, and they desire to be heard this morning; and I will now ask you to listen to Mr. Lefens, of Chicago. He is a business man, and understands that he is not to make a formal address, but is to answer such questions as the committee may choose to ask.

STATEMENT OF THIES J. LEFENS.

Mr. THIES J. LEFENS, of Chicago, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, as Mr. Adams has stated, I am not prepared to make a speech in your presence here to-day, but appear simply for the purpose of answering any questions which the committee may desire to ask me. I would only make the general statement that Mr. Adams made, that hops ordinarily are imported only for the purpose of manufacturing a beer with a flavor like that of German beer, and in order to do that we have to import German or Bohemian hops, as the case may be. The proportion of German and Bohemian hops used in the manufacture of beer will differ in different sections of this country. I would say from 5 to 15 per cent. are used at the present time. The business of brewing the so-called Bavarian beers has increased and we need the German hops to give them the proper flavor. They are growing in favor, and it is for that reason only that hops are imported. Ordinarily, hops have, up to within the last ten or fifteen years, been grown plentifully in this country; but owing to the failure of our crop we have had to import hops in order to have them; though we imported principally in 1882, when we had a complete failure in New York State. Towards the end of the season it was learned that more hops had been exported—American hops—than we could spare, so we were forced to import European hops. That accounts for the large value of imported hops as stated in the memorial presented to you for that year. I believe we imported more hops in 1887 than in any other year. We imported that year 18,538,049 pounds. That is the highest importation, I believe. That, as I say, was caused by the failure of the hop crop in New York State. I find that the importation of hops for that year amounted in value to \$3,404,669. The importation that year was far greater than in any other.

As we have to compete with the material into which these foreign hops go—Bavarian beers—there is certainly no necessity for raising the duty to the extent proposed in your bill, namely, 20 cents per pound, or any sum like that. It has been represented that the increase in the duty on hops is a necessity. The hop-growers of New York, I want you to understand, are here asking for an increase of duty on the foreign product. That represents the State of New York alone. The hop-grower there does not understand that he is suffering from competition from the Pacific coast. The Pacific coast States—California, Washington, and Oregon—have developed into large hop-growing States; in fact they are very close on the heels of New York in growing hops, and for the reason that in their hop crop they have so far not had a failure. Their climate is exceptionally adapted for growing hops. They do not know such a thing as worms getting into the hops or rainy weather spoiling them. They not only have the weather in their favor, but also have the labor—the kind of labor—on the Pacific coast in their favor. Hop-picking is a large part of the cost of hop-growing. It is finger labor, for which the Chinese are particularly well adapted, and they are employed. They have no such labor in New York State. They employ also Indians, I understand, in Oregon. In fact, it is their climate and the cheapness of the labor that makes them the competitors of New York State. They are ever increasing as a hop-growing section of country. That is the reason of the depression of prices in New York State.

The CHAIRMAN. Then you think the hop-growers of New York are suffering from this competition on the Pacific coast alone rather than from foreign competition?

Mr. LEFENS. I am fully satisfied of that.

The CHAIRMAN. Is there any difference in the hop grown on the Pacific coast and the hop grown in the State of New York?

Mr. LEFENS. Yes, sir.

The CHAIRMAN. I mean in the manufacture of beer.

Mr. LEFENS. Yes, sir. Up to recently the New York State hops have been considered the best, and it is even to-day, I think, in some places.

Mr. FLOWER. Do they sell at the same price substantially in the market?

Mr. LEFENS. Last year, for instance, the Pacific coast hops sold at a higher price, because your hops—they are spoken about—of 1888, in New York State, were weather-beaten and were not in as good condition; but that difference is a matter of taste.

Mr. MILLS. There is a difference in the flavor of the beer made from these two kinds of hops.

Mr. LEFENS. Yes, sir.

Mr. FLOWER. The Washington hops, I think, rank next to the New York State hops, do they not?

Mr. LEFENS. Yes, sir. They speak of both crops being equal.

Mr. MILLS. Can we not bring hops from Germany and raise them in this country and make as good hops?

Mr. LEFENS. No, sir; that has been tried. We can not produce the same hops. They do not seem to retain their flavor.

Mr. CARLISLE. There is something in the soil and climate over there that is more favorable to them?

Mr. LEFENS. It is the soil and climate. Some of them have the same effect on the hop vine.

Mr. PAYNE. Where do you get most of your hops you use in the city of Chicago?

Mr. LEFENS. We get some of it from the Pacific coast.

Mr. PAYNE. What proportion of hops do you use?

The CHAIRMAN. Foreign hops.

Mr. LEFENS. I understand. I should judge about 10 per cent. of the hops we use are foreign hops.

Mr. PAYNE. Do you use them for any particular purpose?

Mr. LEFENS. We use them in particular kinds of beers in order to flavor them. We use them in the Bavarian beers. They are the flavoring portion.

Mr. PAYNE. In point of fact, is that beer in which you use the Bavarian hops any better than the beer in which you use the American hops?

Mr. LEFENS. It is a matter of taste entirely.

Mr. PAYNE. It is a matter of taste?

Mr. LEFENS. Yes, sir; it is a matter of taste. There is a difference—

Mr. PAYNE. One word more —

Mr. LEFENS. Hops do not add to the strength of beer.

Mr. PAYNE. They do not add to the strength of beer?

Mr. LEFENS. No, sir.

Mr. PAYNE. Then what does it add to?

Mr. LEFENS. To the flavor and the keeping qualities and the fermentation.

Mr. PAYNE. How is it with other brewers in Chicago? Do they import foreign hops for use in the manufacture of beer?

Mr. LEFENS. Some of them do and some of them do not; it depends upon what they need.

Mr. PAYNE. How do foreign hops compare in point of cost with the American hops?

Mr. LEFENS. They are always higher.

Mr. PAYNE. How much higher?

Mr. LEFENS. I should say from 10 to 15 cents a pound.

Mr. PAYNE. Then you would say that they cost from 10 to 15 cents a pound more than American hops, would you?

Mr. LEFENS. Always, yes, sir. Of course they differ in the cost.

Mr. PAYNE. Is that with the duty added?

Mr. LEFENS. Yes, sir; that is with the duty added and the freight. The present difference I would say is about 10 cents a pound.

Mr. PAYNE. Now, do all the brewers in Chicago import hops for their use in the manufacture of beer?

Mr. LEFENS. I would not say all of them do, but from 50 to 75 per cent. use foreign hops.

Mr. PAYNE. Do any of them use a larger percentage than 10 per cent. in the manufacture of their beer of foreign hops?

Mr. LEFENS. I am not prepared to speak statistically, but I should not think it is more than 10 per cent.

Mr. CARLISLE. What do you pay per pound for American hops?

Mr. LEFENS. At the present time?

Mr. CARLISLE. Yes, sir.

Mr. LEFENS. I would quote the market at from 15 to 20 cents per pound

Mr. CARLISLE. Per pound?

Mr. LEFENS. Yes, sir.

Mr. MILLS. That is in Chicago?

Mr. LEFENS. Yes, sir. There is a difference in freight between Chicago and New York. I think it is from 23 to 30 cents per hundred higher.

Mr. McMILLIN. What do I understand you to say is the difference between the cost of American hops and foreign hops in the American market?

Mr. LEFENS. At the present time about 10 cents.

Mr. McMILLIAN. About 10 cents a pound.

Mr. CARLISLE. That is with the duty paid on the foreign hops?

Mr. LEFENS. Yes, sir, with the duty paid; and I would say the cost of transportation is—

Mr. CARLISLE. And that is all the cost.

Mr. MILLS. Now, what is the cost of transportation from San Francisco to Chicago?

Mr. LEFENS. Well, sir, it has been as low as 1 cent, and it has been as high as 2½ cents.

Mr. MILLS. Is that about a general average for the transportation of different things by the pound from San Francisco to Chicago—through rates?

Mr. LEFENS. It is higher than that virtually; for instance, to Chicago—

Mr. GEAR. Higher for salt and flour?

Mr. LEFENS. I cannot tell you as to those articles.

The CHAIRMAN. What is the cost of transportation from the other side to Chicago?

Mr. LEFENS. It varies. As a rule 2 cents is allowed for transportation, forwarding, and so on.

The CHAIRMAN. What do you say it is from San Francisco to Chicago?

Mr. LEFENS. That varies from 1 to 2½ cents a pound.

The CHAIRMAN. There is very little difference, then?

Mr. LEFENS. Very little difference.

The CHAIRMAN. In the transportation?

Mr. LEFENS. Yes, sir.

Mr. PAYNE. How low have you known hops to be within the last five or ten years?

Mr. LEFENS. I have never noticed the lowest point, as hops do not go from one season to another without deterioration. There are three kinds of hops. First-class hops, which always means the last crop; and then there are old hops and old old hops. The latter means any age.

Mr. PAYNE. I mean the price of the last hops.

Mr. LEFENS. The lowest price. The market started in and sold as low as (I speak about a good average quality) 10 cents for New York State, and as low as 8 cents for Pacific coast hops; that is in the city of Chicago.

Mr. PAYNE. How high have they gone?

Mr. LEFENS. At the present time they are selling from 15 to 20 cents a pound.

Mr. PAYNE. I do not mean this present year, but take it for the last five or ten years. You mean old hops and I mean new hops.

Mr. LEFENS. If you will allow me to go back eight or ten years, I think I can give you that information.

Mr. PAYNE. Well, then, go back eight years; say eight years ago.

Mr. LEFENS. I would say that the crop of 1882 and 1883 was sold as high as 25 cents per pound; but that is the high-water mark.

Mr. PAYNE. How low have they sold for the last ten years?

Mr. LEFENS. I think we struck about the lowest mark last fall when they sold for from 8 to 10 cents per pound.

Mr. CARLISLE. That was for the Pacific coast hops?

Mr. LEFENS. Eight cents for the Pacific coast and 10 cents for New York State hops.

Mr. FLOWER. These hops that you import do not come into competition with the hops of this country, do they?

Mr. LEFENS. Not at all.

Mr. PAYNE. Now, when they were 8 to 10 cents a pound in this country what was the price of the foreign hops?

Mr. LEFENS. The lowest price to my knowledge of the foreign hops was 20 cents a pound.

Mr. GEAR. How many hops do you use in a barrel of beer?

Mr. LEFENS. It varies from 1 pound to 1½ or 1¾ pounds to the barrel.

Mr. GEAR. That is a barrel of 31 gallons?

Mr. LEFENS. Yes, sir; 31 gallons.

Mr. GEAR. A pound and a half to 2 pounds?

Mr. LEFENS. A pound and a quarter to 2 pounds.

Mr. GEAR. At the present price of hops what would those contained in a barrel of beer cost you—from 15 to 20 cents in a barrel?

Mr. LEFENS. At the present price I think they cost from 20 to 30 cents a barrel.

Mr. GEAR. What protection do you get on beer?

Mr. LEFENS. On beer itself?

Mr. GEAR. On beer imported into this country, what is the tariff?

Mr. LEFENS. Twenty cents a gallon.

The CHAIRMAN. Twenty cents in barrels and 35 cents in bottles?

Mr. LEFENS. Thirty-five cents in bottles.

The CHAIRMAN. How do you account for this fluctuation that you have spoken of in the price of hops; what is the cause of it?

Mr. LEFENS. This year it is generally understood that the crop was overestimated. That is the only explanation that I have heard. I have inquired through such channels as I think ought to know, and I have been unable to inform myself whether there have been any monopolies or anything of that kind. I can not hear of any. It was generally understood that the crop as harvested this last fall was——

The CHAIRMAN. Well, in a series of years, I ask you.

Mr. CARLISLE. In the past year.

Mr. FLOWER. A failure of the crop.

The CHAIRMAN. How do you account for the fluctuation in price that you have named—by the failure of the crop?

Mr. LEFENS. No, sir; speculations as a rule, just like all other markets.

The CHAIRMAN. Not failure of the crop, then?

Mr. LEFENS. Oh, yes. In 1882, which was the highest hop prices ever known, hops were exported very largely in the fall until the growers, dealers, and brewers of this country awoke to the situation and found that they had exported too many. There had been almost a total failure in some sections.

The CHAIRMAN. You were therefore short here?

Mr. LEFENS. It turned out that we were short here, and we had to re-import hops.

Mr. CARLISLE. Well, the rates of duty upon hops have been the same during all these years of fluctuations, have they not?

Mr. LEFENS. Yes, sir.

Mr. CARLISLE. That has not had the effect, then, you think, to either increase or reduce the price of hops?

Mr. LEFENS. I do not think that the duty ——

Mr. CARLISLE. American hops.

Mr. LEFENS. Upon American hops.

Mr. CARLISLE. It has depended upon the supply and demand for them?

Mr. LEFENS. Yes, sir; I understand so, because there is no ——

Mr. CARLISLE. No competition between the two continents.

Mr. LEFENS. There is no prejudice in favor of the imported hop on the part of the brewer of beer. They use the imported hops only to flavor certain beers.

Mr. CARLISLE. To satisfy a certain custom?

Mr. LEFENS. Yes, sir; to satisfy his trade. That is all.

The CHAIRMAN. What about importations having increased since——

Mr. LEFENS. If you will allow me I will read what I have here in regard to quality and value of hops imported into and exported from this country.

The CHAIRMAN. Read both.

Mr. LEFENS. In 1882 the importations were 955,854 pounds. The exportations of American hops were 5,867,363 pounds. In 1883—the year that was affected by the failure of the crop——

The CHAIRMAN. Is that the price there for 1882 that you have just read?

Mr. LEFENS. That is the price.

Mr. ADAMS. The total price, I guess, is below there.

Mr. LEFENS. I will give the pounds now. In 1883 2,122,589 pounds were imported, and 7,817,222 pounds were exported. It bears out what I said before, that the scarcity here partly arose from that overexportation.

The CHAIRMAN. Have you the importations for that year?

Mr. LEFENS. Yes, sir. The imports were 2,122,589 pounds, and the exports were 7,817,222 pounds.

Mr. ADAMS. The import value.

Mr. LEFENS. The value of imports was \$1,579,003, and the value of exports was \$5,616,370 in 1883. In 1884 701,104 pounds were imported, and 13,516,642 pounds were exported. The value of the imported hops for that year was \$304,297, and the value of exported hops was \$3,265,211, or pretty nearly eleven times as much. In 1885 1,642,068 pounds were imported, and 7,055,289 pounds were exported. The value of the imports was \$433,706, and the value of the exports amounted to \$1,391,854. In 1886 2,672,762 pounds were imported and 13,665,661 pounds were exported. The value was \$444,988 for the imported, and \$1,714,488 for the exported. Now, in 1887, when there was almost 75 per cent. failure in New York State; 18,538,049 pounds were imported, and 260,721 pounds were exported. The value of the imported hops was \$3,404,669, and the exported was \$54,570. Now the year 1888, the last year from

which we have official Government returns, the hops imported were 5,585,033 pounds, and exported 6,793,818 pounds. The value was \$1,017,494 for imported hops, and exported \$1,203,060.

Mr. BRECKINRIDGE. I want to add right there for 1889.

Mr. CARLISLE. And yet that is the crop which you say brought the lowest price.

Mr. LEFENS. No; this is 1888.

Mr. CARLISLE. This is the 1888 crop?

Mr. LEFENS. Yes, sir; this is the 1888 crop.

Mr. BRECKINRIDGE. I understand from your statement there were less importations at that time than were—

Mr. LEFENS. No.

Mr. BRECKINRIDGE. One million—

Mr. LEFENS. A partial failure in New York. The great failure was the crop of 1887.

Mr. BRECKINRIDGE. What year have the importations been the lowest?

Mr. LEFENS. The lowest importations were made in 1884. We imported then \$304,297 worth of hops.

Mr. BRECKINRIDGE. What year was that?

Mr. LEFENS. That was the year 1884.

Mr. BRECKINRIDGE. 1884?

Mr. LEFENS. Yes, sir.

Mr. BRECKINRIDGE. Now, how were the prices of hops here at that time—for American hops—higher or lower?

Mr. CARLISLE. What was the value of the imports for that year?

Mr. LEFENS. \$304,297. Hops sold then at 42 cents a pound.

Mr. CARLISLE. Four times what they are now?

Mr. LEFENS. For imported hops.

Mr. CARLISLE. Now, the American—

Mr. MILLS. Give us what the exports were now.

Mr. LEFENS. For 1884?

Mr. CARLISLE. Yes, sir.

Mr. LEFENS. There were 13,516,642 pounds exported, the value of which was \$3,265,211, which is about 21 or 22 cents a pound.

Mr. CARLISLE. A little over twice what they are now.

Mr. LEFENS. What it was last fall.

Mr. CARLISLE. I see—last fall.

Mr. LEFENS. Yes, sir.

Mr. CARLISLE. And yet the high price here did not bring as many hops from abroad as there had been before, had it?

Mr. LEFENS. Sir?

Mr. CARLISLE. And yet the high price did not bring as many hops from abroad as there had been before. What I am trying to ascertain is this: Of course when an article is very high here it would be imported on account of our market; so that it competes with our product. What I was trying to ascertain was whether the high price of hops in this country during that year increased the importations of that article.

Mr. LEFENS. They did one year, because there were no hops here.

Mr. CARLISLE. Because there were no hops here?

Mr. LEFENS. Not because they were high here, because the value of imported hops per pound is almost twice as high as the domestic hops.

Mr. CARLISLE. I am trying to ascertain whether they do not compete here with our domestic hops.

Mr. LEFENS. Well, I can not—

Mr. BRECKINRIDGE. Allow me to ask a question. Now, the exports and imports for 1889 are these: We imported 4,476,158 pounds, the value of which was \$1,155,472. Our exports for that period were 12,589,262 pounds, the value of which was \$2,823,832. Now, I find by looking at the table of imports that the average price for the year (I take it that is the best price to generalize on) was a little over 29 cents a pound in the foreign market. Now, you add about 8 cents for duty; that makes it 37 cents, and then 2 cents for freight and forwarding, and that is 39 cents; so that the average price of your imported hops in 1889 cost, as laid down here, about 39 cents.

Mr. GEAR. You read 1½ cents too much for freight.

Mr. BRECKINRIDGE. I only take the statement he gives me.

Mr. LEFENS. When I answered that question I was, if you will allow me, gentlemen, speaking for Chicago.

Mr. BRECKINRIDGE. Will you allow me to interrupt you just there for a moment? I want to ask you a question or two in this connection, in order to bring out these figures for your consideration. Now, our exports, which were over \$12,000,000, average a little over 22 cents a pound, and we exported—

Mr. GEAR. Twelve million dollars?

Mr. BRECKINRIDGE. No; I am talking about another matter now. We exported to England over 11,000,000 pounds, so we really imported at a cost of something close on to 40 cents, that is taking a year's average of export, which is a little over 22 cents a pound. These are the prices on the invoices last year; so if we then had no tariff at all on hops or took the duty off entirely that would bring them down to 32 cents as against the domestic hops, except, of course, what we import simply for flavoring.

Mr. LEFENS. Only for flavoring. For no other reason. We import these hops for that purpose.

Mr. BRECKINRIDGE. This shows that we are producing from year to year far beyond our consumption. Is there really any competition at all between foreign and domestic hops?

Mr. LEFENS. Between foreign and domestic hops there is no competition whatever.

Mr. BRECKINRIDGE. And our hop-growers would not get a cent less for our hops if hops were on the free list?

Mr. LEFENS. If hops were on the free list they would not get 1 cent less, and if they were 50 cents a pound they would not get a cent more.

Mr. BRECKINRIDGE. We have better facilities for using the foreign hop as a flavoring article owing to the larger production and consumption of beer in this country. Instead of restricting the consumption of beer we would increase it by placing hops on the free list.

Mr. LEFENS. This beer in which these foreign hops are used is for a certain class of customers. It caters to a class who want just that beer, and some of them would not drink any beer at all if they could not get that. The native American drinks the foreign beers for the reason that the flavor suits him.

Mr. BRECKINRIDGE. Do you use the American hop and the foreign hop in conjunction?

Mr. LEFENS. Sometimes in conjunction and sometimes alone. It depends upon what we want to produce.

Mr. BRECKINRIDGE. My idea is this: I want to know whether in using the foreign hop it is used exclusively to produce a given beer—a given article of beer—or whether to a very large extent you mix it with the American hop in order to give a flavor to our beer?

Mr. LEFENS. As a rule. It is mixed in exceptional cases; but it is used exclusively for flavoring purposes.

Mr. BRECKINRIDGE. Therefore, if you had the foreign hop without duty it would simply enable you to manufacture more of that character of beer and drive the foreign beer out of the market?

Mr. LEFENS. It would help to drive foreign beer out of the market, that is, it would tend to keep it out of the market, although it sells at a great deal higher price than our beer. That is what we have to import foreign hops for.

Mr. MILLS. Suppose that a war should prevent the introduction of German hops entirely. That would prevent you from making a certain kind of beer which you make by mixing the German hops with our hops. Then if you do not have German hops to mix with our hops you could not use the American hops to mix with the German hops, could you?

Mr. LEFENS. Not if you do not have the German hops.

Mr. MILLS. Precisely. Therefore it would decrease the supply of the German hops on the market, and therefore decrease the demand for American hops.

Mr. LEFENS. We ought to be able to get along without them, but we can not do it.

Mr. MILLS. I mean the American hops. It would increase the supply on the market, which would lower the price of the American hops. Therefore, you improve the American hops by bringing the German hops to make a market and sell in that way.

Mr. LEFENS. Probably so.

The CHAIRMAN. In answer to a question from Mr. Breckinridge that without we had free hops you would not import any more foreign hops, for you only import them for the purpose of flavoring—

Mr. LEFENS. Yes, sir.

The CHAIRMAN. Now that being true, do you know—

Mr. LEFENS. Will you allow just one statement?

The CHAIRMAN. Certainly.

Mr. LEFENS. I believe you understand when there is an absolute scarcity as we have to-day—

The CHAIRMAN. When there is a failure you have to go abroad? If your first statement be true how can you explain what your brethren in New York meant when at their association held in March, 1889, they passed the following resolution:

“Resolved, That to further encourage the cultivation of hops in this State, we will join the various Hop-Growers' Associations in a petition to Congress to so regulate the duty on foreign hops as to insure protection to one of the principal agricultural interests of this State.”

Mr. LEFENS. With your permission I will ask Mr. Scharmann, of New York, to answer that question.

STATEMENT OF H. B. SCHARMANN,

Mr. H. B. SCHARMANN, of New York, next addressed the committee. He said:

I would like to answer that question in this way, Mr. Chairman: Some two or three years ago it was proposed to have the duty taken off of hops by this committee, or a like committee to this. We joined the hop-growers at that time in protesting, or rather praying for this honorable body not to reduce the tax, which was to protect us as well as them. Now we, the consumers, thought it advisable that it should be done. Now, recently there were twenty-seven brewers present in the city of New York at the Brewers' and Hop-Growers' Association, and there they passed this resolution, that we would help them in any manner which they thought would be of interest before this honorable body. We did not mean by that that we would come to this body and ask you to raise the tariff or duty on hops up to 20 cents, or anything else; but we did expect inasmuch as the tendency here is to regulate the duty, and as we have now more money in our Treasury than we know what to do with, that we thought you would probably want to reduce the duty or rates, and therefore these twenty-seven gentlemen were present and voted that the hop-growers—

The CHAIRMAN. Was that in 1889?

Mr. SCHARMANN. That was only here recently—one, two, or three months ago.

The CHAIRMAN. Was there any menace then to the reduction of duties on hops?

Mr. SCHARMANN. Two years ago there was; and even now this year, so far as the tendency of political parties is concerned, even the Republican party, to which I had the honor to belong for so many years, although I have not the honor at the present time—even that party has a tendency to regulate at least the so-called duties upon foreign importations; and there was even a belief that they might want to reduce the duty on hops.

The CHAIRMAN. I desire to ask you one question. Two years ago I understand you, when there was a disposition to reduce duties or make hops free—

Mr. SCHARMANN. Yes, sir.

The CHAIRMAN. You gentlemen of the Brewers' Association of New York joined the hop-growers in a protest against the action of this committee at that time. That was two years ago.

Mr. SCHARMANN. Two years ago; yes, sir. We prayed this committee not to reduce the tariff on hops.

The CHAIRMAN. Then you prayed this committee to allow the duties to remain as they were?

Mr. SCHARMANN. Yes, sir.

The CHAIRMAN. Then in 1889, after the old committee that you leveled your petition at had gone out and the new committee had come in, representing, as you say, your own view of this economic question, then you passed the resolution that I have just read?

Mr. SCHARMANN. Yes, sir.

The CHAIRMAN. What do you mean by that?

Mr. SCHARMANN. To help them—to help the growers; that this Congress should not reduce the duties upon hops.

Mr. GEAR. Does not that apply to any other article, in your judgment?

Mr. SCHARMANN. I should like to remain on this now, sir. I do not want to be embarrassed. This committee is so well enlightened, if it can dispense with my services, I will be very glad. [Laughter.]

Mr. FLOWER. The general impression was in New York State, Mr. Chairman—

Mr. SCHARMANN. I will say, however, if this committee will reduce the prohibition States in the United States to license States, why, we will agree to pay 20 cents a pound on foreign hops.

Mr. DINGLEY. Why can you agree to do that? On what ground would you do that?

Mr. SCHARMANN. Because it would not harm us one bit. It is only a matter of flavor. The American hops produced in the State of New York—

Mr. DINGLEY. I know; but you said—

Mr. SCHARMANN. Is a far better hop.

Mr. DINGLEY. But you spoke of prohibition and license States. What do you mean by that?

Mr. SCHARMANN. Well, I will tell you, sir. I mean by that a prohibition State is a State where there is some drinking and no license for it. [Laughter.] And now we want—

Mr. DINGLEY. Let us see if that agrees with your argument just now.

Mr. SCHARMANN. It does not agree with my argument. Not at all. But the distinction in that—

Mr. DINGLEY. If prohibition States could be turned into license States then you would have a large demand for your product. That is your argument?

Mr. SCHARMANN. That would be the logical conclusion. It is a matter of fact which I am sorry to say that the cereal is as much consumed in the prohibition States as it is in the licensed States, the only difference being that in the prohibition States they drink the cereal in a distilled form and in the licensed States they drink it in the fermented form.

Mr. DINGLEY. In other words, you think it antagonistic to the demand for your product.

Mr. SCHARMANN. And of course we are agitators for the fermented form, but we are protestors against—

Mr. DINGLEY. But how does it happen that the distillers joined you in the same movement if your reasoning is correct?

Mr. SCHARMANN. The distillers did not join us in this same movement, but the president of the Distillers' Association is antagonistic to us, and just so are the prohibition people.

Mr. DINGLEY. But he is for license?

Mr. PAYNE. He is in favor of prohibition?

Mr. SCHARMANN. No, sir.

Mr. DINGLEY. You do not agree?

Mr. SCHARMANN. I beg your pardon. We can not get the distiller to pay for legal services in the prohibition States because he knows—experience tells him—that there is a good deal more to pay than there is in the licensed States.

Mr. DINGLEY. On the other point, the agreement made between the brewers and producers of hops in New York, you undertake to convey the impression that if the hop-growers would join you in defeating the proposed restrictive legislation, namely, in the direction of prohibition, that you would do what you could as to the duty on hops; that you would endeavor to retain it as it was or endeavor to increase it.

Mr. SCHARMANN. You are presuming something now, sir, that I do not presume. We did not make an agreement with those gentlemen. They were not going against their trade by prohibiting them from growing any more than they would to keep us from brewing. That was—

Mr. DINGLEY. Why was that resolution passed at that critical period?

Mr. SCHARMANN. For this reason: We were both interested in our product, and we came together to see what protection we could have. For instance, if in a certain county there was a prohibition gentleman before the people and we could help to defeat that candidate we would surely do so and we agreed there—

Mr. PAYNE. That is what you are doing to-day.

Mr. SCHARMANN. That is one of the reasons that we came together.

Mr. PAYNE. How much did you pay for foreign hops last year?

Mr. SCHARMANN. I would like to state to the gentleman that I am a practical brewer personally, and as far as hops are concerned American hops are as good as the hops that grow in any part of the world. There is no better hop. I say that the only reason why the brewers use the foreign hop is for its flavor. Personally I do not use one solitary pound of any other kind of hop except the American. Odd years I will get a bale of foreign hops to see whether I can better the flavor of my beer according to my judgment and the judgment of my customers.

Mr. PAYNE. Did you buy any this year?

Mr. SCHARMANN. Not any this year.

Mr. PAYNE. How much did you pay for the foreign hop last year—1889?

Mr. LEFENS. I would judge about 35 cents.

Mr. PAYNE. Thirty-five cents?

Mr. LEFENS. On an average.

Mr. PAYNE. An average of 35 cents?

Mr. LEFENS. Yes, sir.

Mr. PAYNE. And that is the market price?

Mr. LEFENS. I will state that is the average market price.

Mr. BRECKINRIDGE. You mean laid down?

Mr. LEFENS. Yes, sir; laid down.

Mr. PAYNE. Now, what did you pay for the American hops last year, 1889—the average price?

Mr. LEFENS. The average price for our firm was from 20 to 21 cents.

Mr. PAYNE. That is—

Mr. GEAR. You state that you use about 10 per cent. of foreign hops, do you not, in the manufacture of your beer?

Mr. LEFENS. Yes, sir.

Mr. GEAR. That is specifically as I understand for the manufacture of what is called Bavarian beer?

Mr. LEFENS. Yes, sir.

Mr. GEAR. You do not use it in a general way to mix in with your beers. You simply use it for a special beer?

Mr. LEFENS. Only for special beer. In answer to the chairman's question as to what prompted the New York State Brewers' Association to pass the resolution which I explained, I have no particular explanation to offer, but I wrote to the secretary of the United States Brewers' Association, of which I am president—it is not a local association—and I received this letter from him:

"In compliance with your request I desire to inform you that the members of the following brewers' associations have unanimously signed the petition against an increase of duty on imported hops: St. Louis, Mo.; Chicago, Ill.; Milwaukee, Wis.; Detroit, Mich.; Cincinnati, Ohio, and San Francisco, Cal."

He also says, besides these, many members residing in cities not belonging to the local association signed the petition.

Mr. PAYNE. Do you know how many of these are controlled by syndicates?

Mr. LEFENS. I have no idea.

Mr. PAYNE. A large number?

Mr. LEFENS. I have no idea. There is always about 90 per cent. of wind where there is 10 per cent. of fact about a syndicate.

Mr. PAYNE. Perhaps they have been making propositions to you.

Mr. LEFENS. They have made no propositions to me.

Mr. BRECKINRIDGE. I would like to ask another question on another subject when this is exhausted.

Mr. LEFENS. I offer that as an answer.

Mr. BRECKINRIDGE. I want to ask you for information. How much barley malt is used in a barrel of beer?

Mr. LEFENS. From $1\frac{1}{2}$ bushels to $2\frac{1}{4}$ bushels I would say would be pretty—

Mr. PAYNE. Is rice used in the manufacture of beer?

Mr. LEFENS. Yes, sir.

Mr. PAYNE. How much rice is used in a barrel of beer?

Mr. LEFENS. It is not used in all beers.

Mr. PAYNE. Does it take the place of malt when it is used?

Mr. LEFENS. It takes the place of malt when it is used.

Mr. PAYNE. How much of it is used when it is to make beer?

Mr. LEFENS. Twenty per cent.

Mr. PAYNE. Is corn ever used in the manufacture of beer?

Mr. LEFENS. Yes; that is sometimes used.

Mr. PAYNE. That takes the place of barley, when it is used?

Mr. LEFENS. When it is used.

Mr. PAYNE. Do you know how extensively that is used in comparison with barley malt?

Mr. LEFENS. I could not tell.

Mr. PAYNE. Well, are large quantities of corn used in the place of barley malt in the manufacture of beer at the present day?

Mr. LEFENS. I would say for the United States that perhaps 10 per cent. is used.

Mr. GEAR. Does it make as good beer?

Mr. LEFENS. Hops and rice, in the first place, if used, are much higher than barley and always higher than barley malt in what are called Bohemian beers, which is a very light, bright beer. You can not make them of malt. They are not made from malt. Corn is used as a rule to produce the cheaper grade of beers.

The CHAIRMAN. What are they made of in Bohemia?

Mr. LEFENS. Rice.

Mr. PAYNE. What is the difference in the product of beer from the Canadian barley malt and your New York State barley malt?

Mr. LEFENS. I think there is—you mean the quantity?

Mr. PAYNE. I mean the quality of the beer. Is there any difference; if so what is the difference?

Mr. LEFENS. I would say that for some years nearly every crop in our Northern States—say, for instance, the section around Rochester, in New York State—

Mr. PAYNE. Yes.

Mr. LEFENS. And take Minnesota when the crop is a good one, if the weather has favored it—

Mr. PAYNE. It is not good if it is wet, for instance.

Mr. LEFENS. It makes as good beer as any barley grown in Canada. Some years again the Canadian barley would be of better quality, and in some sections of the country, especially East, the brewers have to have it in order to make a fine quality of beer.

Mr. PAYNE. Do you mean to say, then, that there is no difference in the quality of New York State barley, the two-rowed barley—that there is no difference in the beer manufactured from that and the six-rowed barley in Canada?

Mr. LEFENS. Well, that is my own personal opinion. The brewers do not all agree with me on that.

Mr. PAYNE. That is your opinion from your experience?

Mr. LEFENS. That is my experience.

Mr. CARLISLE. Corn makes a heavy beer, does it not?

Mr. LEFENS. The beer is always made of a particular strength.

Mr. CARLISLE. Do you say that corn makes a cheaper beer—in what respect?

Mr. LEFENS. Yes, sir; corn makes a cheaper beer.

Mr. CARLISLE. Because of the material?

Mr. LEFENS. That is a matter of opinion. There are practical brewers, and a good many of them, think that a certain quantity helps in the manufacture of beer. A certain process has been found by which they can take out the fusel oil, and they use a small percentage of good American corn, which helps the quality of the beer.

Mr. GEAR. Do the consumers think so?

Mr. LEFENS. They seem to.

Mr. FLOWER. That would help the Iowa and the Kansas farmer though, if we had a few of those brewers out there.

Mr. LEFENS. The fusel oil is supposed to be taken out of the corn; but it took a long time to find the way to do it.

Mr. PAYNE. I notice you say, "supposed to be." I do not think that is your opinion that the fusel oil is all taken out of the corn.

Mr. LEFENS. I believe that it is.

Mr. BRECKINRIDGE. What does rice compete with in the making of beer? Does it compete with barley?

Mr. LEFENS. Rice stands alone.

Mr. BRECKINRIDGE. Does not it enter as an ingredient in the making of beer?

Mr. LEFENS. No, sir. Brewers are like other men; they take the cheapest way to make their product.

Mr. BRECKINRIDGE. It makes a different beer from barley and these articles that you spoke of?

Mr. LEFENS. Yes, sir; but it is absolutely necessary to use it to get a certain quality and taste to the beer.

Mr. BRECKINRIDGE. Now, the form in which you use rice is what is called paddy?

Mr. LEFENS. No; broken rice.

Mr. BRECKINRIDGE. Well, your rice has a duty of .20 per cent. on it, has it not?

Mr. LEFENS. I believe it has; yes, sir.

Mr. BRECKINRIDGE. Now, in regard to your trade in hops with Canada. I believe Canadian hops are a good deal talked of. Do you consider that there is any competition between the American and Canadian hops that would make you favor any duty on hops?

Mr. LEFENS. There are very few hops raised in Canada.

Mr. BRECKINRIDGE. Our imports from Canada were something over \$400.

Mr. LEFENS. That is according to the size of the crop.

Mr. BRECKINRIDGE. And our exports were a little over \$60,000; so that as a general thing Canada buys our hops and we do not buy theirs.

Mr. LEFENS. Canada is not a hop-raising country.

The CHAIRMAN. Do you export any beer to Canada?

Mr. LEFENS. Not from our section.

The CHAIRMAN. Is there any from this country?

Mr. LEFENS. I think I have drank it there.

Mr. ADAMS. I want to ask whether any Chicago brewers export at all. I heard that was the case and I guess—

Mr. LEFENS. You ask about Chicago?

Mr. ADAMS. Yes, sir.

Mr. LEFENS. I do not think there is any beer exported at the present time, though we have exported beer there.

Mr. ADAMS. I was told that we exported some beer to Australia.

Mr. LEFENS. I know of my knowledge that beer has not been exported at all. The great competition for that trade is in New York, St. Louis, and in Milwaukee.

The CHAIRMAN. Anything further, gentlemen?

Mr. GEAR. Would the brewers favor a reduction in the duty on rice?

Mr. LEFENS. Yes, sir; we would like to have it as cheap as we can get it.

Mr. SCHARMANN. The question has been asked by the gentleman opposite me in reference to the price of hops this year.

Mr. BAYNE. Last year.

Mr. SCHARMANN. No; this year. They are 10 cents a pound. If the unfortunate hop-growers in the State of New York would get their prices for the hops that we paid for them this year, why, you would not have had to have asked that question, as far as they are concerned. It was put out by the buyers that a big crop had been

made on the otherside, and the consequence was we paid from 8 to 10 cents a pound for them. When I returned from abroad, which was about the 1st of December, I had to start in and buy some at 12 cents. Now the same class of hops can not be purchased for less than 20 cents a pound, and I have never seen as yet, as my friend stated, that when hops are 8 and 10 cents a pound it was occasioned by the scarcity of hops. The farmers are forced to go with their crop to market. This day hops are 20 cents a pound.

Mr. CARLISLE. They are bought up from the farmers by speculators, are they not?

Mr. SCHARMANN. Yes, sir. I have to buy foreign hops at an increase of 15 or 20 cents and run the risk of their getting old.

Mr. GEAR. They deteriorate in quality as they become old hops?

Mr. SCHARMANN. They do, but notwithstanding that the rowed hop is considered the best for the grower in the State of New York. The farmers and producers, when they are driven by being scared into selling their hops right out and out, are the losers, and the gainers are the brewers.

Mr. GEAR. What is the deterioration in the value commercially of hops?

Mr. SCHARMANN. That depends upon what the prospects for the crops are.

Mr. GEAR. Yes, sir.

Mr. SCHARMANN. Nevertheless, for instance, if hops would sell for 15 cents you will find them selling throughout the United States for 25 cents, in consequence of the scarcity of the article.

Mr. GEAR. Yes; but that hop is not as good—not by one-half.

Mr. BAYNE. And will they not go down in value?

Mr. SCHARMANN. Well, that is rarely the case.

Mr. BAYNE. But I think they do.

Mr. SCHARMANN. I can only recollect in 1887 and 1888—

Mr. BAYNE. I mean—

Mr. SCHARMANN. They went up then to 60 and again up to 75 cents.

Mr. BAYNE. I know, but one year they started in at 50 cents and went right along that entire year.

Mr. SCHARMANN. I would like to impress upon gentlemen of the committee, for instance, this fact: Suppose the foreign hop will cost \$1 a pound and the New York State hop will cost 20 cents a pound, or say 15 cents a pound, which is a good average price, why, the farmer can make a living and something besides, so that the foreign hops would be still used in consequence of their flavor. What we want to do is to keep out of our market the imported beer. We have the best beer houses, the best plants, and there is no foreign brewing house as far as the plant is concerned that can compete with ours. Our ice-machines are the best known in the whole world. The American ice-machine—

The CHAIRMAN. I understand you to say that you favor the New York State hop because you think it is the best and also the cheapest produced?

Mr. SCHARMANN. Yes, sir.

The CHAIRMAN. And you only import the foreign hop because of its flavor?

Mr. SCHARMANN. Yes, sir. We want to fight against the importation of beer. We are now doing that. Your revenue book will show that we have stopped the tide of importing beer—fermented beer, or what is called lager beer. We are getting to this point where we have to put some flavor in our beers such as are used in Vienna and Munich, and therefore that is one claim why these hops should be made free in order that we can work against the importation of that foreign beer. Suppose you wanted to place a larger duty upon hops. Pardon me for saying so, but your duty is to levy a higher duty upon imported beer. One must go with the other, or at least ought to go with the other.

The CHAIRMAN. The present relation is entirely satisfactory to you?

Mr. SCHARMANN. It is, sir.

Mr. MILLS. How many pounds of hops can be raised on an acre of land in Pennsylvania or New York State?

Mr. SCHARMANN. Well, I do not know, sir. When I was a boy my father only had a cow farm. I never had anything to do with hop-growing. I have not made a study of it at all.

Mr. FLOWER. This Munich beer is not as good a beer as we make from American hops.

Mr. SCHARMANN. According to my calculation it is not entirely satisfactory. I do not believe there is any beer as good as our own; only there are a lot of our American people who have a tendency for everything that comes from abroad.

Mr. GEAR. I desire to ask you one question. In buying hops you prefer to buy the crop of 1889?

Mr. SCHARMANN. Always, sir.

Mr. GEAR. You would not begin to buy the crop of 1888 at the same price?

Mr. SCHARMANN. No, sir, not at any price,

STATEMENT OF HON BENJAMIN BUTTERWORTH.

Monday, March 10, 1890.

Hon. BENJAMIN BUTTERWORTH, a Representative from the State of Ohio, addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I am here representing my immediate constituency, neighbors and friends, who are interested not only in the use, but are importers as well as dealers in domestic hops, but also a great deal larger constituency about whom I have a very much larger concern. One refers to my immediate constituency, and the other goes to the better service of the whole people. The proposition pending, as I understand, Mr. Chairman, is whether there shall be an increase of duty upon imported hops; whether in the first place the interests of the hop-raisers demands it, and next, whether what they demand is consistent with the well-being of the whole country, with the revenues to be raised, and other branches of industry which must take out of their pocket to put into this in case it is to be granted. In the first place, I understand an increase of much less than is proposed would be in effect a prohibitory tariff, and whether it is wise to undertake to do away with a revenue of \$350,000 to \$400,000 and to draw it from some other source, and whether the compensation for making that change is adequate; whether in other words the country at large would derive an advantage from stopping that revenue on imported hops, and taking it from other sources.

We have heretofore been exporting two bales of hops for every one we imported, and now we export as many hops at least as we import. As I understand, the imported hops are used because they impart to certain beers a flavor which is not imparted, as I understand it, by our domestic hops. My friends who consume beer will be able to testify in this behalf. It imparts a flavor which our own hops do not impart, and hence the foreign hops are used. The hop country is not peculiar to the neighborhood of my brother De Lano. We raise a great many hops; some we raise in Wisconsin, and some on the Pacific slope. The Pacific slope seems to be peculiarly adapted to the production of hops. They raise hops there probably at 4 and 5 cents a pound cheaper than you can raise them in New York State. The cost of producing hops, as I understand it, in California and along the coast is about 8 cents. I think in New York it is 12 to 13 cents. That is the estimate at least of the hop-growers and hop-consumers. It occurs, therefore, that the hop growers of this country, where the soil and climate are peculiarly adapted to the production of this staple, are brought on a par with the foreign producer. That gives the Bavarian in America, the Chinese in America, the Hungarian in America, the Italian in America, and the Pole in America a chance, and helps them on that account to compete with the foreign producer of imported hops. If we can not compete, probably the business had better be abandoned, and that is practically the way it presents itself in one section of the country. At best, taking the price of hops, they get the highest protection that has ever been asked upon any article produced in the country. At best the hop-grower would get a protection of 50 per cent., which would be a satisfactory margin.

The war tariff on hops was 5 cents, but since we have acquired a larger knowledge, we have added 3 cents, over 50 per cent. additional. Now my brethren here are friends for whom I have an exceedingly warm side; but first, by reason of some disaster coming among the vines and climatic influences with which I am not familiar enough to explain to you, we can not begin to come in competition with the Pacific coast. In this country probably the supply is equal to the demand. We can not protect our brethren in Northern Ohio and Northern New York by increasing the duty on hops as against the Pacific coast. It might be wise to do it, but I do not think we can do it. We can not stop the importation of this article, and when we do it we simply accord to this industry that which we do not accord to any other, and it will not do to put it upon the plea that the farmers demand it. He will not be misled by that.

All the meaning that a protective tariff has—and all that goes beyond that will not stand long enough to ask a man where the monument will lie—is to place the American people upon an even footing of industrial effort with other competitors everywhere else. This the present tariff more than does, and whenever it gets beyond that we simply take money out of every other pocket to pay a bonus to one particular industry, and that neither a protectionist nor an ultra-protectionist can do. We can not go beyond unless we propose to wreck the system in five years. Now, I have a larger constituency beyond the immediate constituency who are specially interested who would probably speak from selfish motives. I only want to state the position of the production on the Pacific coast. You will observe, Mr. Chairman, there has been a constant growth there because of the adaptation of the soil and the climate to the production of hops. In 1880 they raised but 15,000 bales of 180 pounds each, which is about the average of the bale they raise. In 1881 they raised 17,000 bales; in 1882 they raised 26,000 bales; in 1883 they raised 42,000 bales; in 1884 they raised

76,000 bales; in 1885 they raised 57,000 bales; in 1886 they raised 62,000 bales; in 1887 they raised 66,000 bales. You will see from this that the supply adjusts itself to the demand, one year with another, so that the product regulates itself. In 1888 they raised 90,000 bales; in 1889 they raised 87,000 bales.

Mr. BAYNE. I did not hear you. What did you say was the weight of a bale?

Mr. BUTTERWORTH. One hundred and eighty pounds is the information I have as to the weight of a bale. Now, most of the hops imported, as I understand, are brought from Bavaria. The average production in New York—and my New York brethren will have exact information—according to the statistics was about 120,000 bales, and the average production now on the Pacific coast is 90,000, the total being 210,000 bales, and that the consumption in the United States is 140,000 bales. This gives us 70,000 bales as exported, while I understand we import certain light hops for the purpose of improving the quality of beer that will make it much better. In behalf of my constituency, I can not admit that there is anything better than Cincinnati beer, but it is said the foreign hops impart a flavor which can not be imparted by the use of our domestic hops.

Mr. GEAR. This is from personal experience.

Mr. BUTTERWORTH. So far as experience goes, that is something which has no pertinency here, and the question of saloons and all that kind of thing, would have no proper place in this discussion. We are called upon to dispose of an economic question under a system to which the majority side of this table is understood to be committed. I will say I shall not object if your committee should put into the law language which would prescribe all the ingredients which might properly be used in the manufacture of beer and limit the alcohol to be put in it. There would be much less diabetes and Bright's disease if that should be done. It has been done by other countries, and I think it is perfectly within the jurisdiction of this committee.

I will say here, without any disparagement to our friends in the beer business, that much of the beer that a man gets has a pretty good swig of alcohol and whisky in it, and he gets a full share of fusil oil, and that that ought to be stopped. I speak this as my judgment in this matter, not only in behalf of the importers, but in behalf of a very much larger constituency of 60,000,000 of people. The raising of hops is as the producing of every other vegetable. A man will find where a place is fitted, and the soil and climate is best adapted to it, and if we attempt to make a locality not suited compete with another locality in this country which is suited to that production, a job which we can only accomplish by the assistance of Divine Providence, we will not succeed. I am sure, Mr. Chairman, my friends and neighbors and some exporters here may desire to submit some remarks. My friend, Mr. Fox, who is an importer, is thoroughly equipped with statistics, and I think desires to address the committee for a few moments. He is at home with the facts, but he does not know how to tangle them, as some of you do.

Mr. Chairman and gentlemen of the committee, I thank you for your courtesy.

STATEMENT OF HON. W. L. KINSEY.

Hon. W. L. KINSEY, a Representative from the State of Missouri, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I do not wish to detain the committee but just one moment. I am here to-day upon the same mission that Mr. Butterworth is. In my district there is located, I believe, the largest brewery in the United States, a concern that does a very large business in exporting, and also a number of other breweries of a very considerable capacity, and they are all very earnest in opposing any increase of the duty upon hops, barley, rice, and corks. I do not want to go over the ground that has been already gone over by Mr. Butterworth, as that is unnecessary. They are not opposed to a duty upon all articles that are protected, but they insist the present rate of duty upon them is sufficient for the purpose of protection, and any increase upon it would simply be adding to the cost of those articles, such as are imported, without any due protection to the home producer.

Mr. GEAR. You mean to say, Mr. Kinsey, that if we should increase the duty on barley, the same amount of barley would be imported that there is now?

Mr. KINSEY. Well, I am not prepared to answer that question upon that. I think upon barley the duty is 10 cents. I think it is that.

Mr. GEAR. Your remark seemed to leave that impression I think.

Mr. KINSEY. I would rather state the position of the brewers than my own. It is probably correct that if the duty upon barley was increased there would be a larger production in this country. It seems to me, though I do not remember, the duty on barley—is it 10 or 15 cents?

Mr. GEAR. It is 10 cents now.

Mr. KINSEY. Whether that is an adequate protection for barley or not I am not prepared to state now. I am not familiar enough with the facts to state it.

Mr. COGGSHALL. I would like also to state to the gentleman that the brewers for whom he speaks are protected on their manufactures of beer already over 200 per cent., while the growers are not protected 50 per cent.

Mr. KINSEY. I want to say one word now in relation to corks, and I want to call your attention to one fact. In exporting beer it is necessary, I am told, to use corks hand-made, which are not made in this country, or rather, as I am told, they are made here by machinery and unfitted for use in that respect. They say there is no occasion for increasing the duty upon imported corks.

Mr. BAYNE. What is that?

Mr. KINSEY. I say, owing to the fact that they are compelled to use hand-made corks in bottling beer for export and that all hand-made corks come from abroad—I think come from Spain, and are not made in this country at all—there is no occasion to put an increased duty upon corks.

Mr. BAYNE. On corks?

Mr. KINSEY. On corks.

Mr. BAYNE. But they get a rebate for those exported.

Mr. KINSEY. While we export a good deal of beer, a good deal of beer is consumed in this country—shipped to the Southwest.

Mr. BAYNE. Yes, but on that exported they get a rebate.

Mr. KINSEY. That may be, Mr. Bayne. I only wanted to call attention to the matter. They say that there is but one concern in this country, which is located in the city of New York; that is a large manufacturer of corks.

Mr. BAYNE. There is a large one in Allegheny County, Pa., and several others.

Mr. KINSEY. I am only speaking from information I derived from the people I represent.

Mr. COGGSHALL. There are millions made in this country.

Mr. KINSEY. Made by machinery?

Mr. COGGSHALL. No; hand-made.

Mr. CLARK. I was in a factory in New York where they are making them by the million.

Mr. KINSEY. Are they made by hand or by machinery?

Mr. CLARK. Made by hand.

Mr. KINSEY. As I stated before, Mr. Chairman, I state from information I have and present the case as it is presented to me, but while I do not think they are people specially interested in maintaining the protective principle, because their interest does not lie especially in that direction, they do not object to the present rate of duty but they do protest—

Mr. GEAR. They are now protected I think about \$6 on beer.

Mr. KINSEY. I think not.

Mr. BAYNE. They have a very heavy protection on beer.

Mr. KINSEY. That is the position which they take, gentlemen, and I am only carrying out the duty which I owe to my constituents, and that duty I have fulfilled in presenting their views in this matter to you. I believe that is all I wish to say.

STATEMENT OF HUGH F. FOX.

Mr. HUGH F. FOX, of New York, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, there is no use disputing for one minute the fact that a great many farmers in New York State are in a bad state.

Mr. COGGSHALL. They are in a good State, for they are in New York.

Mr. FOX. I am here, Mr. Chairman, to say that a good many of them will be in a good deal worse condition if they continue in the hop business. I do not think a prohibitory duty will help them. I do not think that if the duty absolutely shut off all imports that it would help them one bit. I think there is one way to explain the entire trouble, and that is from overproduction. I think it can be demonstrated still further that this very thing is forced upon them very largely by the growth and development of the trade on the Pacific coast. I think the growers in New York State, the hop dealers themselves, feel that the industry in New York State is a decaying industry, and that in a few years the bulk of hops will be raised on the Pacific coast. In order to demonstrate this assertion it will be necessary for me to briefly state a few facts to you and to touch very briefly upon the history of the trade for the last few years.

Mr. Butterworth has already given you the statistics of the production in New York State and the Pacific coast, showing that we now have a surplus in an average year of 33 per cent. of hops. It is also shown that the average cost of producing hops in the United States is something like 13 cents a pound, and from 12 to 13 cents in New York State.

Mr. FLOWER. And this surplus is put in the world's market, and that regulates the prices, does it not?

Mr. FOX. Yes, sir. You will therefore see the average price of hops in this country is about 10 cents a pound, with a duty of 8 cents a pound, and transportation charges of two cents more—

Mr. GEAR. You mean to say it costs \$40 a ton to bring hops from Germany here?

Mr. FOX. Yes, sir; it costs about 2 cents a pound to bring hops from the interior of Germany to New York, as the freight rates on hops are very high. It therefore will be seen that hops are already protected about 100 per cent. on their first cost. Mr. Butterworth touched briefly upon the climatic condition in New York, showing it is a procacious crop and very frequently they have failures. So far they have had no failure whatever in the crop on the Pacific coast, and there seems to be no reason to fear such a failure in the future. When I state that hop-raising is a decaying industry in New York, I mean a large proportion of the farmers there have no right to be in the business. Their land is poor, not adapted to it, and the lands that were adapted to it, for some reason or other, have not been properly cultivated, so they are not able to raise the right quality. If every farmer in New York State had the ability, the industry, the experience, and the capital of my friend Mr. Clark, for instance, I do not think it would be necessary to make this plea. Mr. Clark, in the face of the fact that hops have been declining in price in New York State, has, if I am not mistaken, increased his acreage there, and Mr. Clark has the reputation of being the most successful and eminent hop-grower in New York State. In 1880, ten years ago, the Pacific coast raised 15,000 bales of hops. To-day they raise a crop of 90,000 bales; but the hop-grower on the Pacific coast is in the business on a wholesale scale. He has all the best facilities. He has modern hop-drying houses and modern hop-presses, and he has all the improved labor-saving machinery.

Mr. CLARK. Is it not a fact that the California hops sell for less than New York hops?

Mr. FOX. They certainly sell for a good deal less. But Washington Territory hops and Oregon hops have held their own with New York hops. In reference to that point I would like to say we have exported this year something like 25,000 to 30,000 bales, and out of that I do not think we exported more than 5,000 to 7,000 bales from New York State, because the English brewers did not like the quality of New York hops this year. My own firm on the other side were utterly unable to do any business in New York hops with English brewers, but they did do a good deal of business with Washington Territory and Oregon hops.

The CHAIRMAN. Where is your house located?

Mr. FOX. My head house is in Germany, and then we have a house in London, and I am representing the house in New York.

Mr. GEAR. What kind of hops do you import?

Mr. FOX. We import Bavarian and English hops.

Mr. GEAR. How many did your house import this year?

Mr. FOX. We imported this year some 1,100 to 1,200 bales and we exported some 500.

Mr. GEAR. What per cent. of the Bavarian hops go into consumption in this country?

Mr. FOX. About from 7 to 10 per cent.

Mr. GEAR. They are used purely for flavoring purposes?

Mr. FOX. Yes, sir; and of the imports which come into the country some 10,000 bales, probably 1,500 to 2,000 would come in bond to Canada.

Mr. GEAR. They are not so subject in Bavaria to climatic changes as they are in New York.

Mr. FOX. No, sir; not to the same extent.

Mr. GEAR. It is a perilous crop to handle anyway.

Mr. FOX. Yes, sir, although on the Pacific coast so far they have gone along without disaster.

Mr. CLARK. But they have been affected by vermin there.

Mr. FOX. Not to my knowledge.

Mr. FLOWER. What do Bavarian and English hops sell for in this market?

Mr. FOX. They are selling to-day at 25 cents a pound.

Mr. FLOWER. That is, duty paid?

Mr. FOX. Yes, sir; duty paid.

Mr. FLOWER. What do American hops sell for?

Mr. FOX. The American hops sell to-day in New York for 18 cents and Pacific hops 15 to 16 cents.

Mr. COGGSHALL. Are not the Bavarian hops worth from 25 to 35 cents per pound? What are they quoted at in the general market?

Mr. FOX. The best, yes sir.

Mr. CLARK. He is taking the best of theirs and the worst of ours.

Mr. FOX. No, sir. The best hops there are grown in a very small section indeed, and they command fancy prices because of their appearance very largely.

Mr. COGGSHALL. They are not brought here to any extent?

Mr. FOX. No, sir, they are not brought here. Now, Mr. Chairman, when this industry began to be developed, there was a great deal of prejudice in the minds of our brewers against the Pacific coast hops, and this prejudice was fostered to a considerable extent by the salesmen of the New York dealers, and it was not until 1886 that this prejudice was finally overcome. In 1886 we had a total failure in the New York State crop, and the brewers were forced to use the Pacific coast hops, and we have demonstrated to their satisfaction that the Pacific hops would serve just as good a purpose as the New York hops, and since then, particularly in the West, they have been used more largely than New York hops.

The CHAIRMAN. Would this duty increase the price of beer to the consumer?

Mr. FOX. I believe not, sir.

The CHAIRMAN. I mean the proposed increase of duty?

Mr. FOX. It would not increase the price of beer to the saloons.

The CHAIRMAN. It would not to the saloons?

Mr. FOX. No, sir.

The CHAIRMAN. Would it increase it any to the consumer?

Mr. FOX. It would not to the consumer.

Mr. GEAR. How much per barrel of beer would this increased duty make?

Mr. FOX. I did not get your question.

Mr. GEAR. How much increase would be added to a barrel of beer in case of this increased duty on hops?

Mr. FOX. It would cost the brewer about 50 to 60 cents a barrel.

Mr. GEAR. How much do they use now—

Mr. FOX. They use about $1\frac{1}{2}$ pounds of hops. No, it would not make that difference. They use $1\frac{1}{2}$ pounds of hops to a barrel, and use perhaps 10 per cent. of foreign hops. Therefore, it would only make a difference of 15 or 20 cents a barrel.

Mr. GEAR. Are not these beers, what are called fancy beers, made to compete and compare with Bavarian beers, for which some people have a taste?

Mr. FOX. They are to some extent.

Mr. GEAR. It is not the beer that goes into common consumption?

Mr. FOX. It is not a beer that goes into general consumption.

The CHAIRMAN. A New York brewer the other day said he did not use any foreign hops.

Mr. BAYNE. I did not quite catch your answer to Governor Gear's interrogatory, as to how much hops was used in a 34-gallon keg of beer.

Mr. FOX. I think generally they use about $1\frac{1}{2}$ pounds. Some use $1\frac{1}{2}$ pounds; some $1\frac{1}{2}$ pounds, and some only 1 pound.

Mr. BAYNE. Well, now how much foreign hops would you mix with the American hops to make that?

Mr. FOX. About 10 per cent., except for some special beer, where they sometimes put in 20 per cent.; but 10 per cent. is the usual rule.

Mr. BAYNE. How much would this increase of duty add to the 34 gallons?

Mr. FOX. I do not believe it would add more than 15 or 20 cents to a barrel; 15 or 20 cents.

Mr. BAYNE. How would it be that? It would only be one-tenth—

Mr. FOX. I guess it is only 4 cents. Excuse me. I was a little out in my arithmetic.

Mr. GEAR. The duty on bottled-beer I think is 35 cents a gallon.

Mr. CLARK. It is 300 per cent. protection on bottled beer.

Mr. FOX. Now, Mr. Chairman, in September, 1885, the Waterville Times made this statement. The Waterville Times is a special organ of the New York hop farmers:

"Fifth. It is a well-demonstrated fact New York must undersell the Pacific coast growers if they would hold the trade, as the old belief that western hops are not desired by consumers has been shown to be erroneous.

"Sixth. By selling freely New Yorkers can drive the western growers out of the business. This we believe to be beyond question.

"Seventh. Either New York or the Pacific coast must retire from hop raising."

Mr. BAYNE. I want to ask another question before you get away from the question of foreign hops. What is a 34-gallon barrel of beer worth?

Mr. FOX. The standard price I believe is \$8, but in many cases they sell it for \$6.

Mr. BAYNE. Then this foreign duty would be 3 cents on a \$6 barrel of beer?

Mr. FOX. Yes, sir.

Mr. BAYNE. That will be the suffering to which you gentlemen would endure by this duty?

Mr. FOX. The point the brewers make—

Mr. BAYNE. That would be the extent, would it?

Mr. FOX. Well, I would have to qualify that.

Mr. BAYNE. How would you qualify it?

Mr. FOX. Now, in the event of a failure of the New York crop, which we had in

1886, and which we might have again, the brewers would be absolutely at the mercy of the dealers.

Mr. GEAR. Suppose there was a failure in Bavaria?

Mr. FOX. There never has been a total failure in the foreign crop.

Mr. GEAR. Well, it is a perilous crop, is it not?

Mr. FOX. But not to the same extent it is in New York.

Mr. FLOWER. If the duty would be raised 20 cents a pound instead of 8 they would have to pay the 12 cents to somebody else if there was an entire failure of the crop in this country?

Mr. FOX. No, sir.

Mr. FLOWER. Why not?

Mr. FOX. In 1886 the price went up from 20 to 40 cents a pound.

Mr. FLOWER. But you pay 3 cents duty now?

Mr. FOX. Yes, sir.

Mr. FLOWER. Suppose it was raised 20 cents, and there was a failure of the crop in this country, then you would have to pay 12 cents a pound more to get the hops here.

Mr. FOX. Yes, sir. That is to say, foreign crops would not come in competition with them, because if we make a crop at all, the 20 per cent. duty bears only a partial relation to the price at which the hops sold.

Mr. McKENNA. In all your arguments so far, you appear to assume it is only New York hop-growers that seek this duty, the only ones to be benefited by it, and that the Pacific coast is not to be benefited by it. Why do you make that difference?

Mr. FOX. As far as I am aware—and I have discussed the matter with the gentlemen who built up the industry on the Pacific coast and are largely responsible for it—the Pacific growers are apparently indifferent to this. They are able to grow hops there, and transport them 3,000 miles to compete in New York, and they will transport them to England and compete with hops there. It has been stated that they can raise hops for 7 cents a pound, and if that is the case and they get 12 cents a pound, they are making a big profit and they are protected.

Mr. CLARK. What does it cost to pick on the Pacific coast?

Mr. FOX. That I can not answer, Mr. Clark.

Mr. CLARK. It costs a man 8 cents to pick there.

Mr. FOX. I have data here which will bear out the statement in reference to the cost of raising. Mr. Meeker, who is considered to be a practical authority, and one of the largest growers, puts the price at about 8 cents per pound.

Mr. BRECKINRIDGE. Before getting into the question of the cost of production of hops, I want to ask a question about the effect of this industry upon the brewing industry. With a bountiful American crop, as I understand you, it would increase the cost of a barrel of beer something like 4 cents.

Mr. FOX. Yes, sir.

Mr. BRECKINRIDGE. That I understand to be your statement on that point?

Mr. FOX. Yes, sir.

Mr. BRECKINRIDGE. With a short American crop, in which case you would be dependent entirely upon foreign hops, it would increase the cost of beer per barrel about 12 cents—say 15 to 20 cents.

Mr. FOX. That would be only a matter of estimate.

Mr. BRECKINRIDGE. If you have to import your hops altogether, I understand you cover the point by that statement, that it would be 4 cents added to 12 or 15, somewhere between 15 and 20. Now, how would that affect your export trade?

Mr. FOX. In this way, that the German hops which now come into this country and compete with us here, would compete with us still more keenly in the London market. I believe there is an economic maxim that where a surplus commodity has an available price for the home trade, it is regulated by the price of the exports.

Mr. BRECKINRIDGE. I am talking about exports of beer now.

Mr. FOX. I misconstrued your question.

Mr. BRECKINRIDGE. I am trying to get at the extent of the injury which would be placed on the brewing industry if we put this duty on hops. That is what I am asking now, and I understand that in case of a full American crop it would increase the cost of a barrel of beer not exceeding 4 cents, and with a short American crop it would increase the cost of a barrel of beer from 15 to 20 cents. Now, we export that beer quite largely, do we not?

Mr. FOX. Yes, sir.

Mr. BRECKINRIDGE. Would not, then, our brewers be placed at a disadvantage with foreign brewers in keeping up their export trade in case we had a short American crop?

Mr. FOX. Certainly it would to some extent. We export our beer mainly, I think, to South America and Mexico.

Mr. BRECKINRIDGE. And to Australia?

Mr. FOX. Yes, and to Australia.

Mr. GEAR. He would be just that much less able to compete with the foreign brewer?

Mr. FOX. Yes, sir.

Mr. GEAR. Is not that a special beer made for export exclusively, and which does not go into consumption in this country?

Mr. FOX. Very little.

Mr. BRECKINRIDGE. That does not change the fact.

Mr. GEAR. Do you know anything of an agreement made between the brewers of this country and the hop-growers in New York and other States?

Mr. FOX. Yes, sir, and I have something here which I think will explain that more satisfactory than—

Mr. GEAR. There was such an agreement made.

Mr. FOX. There was an agreement entered into between the New York brewers and the New York hop-growers last March. The agreement was that the brewers were to advocate a reduction of the tare on the hops of from 7 to 5 pounds; they further agreed to confine purchases to the members of the association, which I believe they did largely, and they further agreed to join the hop protest to Congress to so regulate—

Mr. GEAR. Are you a member of that association?

Mr. FOX. Yes, sir.

Mr. GEAR. You joined that?

Mr. FOX. I am a member of it as a hop-dealer.

Mr. GEAR. And you joined in this memorial?

Mr. FOX. No, sir; I very strenuously opposed it.

Mr. GEAR. But the brewers did not do it?

Mr. FOX. Yes, sir. This is an explanation I find given yesterday morning in the Times which I believe was inspired by a member of the brewer's association. It charges bad faith on both sides:

"Charges of bad faith have been made by both sides in the controversy now fairly launched. It seems that at a meeting of the New York State Brewers' Association, last March, a resolution was adopted pledging the association to join the various hop-growers' associations in a petition to Congress 'to regulate the duty on foreign hops' so as to insure protection to the hop-growing industry. At this meeting only twenty-seven out of one hundred and eight brewing members were present. The resolution was considered harmless by the brewers, who supposed that it was intended simply to check a suspected attempt to lower the duty on hops. The brewers construed the word 'regulate' in the sense that it has usually been employed since both of the political parties recognized the injustice of the war tariff. As soon as it appeared that the resolution simply cloaked a scheme to increase the duty, the United States Brewers' Association appointed a special committee to learn the views of all the local associations throughout the country. A unanimous negative vote upon the proposition to raise the duty resulted from this inquiry. Included in this expression of dissent were the associations of New York, Brooklyn, Buffalo, and Rochester, whose members constitute 95 per cent. of the hop-consuming members of the New York State Brewers' Association."

Mr. GEAR. Was that an editorial in the New York Times?

Mr. FOX. No, sir; it was in the news column.

Mr. McKENNA. How many barrels of beer are produced?

Mr. FOX. Twenty-six million, I think; about that.

Mr. McKENNA. And you say the cost would be increased about 6 cents.

Mr. FOX. I believe it would be fair to say three-fourths of that.

Mr. McKENNA. Three-fourths of how many?

Mr. FOX. Three-fourths of 26,000,000 barrels.

This is the article I wish to read on Washington Territory:

A LITTLE PRIVATE INFORMATION FOR NEW YORK HOP-GROWERS.

If we are spared from free trade for a few years the hop industry on the Pacific coast will assume extensive proportions. The New York and other Eastern growers fully realize that they can not successfully compete with the Pacific coast on hops, and it is only a question of a very few years when the New Yorkers will go out of the business altogether. There they can not raise over 1,000 pounds to the acre, while here we raise more than double that amount. Here our poles of split cedar cost 2 or 3 cents each, and will last for ten years. There the poles cost from 18 to 20 cents each and only last a few years. When the present supply of poles is exhausted, the growers of New York will not buy new ones, but will give up hop-growing and go into other lines of business. The duty on foreign hops is 8 cents per pound, and this protection keeps foreign hops to a certain extent out of the Eastern market and enables the growers of the Pacific coast to ship their product 3,000 miles at a profit. From all parts of the world reports of an abundant crop are received, and this makes the brewer quite independent. They are the fellows that are making the money that the growers should receive. They charge as much for beer when hops are only worth 19 cents as when they are worth 30 cents per pound.—[Seattle (Wash.) Intelligencer].

Mr. GEAR. You mention in case of a failure of the crop the brewing interest would be absolutely at the mercy of the growers and the cost would be increased largely.

Mr. FOX. Yes, sir.

Mr. GEAR. How was it in 1886?

Mr. FOX. Almost a total failure.

Mr. GEAR. Did the price of hops advance that year?

Mr. FOX. No; it did not advance.

Mr. GEAR. Did it not go down?

Mr. FOX. It did subsequently, but that was because the foreign hops acted as a safety-valve. After the prices got so high the duty of 8 cents a pound was comparatively insignificant, and then the foreign hops came into active competition and forced the price down. But the point is whether it is fair—

Mr. GEAR. If that was the case in 1886, would not the same thing be true in 1892 or 1894?

Mr. FOX. Yes, sir.

Mr. GEAR. Then the duty does not seriously affect the brewer?

Mr. FOX. If the duty was made prohibitive it would seriously affect the brewer in such a case as that.

Mr. GEAR. I do not think there is any disposition to make the duty prohibitive.

Mr. BAYNE. What duty would be prohibitive?

Mr. FOX. I think in such an event as that a duty of 10 cents would be. I think now anything over 8 cents would be virtually prohibitive except in so far as the exported beer is concerned, because the exporters get a rebate.

Mr. GEAR. It is conveyed by your testimony to gentlemen who listened to it that the cost of a barrel of beer would not be increased to exceed 2½ to 3 cents. Then the cost of beer would not be increased by this duty, it is less than 3 cents a barrel, and why would the duty be prohibitive?

Mr. FOX. Because we are raising a very large surplus, and the difference in price between our hops and foreign hops would be so great that the brewers would not use foreign hops except for the purposes of export beer.

Mr. LA FOLLETTE. I understood you, in answer to a question of Mr. Breckinridge, to say that an increase in duty on hops would place the brewers at a disadvantage in their export trade.

Mr. FOX. I think it would, sir.

Mr. LA FOLLETTE. Do not they have a rebate for the duty when they export?

Mr. FOX. I believe they do, but I am not fully informed as to whether that duty represents the entire—

Mr. BRECKINRIDGE. It does not represent but 90 per cent. It is not in every case that the rebate is obtained, and my impression from your reply is it would not be in this case; but in no event would it be over 90 per cent.

Mr. LA FOLLETTE. But this would leave only 10 per cent., which would be very trifling.

Mr. FOX. If that statement is correct, but I am not sufficiently informed in the brewing question to be able to state that.

Mr. BRECKINRIDGE. Are you certain they get a drawback, Mr. Fox?

Mr. FOX. No, sir; I am not absolutely certain, but my impression is that they get a drawback upon all material imported which goes into the beer, that they get a drawback on the English and Bavarian hops.

Mr. GEAR. And glass bottles and corks?

Mr. FOX. I believe so; that is my impression.

Mr. BRECKINRIDGE. I doubt that very much, because they make no provision for identifying these articles. We generally have a bonded system where such obtains.

Mr. FOX. That is a matter upon which I have not very accurate information.

Now I wish to read to you gentlemen one or two brief extracts.

[Oil, Paint, and Drug Reporter, August 5, 1885.]

“A statement was made not long since by dealers in hops that brewers were using substitutes, which accounted for the large stocks of hops on hand. This was most emphatically denied by a well-known brewer, who stated that until recently New York State produced the bulk of the hops raised in this country, and that the growers had a regular monopoly and dictated prices, which we were compelled to conform to, for, on account of the heavy tariff, we could not import hops except for the higher grades of beer. But now immense crops are raised in California, Oregon, and Washington Territory, which can be produced, owing to the great fertility of the soil throughout that section, much cheaper than here at the East. This is the reason of the cheapness of hops now, and not because of any diminution in their use.”

[Samuel Ramsay, May 29, 1885, to the Waterville Times.]

“The writer has just returned from an extended trip through Dakota, Minnesota, and Wisconsin, and in most of the breweries did not find a bale of New York State hops, neither could he sell a single bale at present current prices in competition with

Washington Territory hops at the low prices dealers are now asking. The 1884 yield in Puyallup Valley was fully 2,000 pounds per acre."

That is a point gentlemen, I might lay stress upon, that the largest yield I think in New England, I think the New York farmers claim, per acre, is only 1,000 pounds, and I think the average is a great deal less. I believe the average is as low as 600, whereas, on the Pacific coast, in Washington Territory, they raise 2,000 pounds to the acre, and the average of the Pacific coast would be 1,600 pounds per acre.

Harper's Magazine, some years ago, published an article by Mr. Keese, who lives at Cooperstown, and is a hop farmer, as follows:

"A year which gives to Germany, England, and the United States a season of average productiveness, would create an excess over consumption sufficient to reduce values far below cost of cultivation. Witness the low prices of 1869, 1871, and 1878, when the entire crop was marketed at from 5 to 12 cents per pound. * * * It was during an era of high prices, some years ago, that portions of Wisconsin unhappily made the discovery that their region was suited to hop culture. Something like a craze ensued, and land was bought at fabulous prices, farms were mortgaged, and all devices used to raise money to put into hops and lead the farmer on the road to fortune. The collapse came soon after, when prices reacted to the lowest point, and ruin and disaster followed.

According to the census report of 1870, Wisconsin raised between 4,000,000 and 5,000,000 pounds of hops. In 1879 they raised a little less than 2,000,000 pounds of hops, and last year they raised something like 36,000 pounds, or something less than 150 per cent. of the production of 1879. I have not the data of the statement in reference to Wisconsin to show positively how that decline in the production was brought about, but my impression is, and it is a very strong one, that it was brought about largely by the competition of the Pacific coast.

The duty was raised, as has been stated, in 1876, from 5 to 8 cents a pound. For four years subsequent to that prices were, I think, lower than any two years previous. I have a table here of data which can be examined:

Statistics of production in New York State.

[In bales of 180 pounds.]

1879.....	* 120, 741
1880.....	120, 000
1885.....	150, 000
1886.....	5, 000
1887.....	120, 000
1888.....	100, 000
1889.....	90, 000

Statistics of production in Wisconsin.

1870.....	Pounds.	4, 630, 155
1879.....	(4, 439 acres)	1, 966, 827
1890.....	(estimated)	36, 000
Or less than one-fiftieth.		

Emmet Wells, May 19, 1882: "With the California acreage yielding nearly 3 pounds to Wisconsin's 1 pound, it is no wonder that the acreage of California has increased and Wisconsin's, fallen off one-half."

Cash prices current for hops in New York for the week ending February 13, 1885; also, for the corresponding weeks for the past seventeen years.

	New York.	Eastern.	Western.	Yearlings.	Olds.	Foreign.	Pacific coast.
1868.....	20 to 60	20 to 55	20 to 65	15 to 40	10 to 25	35 to 75	.....
1869.....	6 12	6 10	5 9	2 5	1 3	.....	.....
1870.....	20 27	18 25	15 23	6 10	2 4	.....	.....
1871.....	8 12	7 10	5 9	2 4	1 3	.....	20 to 25
1872.....	25 65	25 60	25 60	10 30	8 16	68 80	70 75
1873.....	40 45	40 50	40 50	.....	8 15	35 50	50 60
1874.....	30 40	20 35	30 40	20 25	8 15	30 40	35 48
1875.....	33 43	30 40	30 40	15 25	8 15	.....	40 45
1876.....	12 17	10 15	10 15	8 10	4 6	.....	17 20
1877.....	10 20	13 18	10 15	8 12	4 6	.....	15 20
1878.....	5 13	5 8	5 8	2 3	1 2	.....	12 14
1879.....	7 15	8 12	8 12	4 6	2 3	.....	12 15
1880.....	27 35	27 33	27 33	7 18	4 10	45 60	30 35
1881.....	15 23	16 22	16 22	12 18	4 10	30 35	19 23
1882.....	17 35	16 22	16 22	12 20	5 10	35 40	23 25
1883.....	80 90	80 85	80 85	70 75	.....	85 130	80 90
1884.....	16 28	16 25	16 25	20 26	.....	53 60	20 26
1885.....	12 18	12 10	12 16	8 10	.....	30 35	12 17

* 553 pounds per acre.

Mr. LAFOLLETTE. Have you a table of prices for a series of years?

Mr. FOX. Yes, sir.

Mr. LAFOLLETTE. You will leave that with the committee, if you please.

Mr. FOX. Yes, sir.

The CHAIRMAN. What was the effect of the increase of duty during these years?

Mr. FOX. It was a very small production, and that accounted largely for the reason that so many brewers went out of business.

The CHAIRMAN. And the price was diminished?

Mr. FOX. Yes, sir; and in the table of average prices submitted to you, and in a petition sent by hop-growers of New York State, it shows that for the, I think, fourteen years previous, while the duty was 5 cents per pound, the average price of hops was something like 41 cents, and that for the eleven years since the average price has been 27 cents per pound.

The CHAIRMAN. So you had cheaper hops since the increase of the duty in 1876 than you had before.

Mr. FOX. Yes, sir.

Hon. J. P. Stewart, hop-grower of Puyallup Valley, said to San Francisco Ledger, September, 1887:

"When the eastern hop-growers shall have gone out of the business, and this coast raises a supply for the world that can be relied on from year to year, then there will not be the fluctuation in prices that there has been in the past. * * * I have averaged 21 cents per pound for the past fifteen years, and 1,800 pounds per acre."

Mr. LAFOLLETTE. What was the price of foreign hops at the period of which you speak, when the duty was 5 cents per pound?

Mr. FOX. For the year 1872 it was 68 to 80; for the year 1873 it was 35 to 50; for the year 1874 it was 30 to 40; from the year 1874 to 1880 they imported no foreign hops.

Mr. LAFOLLETTE. Then foreign hops were higher than during the period of low duty?

Mr. FOX. Yes, sir; foreign hops were high, and our hops were high in proportion, New York hops selling at from 25 to 65 cents.

Mr. LAFOLLETTE. The extravagant prices, if they were extravagant prices, of that period were due to something else than the low duty?

Mr. FOX. I do not think the duty had any special bearing upon it whatever.

Mr. BAYNE. What do you say for American hops as compared with the imported hops, say New York hops?

Mr. FOX. New York hops sold at 20 cents, and Bavarian hops sold at 21 to 25 cents per pound, duty paid. In 1882 we had a scarcity of hops, and hops went up from 40 cents to \$1 a pound that year, engendered by gross speculation among the farmers, particularly the New York farmers. I have some data on that subject.

The CHAIRMAN. Unless you care you can hand them to the stenographer and it will go into your statement.

[New York Sun, August 11, 1889.]

HOPS AND SPECULATION—FARMERS WHO HAD RATHER GAMBLE ON A POSSIBILITY THAN TAKE A SURE THING.

COBLESKILL, August 10, 1889.

To the person who has no idea to what extent the growing of hops affects the general welfare of a large portion of the population of this State, the news that the hop crop is good or bad carries but little significance. There are comparatively few people outside of this part of the State who are not directly interested in the growth, handling, or large use of hops, who know that the counties of Oneida, Otsego, Schoharie, and Madison raise over 50 per cent. of the hop crop of the United States, and that they are the very heart of the industry in America. The importance of this industry may be imagined when it is known that the four counties mentioned export, in seasons of good crop, \$3,000,000 worth of hops, so large does this product of New York State enter into the manufacture of foreign ales and beers. Although in this rich region cereals, grass, roots, and fruits have never failed to yield bountiful returns to the husbandman, their growing was long ago subordinated to the culture of the hop, and the acreage of the district every year has been gradually filched from the possession of regular products of the ground and given over to the more precarious and speculative growth of the hop.

The speculative instinct governs the dealings and methods of nine out of every ten of the New York State hop-growers. The weakness of human nature when tempted by the possibility of gambling was never better illustrated than it is in this region among all classes. Hop growing has grown to be a mania, and absolutely a gambling mania. A prominent hop-grower describes it as being simply the spirit of Wall street

carried afield. "The fascination that its speculative character gives it," says this farmer, "has lured into hop growing not only the large land-owner, but the small farmer, the mechanic, or tradesman who is able to lease a limited space of ground, and even the laborer who may hold by squatter privilege some strip or patch of idle ground. The grower of grain, or vegetables, or grass never looks forward to any phenomenally large price for his products, nor does he apprehend that he may be compelled to accept any ruinously low one. If there should be a rise or fall of 50 per cent. in values between one season and the next one the fluctuation would be most unusual, and would cause an unprecedented flutter among growers of regular farm products. But if one season's market for his specialty is hundreds of per cent. higher than it was the preceding season it brings no surprise to the hop-grower, and if the market should show the same amazing fluctuation the other way, it would not strike him as being a situation other than might naturally have been expected from the chances he takes. Changes of 400 per cent. have been known to occur in the hop market during a few months. Seasons when the price of hops was as low as 7 cents a pound have been followed by others with the market at 50 cents.

"On the other hand, hop-growers have held their hops against an offer of 65 cents a pound and sold them in a few weeks for 5 cents. Crops that could have been sold at thousands of dollars profit have been held for a larger speculative rise, only to be utilized later on as bedding for stock. The speculative spirit is so strong in many of our hop-growers that the market never rules so high but that they are sure it must go higher, and they act accordingly, nearly always to their loss, and frequently to their ruin. This was particularly noticeable in the memorable season of 1882. Hops went to the enormous price of \$1.25 a pound. The class of growers mentioned not only refused that price, but purchased largely at the big figures and contracted for immense quantities of the coming crop of 1883. They argued that the market could not be prevented from going to \$2 in a short time. On the contrary, the market began to tumble, and in a few weeks went to 25 cents. In that year long-headed growers made big fortunes in a day by selling when the market was up, and over \$4,000,000 was added to the wealth of such during the season. There are hundreds of men in the business to-day who have been in it for more than a quarter of a century, growing largely and always on the go, who are no better off than they were when they began, although they have made fortune after fortune, and lost them by holding hops for sure prices that never came.

"This situation is all the more surprising from the indisputable fact that with careful cultivation and dependence on the legitimate channels of trade for its remuneration, there is no branch of farming so certain to return a large profit to the farmer as hop growing. While being always uncertain to a majority of the farmers, hop growing is always certain to a conservative minority. The majority is made up of a class I mentioned as making their product the plaything of chance. The minority is composed of farmers who are content to go slow, and, basing their transactions on the fact that a pound of hops may be prepared for market at a cost of 10 cents, never fail to sell their crops at the first fair price that offers. Many of these have long contracts with dealers at a steady price that pays them handsomely year in and year out. They know that hops at 50 cents are a bonanza if the crop is good. That price is above the average of the market for New York hops during the past fifteen years at least. These farmers dispose of their crops on the principle that it is better to keep the golden mean between a possible flood of extraordinary high prices and a probable low-water mark. The farmers who have thus been able to overbalance the fascination of speculative growth with the weight of their conservatism, have frequently been subjected to the aggravating thought, after selling their crop for perhaps 25 or 30 cents, that if they held on to it a few weeks longer they might have doubled their money as their neighbors did; but, unlike those same neighbors, they have never been troubled by the reflection, after turning out their long-held hops as bedding for their horses, that they might have sold them at a good profit if they had let them go at the offer of a month before. There has never been a year in my recollection of hop growing during some time of which hops could not have been sold for at least the cost of their production.

"While nothing is more fallible in hop growing than the speculative instincts of the grower, there are other factors present in the business which are more prone to evil than good, and hence obstacles to a safe prediction as to what a year's crop will be until it is picked, and factors in producing or inducing the extraordinary fluctuations to which the hop market is subject. These are many and ever-present. The vines may be retarded in their growth by a cold and slow early summer. There is a deadly fly that may work destruction during July, and a wet, hot August is sure to develop the dreaded and deadly mold. Parasitic enemies constantly threaten both vine and berry. The farmer may find, on beginning operations in the spring, that his vineyard roots have been winter-killed. Blights of various kinds may wither and kill. After running the gauntlet of all these and combatting them successfully, the farmer may see his hopes ruined by an unkindly frost, perhaps the very day before his sea-

son's picking was to begin. These, and many more, are legitimate dictators of the hop market, and one of them has so persistently defied the efforts of the farmers this season that from all accounts the crop will at the best not be more than two-thirds of the average. Blight is principally responsible for the injury to this year's vineyards, but the wet early summer and July had also a serious effect on the crop, especially on early hops. Hop-picking will commence about the 1st of September."

[New York World, August 17, 1885.]

What wheat is to Dakota, the orange to Florida, and silver to Nevada, the hop is to Otsego. Upon it is built the farmer's prosperity. With a soil well adapted to grazing and the growth of cereals and hay, and where all hardy fruits grow abundantly, and with the nearness to market that makes ready sale of farm products the matter of less than a day, he neglects all of these, and relies mainly upon the hop for his year's advantage. Indeed, there are many men who rent a few acres of land, plant it with hops, and spend the whole year in labor upon them, making their revenues the sole dependence of themselves and their families. Others, more sensibly, plant but a few acres and grow them along with their other crops. However, a man who is once bitten with hop madness usually pursues it to fortune or to ruin.

The attractiveness of hop raising depends much upon its delicious uncertainty. There seems to be no limit through which the price of hops may not rise or fall. In 1882 the highest price ever known was realized. Hops sold for \$1.25 per pound. The average price was but little short of \$1. Since that time they have slid down the scale until to-day I hear of good quality hops being sold for 6 cents per pound. For a moment compare these figures and see what the difference means to the grower! One who has grown them for many years kindly gives me the following figures, showing his sales for seven years.

1878.....	\$0.18	1883.....	\$0.25
1879.....	.25	1884.....	.22
1880.....	.19		
1881.....	.22	Average price.....	.35
1882.....	1.15		

Yet this man did not obtain the top price in any year. Had he so done his average would have been little if any below 50 cents per pound. The average yield may be anywhere between 400 and 2,000 pounds to the acre; and the cost of growing is less than 10 cents a pound; 15 cents giving a liberal margin of profit. Think of averaging from \$200 to \$1,000 yearly from an acre of land (itself worth less than \$50) during a period of seven years. Think of a poor farm laborer who by hook and crook had managed to cultivate an acre or two of hops during the flush times of 1882 receiving \$2,500 as the reward of his labor. Such instances are not uncommon.

In 1882 times were indeed flush and money was plenty. The hop market had been gradually strengthening during the summer as reports of crop failures in England and elsewhere were received. August found it active at 50 cents, but there were no sellers. All the old hops in the country were bought and held at fancy figures. One lot which had crossed the Atlantic at least twice and had been considered but little better than rubbish was purchased at a figure which the grower never dreamed of asking when they were new and valuable. Others, damaged in a great fire, the baling burned off, and the hops drenched with water, sold for more than they cost the autumn previous. But none of these purchases were made for use. They were held for the advance which all thought imminent. This still further tightened the market. Higher and higher still rose the price as the crop was harvested, and the growers exhibited none of their usual eagerness to sell. They, too, had caught the infection, and were bulling the market. In November the highest point was reached, and for a few days \$1.25 was paid. Then a little package of hops containing, say, 15 cubic feet, called a bale, would bring \$250. Many took advantage of this flood tide and sold. Others thought there was no limit which might not be reached; \$2 per pound was freely predicted. "The brewers must have them," was their cry. But no higher point was touched.

In a few days they had fallen to \$1, and soon to 80 cents. At these figures many more sold, still obtaining a figure never equaled before. The price fell off further, and in July of 1883 less than 30 cents was offered. Still, at any price of that year hops were a most profitable crop. Only those who held on obstinately, waiting for the advance that never came, lost by the great hop boom of 1882. That is, few lost directly by it, yet the resulting loss was very great. It seemed to many that the good times would never end. The land increased in value in a startling ratio, and common farm laborers asked and received extravagant wages. It is safe to say that never, even during the inflation period following the war, did so much land change owners in any year as during the winter and spring of 1883, nor at such high prices. Of course this was mainly true of hop lands, a few acres upon a farm increasing its selling price immensely; but all property shared in the benefits of the golden harvest. None feared to be encumbered with debt, for another crop would

pay all. So farms and village homes were bought, houses and barns were built, and a thousand articles of use and luxury bought to be paid for from the additional acres that all made haste to plant.

That was the flood tide; the ebb was ere long to follow. For the past two years prices have sagged steadily downward from 30 cents. Now all pray that the lowest point may have been reached. The most hopeful hardly expect that the growing crop will sell for more than 10 cents. This may pay the expenses of growing them, but that will be all. The surplus to apply to the payments on the debt-encumbered farms, or for those things which they were allured into buying by the fair prospects, will fail utterly. Yet the burden will not fall only upon them. The grocer, the mechanic, the laborer, every one to whom the farmer is indebted, will suffer with him. Failure must follow failure. Two banks have already succumbed to the pressure; one, which had loaned much money upon hops, will not pay above 25 per cent. to its depositors. The other banks have learned caution, and will refuse this year to advance money to gather the crops even with a first claim upon it as security.

This is a dark view of the situation, but it is one which the facts will justify. Happy is that man who has not discounted the future, but has been content to reap a moderate immediate harvest. To him the future has no terrors, for the past has made him secure. He can look out upon his broad acres, covered with its net-work of vines whitening with blossoms or laden with the yellow hops, and see the full beauty of it all, unoppressed by the dread of unprofitable prices. He will enjoy the mirth of the hop-gathering, the rude playfulness of the busy pickers, and the frolicsome gatherings at night, when the tired workers forget the labors of the day, and

Chase the glowing hours with flying feet

and at least the grower, be he rich or poor, has one consolation, the crop never gave promise of a more bounteous yield or one of better quality. Of course the few weeks that yet remain before the harvest may defeat all this happy promise. The louse may come and his myriad army bring ruin; the honey-dew may strike the leaf; the mold may destroy the crop even when fully ripened; but as yet there is no indication of any of these. Rather the outlook is most pleasing. The only misfortune as yet which the growing crop has suffered is the high winds of last week, which, in exposed situations, heaped poles and vines in picturesque confusion. The grower, if he must content himself with low prices, may look at least for a most abundant harvest.

Mr. FOX. It seems, Mr. Chairman and gentlemen of the committee, that the only advantage of this prohibitive tariff to the farmer or any increased duty to the farmer, would be in the event of a failure of crops, as has been mentioned, and it is a question whether it would be either just or expedient, either just to the importer and brewer, or expedient to the whole community to encourage the farming industry in a speculative possibility. The farmer now is speculating either upon the possibility of the failure of the English or the possibility of the failure of his neighbor's crops. I further claim that the effect of the duty would be reactionary upon the growers, because it would over stimulate production, and in the course of a few years a great many more would have to go out of the business.

Mr. GEAR. You claim this duty would largely interfere with the duty on export beer; if this duty was placed, it would enhance the cost of manufacturing beer for export.

Mr. FOX. I do not think I made any such claim.

Mr. FLOWER. He has stated that he is not a brewer.

Mr. FOX. I said that I could not undertake to talk to you positively on that subject, because I did not have sufficient information on the subject.

Mr. GEAR. I will tell you exactly how much, if you want to make an argument on it. It will enhance the cost on 6,001 barrels just \$96.

Mr. BRECKINRIDGE. I think you are wrong, Governor Gear. The proposition we are discussing is the effect upon the export trade in malt liquors of an increase of 12 cents a pound duty on hops. We are taking a year of the short crop here. The increase at 1½ pounds of hops to a barrel of beer would be from 15 to 20 cents per barrel. Take it as 15 cents. We export over 170,000 gallons not in bottles and over 375,000 dozens in bottles. Take the latter as the lowest, which is pints, and it is 4,500,000, or over 56,000 gallons. The total then is over 226,000 gallons, or over 6,800 barrels of 33 gallons each; 15 cents a barrel on this is over \$1,000.

Mr. FOX. I can not dispute that statement; I am simply making a statement of facts, as you will understand.

There is just one more statement I wish to make, Mr. Chairman, and that is that the very people for whose benefit this bill has been drawn are not unanimously in favor of it. I have already shown that the Pacific growers are indifferent. I have a brief article here sent to the New York Daily Commercial Bulletin, in which the writer says that there are a great number of farmers in the hop-growing counties of New York who do not belong to the hop-growing association and are opposed to the duty.

Mr. CLARK. By whom is it signed ?
 Mr. FOX. It is signed H. S. G.
 Mr. CLARK. Where is it written from ; what is the paper ?
 Mr. FOX. It is taken from a paper ; it is a letter to the Commercial Bulletin, from Utica, New York.

DUTY ON HOPS.

UTICA, N. Y., March 1, 1890.

Editor of the Daily Commercial Bulletin :

SIR: The hop-growers of Madison, Otsego, Schoharie, Oneida, and Ontario Counties, as a rule, are men of the best public-school education ; industrious, generally men of good judgment, and far above the laboring classes in our large cities. They subscribe to local weekly papers and to one or more of the city weekly journals. The most of them swear by the Commercial Bulletin, and read the hop market in its reports regularly.

There are many of them who do not belong to the so-called Hop Growers' Association, for they believe the most of these organizations are run by a few men who have an ax to grind. They are all for protection ; but the most experienced, long-headed, and successful average producers are opposed to a high tariff. They prefer to have it remain as it is, 8 cents, or at cost of production, 8 to 12 cents, rather than to have it raised to 20 cents or higher, for the simple reason if it should be raised to the latter price it would undoubtedly overstimulate production, especially at these times, when all other farmers' products are selling at extremely low prices.

The farmers are not easily "gulled ;" they are aware that it is an old dodge for politicians who want special favors of them, and commission merchants who want their consignments, to talk high duty on all imported hops so as to get their good will and accomplish the object which they are looking after. In the five counties which I have mentioned, if all the land which is suitable for hop culture should be put into cultivation, we would have hops enough to supply the home trade and an immense surplus besides. Then, how would it be when we add to the list California, Oregon, Washington, and portions of other States which are suitable for this industry ? The trouble with hop growing in this country is that too many are engaged in the business in ordinary productive seasons. If we wish to remedy this evil we certainly should not still further over-stimulate this industry and make the surplus much greater by an extremely high tariff, which would virtually in time ruin the producers and put the speculators (not dealers) in a position to make a combine and buy the hops in the country of the producers at a merely nominal value—as it is well known that a great majority of the growers are in such circumstances that they will have to realize on their hops soon after harvest, and many of them have to borrow money to pay their pickers. Then, these not over and above scrupulous speculators would advance the price and be able to squeeze the brewers, which is one of the great objects in this high protective tariff now asked for.

The politician who is the true friend of the hop-grower, or even of the consumer of beer, should use his influence for legislation which will prohibit the brewers from using alocs, the poorest grades of glucose, and other substitutes for pure malt and hops.

Yours, etc.,

H. S. G.

Mr. McKENNA. Whom do you represent ?

Mr. FOX. Certain importers of New York, and also one or two exporters.

Mr. McKENNA. If this duty is increased the beer brewers will have to pay it.

Mr. FOX. Our contention is that if the duty is increased to that extent it will prohibit the importation and drive us out of business.

Mr. McKENNA. Hence your interest ?

Mr. FOX. Hence my interest.

To the Ways and Means Committee, Washington D. C.:

It is announced that you will permit representatives of the County Hop Association of New York State to appear before you on Monday, the 10th instant, to present arguments on behalf of the De Lano bill.

The undersigned, importers of foreign hops, and dealers in and exporters of American hops, deem it only fair that they should have some voice in the matter under discussion. They therefore request that Hugh F. Fox be recognized as their delegate for that purpose.

LILIENTHAL BROS.

BENJAMIN SCHWARZ & SONS.

E. & W. E. HERMANN & Co.

C. L. YERDACHMER.

CARL ULLMANN & Co.

PHILIP KRUG & SON.

S. GOLDBERGER & Co.

SCHWARTZ & WEDDER.

MAX SCHOENTHAL.

F. W. SIMONDS & SON.

HUGO REISINGER,

MARTHER ROTHBAU & Co.

NEW YORK CITY, March 8, 1890.

STATEMENT OF MR. JAMES F. CLARK.

Mr. JAMES F. CLARK, of Cooperstown, N. Y., next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I shall not take up more than one-fourth of the time which I should have taken in reply to Mr. Fox if he had not presented our case so clearly, showing the need of this duty better than we can do ourselves; but there are a few points I would like to reply to. He says that the New York growers have got to go out of business, that they can not compete with the Pacific coast growers. In reply to this, I would state in the first place, their hops are not of as good quality as ours, for all he may say. The hops grown in California, after they are a year old, are hardly worth a cent a pound, and brewers will tell you so, and dealers will tell you so everywhere. This is because they grow in a dry climate, and they have not got the strength and keeping qualities, whereas hops grown in the State of New York, I do say, are the best hops grown in the world. This gentleman made one mistake in the report about the cost of hops. The price of hops last year was depressed by the fact that they reported all over the State of New York, every brewer, grower, and dealer, that Germany had a tremendous surplus, which could be put on the New York market for about 12 or 14 cents a pound. Therefore the prices of our hops here were very much depressed. Now, prices started off at 10 and 11 cents a pound, and went down to about 6 and 8 cents a pound.

This man Fox himself came to my hop kiln, got samples, and told me he could get my hops off at a good round price; and he took the hops off to brewers, and never made any report at all. At the same time he bought low-grade hops and paid 18 to 22 cents a pound. Now, the German hops imported here are not the best German hops grown. The best you can not buy for less than 30 to 35 cents a pound. Those brought to this market are low-grade, which can be bought for from 4 to 5 cents a pound. They mix them and sell them in New York as straight hops; and the brewers in using these hops take about a handful to put in the barrel. They put it in last and then bung it down. He would sell to these men, and they would give a higher price for these hops, and would not give more than 11 cents a pound for ours, when our hops were better than the imported hops. I shipped to England, right on the open London market, and competed and got 4 cents a pound more than any German hops in the London market. Those were hops grown in New York, instead of Germany. I sold them there, and they netted 17½ cents, and these American brewers would not give but 11 cents, and Fox would not make an offer. That shows, gentlemen, that my hops were right. Mr. Fox told me himself it was one of the finest lot of hops shown in the city of New York or anywhere else, and told me he could get a big price, and then at the same time joined these dealers to depress the industry—

Mr. CARLISLE. But your statement is a singular one in this respect. I am not questioning it, or the accuracy of it at all, but according to your statement they paid 18 cents a pound for these inferior hops, when they would not pay you but 11.

Mr. CLARK. That is true all the time.

Mr. CARLISLE. Why?

Mr. CLARK. To break the market.

Mr. CARLISLE. But it does not break the market to pay 18 cents?

Mr. CLARK. These men are united as one man. There are six thousand brewers united in an organization as solid as one man. When hops go up they would buy a few bales of German hops and set back on the market.

Mr. CARLISLE. Now, is not this a fact, you were offered 11 cents a pound for your hops here?

Mr. CLARK. Yes, sir.

Mr. CARLISLE. And at the same time they paid 18 cents a pound for a very inferior quality of German hops, and you sent those hops for which you could only get 11 cents a pound here to England and sold them for 6 cents a pound more. Now, is not this a fact, they had to have them in England for the purpose of making a certain kind of beer that they had to have the hop of this country for the purpose of mixing with the German or English hop?

Mr. CLARK. There is nothing of that in England. They buy them because they like them better than English hops. Mr. Bass, of England, has used my hops abroad for years. They are the New York hops, and he has said that they are the best hops he can buy anywhere, and they pay more money for them. If I had thought of it, I should have brought the New York quotations with me showing the market quotations in New York for German hops; they are from 8 to 10 and 20 cents a pound better than New York hops.

Mr. CARLISLE. Is not the reason of that that they have to have German hops to make a particular kind of beer, which they could not make out of your hops?

Mr. CLARK. They take a handful of hops and put it in the barrel, in the bung after the beer is made, and bung it down, and that handful of hops imparts a flavor to it.

Mr. CARLISLE. And American hops will not do that?

Mr. CLARK. No, sir; not that same flavor.

Mr. CARLISLE. That is what I am trying to get at.

Mr. McMILLIN. Will you explain how the consumers of hops here can break the market by bringing in hops at 18 cents in competition with hops at 11 cents.

Mr. CLARK. The point is that they can set right back on the American hops. The growers have got to have money. They are poor and they have run in debt mostly for work for growing a crop, and of course want to sell their hops as soon as they can and then when they have to sell there is no market, because the dealers send around men to all the breweries, and the men come back and report that the breweries do not want any.

Mr. BAYNE. Still you exported your hops and got 17½ cents for them. What did other American producers do with theirs?

Mr. CLARK. They sold their hops for from 6 to 8 cents. Nine-tenths of them sold them at that. I have seen a thousand bales sold right in my place for 6, 7, and 8 cents a pound, and they were just as good hops as I had.

Mr. McMILLIN. Was the price you got the average, or about the average market price abroad?

Mr. CLARK. Yes, sir.

Mr. McMILLIN. We are not great exporters of hops, but do we export considerable?

Mr. CLARK. Mr. Fox talks about surplus. We have not grown in the four years since 1885 beyond the consumption. The only surplus we have had has been the German hops. That has made the surplus. The result was that from the year 1882 to 1885 there had been so much increased acreage that we grew in 1885 a supply for two years; 1886 was the only year we had a failure. It happened to be a combination of climatic and other reasons that brought about that failure, and that was the only year we have ever had one anywhere. Still, we have had three good years following, and we have not been able to grow enough to supply the demand, because we have used up the old hops and had all new hops, and the stock we have imported from Germany comes pretty near that exported. But in the four years we have imported more than we exported really.

Mr. LA FOLLETTE. Do the brewers use your hops?

Mr. CLARK. Yes, sir.

Mr. LA FOLLETTE. And must have them?

Mr. CLARK. Yes, sir.

Mr. LA FOLLETTE. They prefer the New York hops, as I understand you.

Mr. CLARK. There is no question about that.

Mr. LA FOLLETTE. You have stated they use a small quantity of Bavarian hops to bung it down.

Mr. CLARK. Yes, sir.

Mr. LA FOLLETTE. And yet you say that controls the price of hops, and keeps them low.

Mr. CLARK. Yes, sir; and here is the reason, Mr. La Follette. A representative of the Western Brewers' Association, speaking about that same thing, says: "The importation of hops has proved a safety valve." That is where the trouble is.

Mr. BRECKINRIDGE. I understood you to say brewers would go to Europe and buy inferior hops.

Mr. CLARK. The dealers buy these hops.

Mr. BRECKINRIDGE. I observe in the table of imports, taking the consumption, the average price to-day on the foreign market, which does not include freight or duty, is a very little over 29 cents a pound.

Mr. CLARK. There are hops in Germany which can be bought for 4 to 5 cents a pound.

Mr. BRECKINRIDGE. But this was the average price.

Mr. CLARK. The best hops are bought at 35 cents a pound.

Mr. BRECKINRIDGE. If the average is over 29 cents a pound, what per cent. is of these very inferior hops that they buy at 4 and 5 cents?

Mr. CLARK. Over nine-tenths brought here.

Mr. BRECKINRIDGE. If there is nine-tenths, the average would be below 29 cents.

Mr. CLARK. In Germany?

Mr. BRECKINRIDGE. This is the official report of the price paid in Germany.

Mr. PAYNE. How do you estimate it?

Mr. BRECKINRIDGE. The Treasury Department estimates that.

Mr. FLOWER. I think that the brewers last week did claim that those hops came in direct competition with our hops.

Mr. BRECKINRIDGE. But the point I want to get Mr. Clark to reconcile is his statement. He now says nine-tenths of these hops—

Mr. CLARK. I mean nine-tenths of those coming here, not nine-tenths of the whole German crop.

Mr. BRECKINRIDGE. I am talking about the average market price, for I have no

official statement of the whole German crop. He says nine-tenths of the hops we import are bought by the dealers at 4 and 5 cents a pound. Now the custom-house report, as we have here in our table of consumption, is that the average of the imported hops is a little over 29 cents a pound.

Mr. CLARK. Is that last year?

Mr. BRECKINRIDGE. Yes, sir.

Mr. CLARK. It is figured on the cost over there.

Mr. PAYNE. July, 1889—

Mr. CLARK. All this reduction has taken place since July, 1888. Up to July, 1889, our whole hops here were worth 18 to 20 cents.

Mr. BRECKINRIDGE. You will understand, of course, the report of the custom-house is not a report of the average market, but a report of the average prices paid.

Mr. CLARK. This was the past year, but—

Mr. BRECKINRIDGE. Even if it took place only last year, you do not think that they can be 29 cents a pound on the average, some lower and some higher; but that is the average.

Mr. CLARK. If they combine and go and buy a few bales, they can pay 50 or 60 cents a pound for hops, and they can break the market up.

Mr. BRECKINRIDGE. But if they only buy 50 or 60 bales and import a great many bales, that would not make the average 29 cents.

Mr. CLARK. But the great bulk of the hops used here are American grown hops.

Mr. BRECKINRIDGE. That is not the question we are talking about.

Mr. LA FOLLETTE. What was the price from July, 1888, to July, 1889?

Mr. CLARK. The price from July, 1888, to July, 1889, was 25 to 30 cents for our hops, and German hops were worth 40 to 42 cents. It ran down until about the latter part of July, 1889, when the great cry was that Germany had a tremendous surplus.

Mr. LA FOLLETTE. So that all that year the price of foreign hops was depressed?

Mr. CLARK. Yes, sir; ours started off well, and they broke down later on that account.

Mr. BRECKINRIDGE. You have not the custom-house report since July, 1889?

Mr. CLARK. I think Mr. Coggs shall has.

Mr. McKENNA. What was the price of foreign hops in the direct market?

Mr. CLARK. This last year?

Mr. McKENNA. Yes, sir.

Mr. CLARK. This last year they were selling about 28 to 29 cents.

Mr. McKENNA. And they sold as low as—

Mr. CLARK. From 6 to 11 cents; 11 was the highest.

Mr. McKENNA. Why should hops selling at 28 cents a pound break the market for those selling at 11 cents?

Mr. CLARK. If a brewer wants to buy 4 or 5 bales of foreign hops and spin them along for a month until the American grower is bound to sell his hops, he can do so, as the growers have got to sell.

Mr. McKENNA. But I understand the brewers only want a small quantity to bung down with.

Mr. CLARK. Here is Mr. Fox's statement—

Mr. McKENNA. I am not talking about that. I understood you to say that they use the American hops and only use a handful of the foreign hops with which to bung down, and for that they pay 28 cents a pound.

Mr. CLARK. Yes.

Mr. McKENNA. But they bought the bulk of the hops at from 8 to 10 and 11 cents a pound, and yet you say that handful of hops for which they pay 28 cents a pound would break the American market.

Mr. CLARK. If they can set back and hold out of the market they can break any market.

Mr. LA FOLLETTE. As I understand you, the situation is just this: The American grower has got to sell his crop within a few weeks, and he has got to find his market. Now, if the brewers' organization is strong enough so as to act as one man they can set back and refuse to buy until he offers it at a very low price.

Mr. CLARK. Yes, sir; until the hops go down.

Mr. McKENNA. By buying hops at an alternative of 28 and 22?

Mr. CLARK. They can make money by that in the end.

Mr. FLOWER. The brewers buy the hops from the dealers?

Mr. CLARK. Yes, sir. It has been said that no one knew a hop-dealer to have money enough to bury him when he died except one, Mr. Peare. There is no question, gentlemen, about our being able to supply the country if you give us a show. There is no question about that. We can grow the finest hops in the world, and as far as quantity is concerned, there is ground in New York that will grow 2,000 pounds to the acre. I myself grew last year 2,500 pounds to the acre. So we stand in no fear of the Pacific coast. If you will simply give us protection, we will go on and compete in any event, or go out of business.

The CHAIRMAN. And you want this country?

Mr. CLARK. Yes, sir.

The CHAIRMAN. Do you care anything about foreign capital?

Mr. CLARK. Not much; if you keep out hops, I would not care a cent about the German grower.

The CHAIRMAN. Does this affect the Pacific slope grower?

Mr. CLARK. In the same proportion.

The CHAIRMAN. In a degree it affects him?

Mr. CLARK. Yes, sir.

Mr. BRECKINRIDGE. How many pounds are there to a bale?

Mr. CLARK. About 180 on an average.

Mr. BRECKINRIDGE. How many do we grow in this country on an average crop?

Mr. CLARK. About 180,000 to 200,000 bales. The Pacific coast last year grew about 90,000 and we grew from 75,000 to 80,000 for the last two years.

Mr. BRECKINRIDGE. One hundred and ninety thousand is the total production of this country?

Mr. CLARK. I should say it was virtually 200,000, except in 1885, when we grew a tremendous crop, and at one time in Wisconsin we grew there 20,000 bales. But they got vermin in there, and so they do not hardly grow any now. The vermin are now over on the Pacific coast, so we can not rely upon the Pacific coast either. As soon as vermin gets into one country it never leaves unless that country is favorably situated in regard to soil and climate.

Mr. BAYNE. How are your lands holding out?

Mr. CLARK. Most are beginning to show signs of wear. I, however, am near a village where I can buy stable manure and commercial fertilizers. Those that buy fertilizers keep up.

STATEMENT OF EDWARD F. HASKELL.

Mr. EDWARD F. HASKELL, of Oneida, N. Y., next addressed the committee. He said Mr. Chairman and gentlemen of the committee, as has been asked several speakers here to-day, it may not be improper for me to state at the outset what relation I bear to the industry of hop-raising, upon which subject I am here to make a few remarks. I am at present interested in the cultivation of hops; in addition I am connected with both the State organization of hop-growers as chairman of the executive committee, and with our county association of Madison county as chairman of that executive committee. There has been several propositions raised here before this committee, which propositions before entering into a general discussion of the matter, I will take up. One is in regard to the Wisconsin hops. In 1867, when the hop industry was in its most flourishing condition, the market was between 60 cents and 70 cents a pound, and that was the year of the first introduction of German hops into this country as a competitor. In that year the German hops were brought here and placed upon this market when contracts had been made with the brewers to the amount of \$1,000,000 worth at 20 cents under the ruling market. And that caused the first serious break in the Wisconsin hops. The German hops did not again appear as a competitor with American hops for several years, and the real cause of the diminution of hop-growing as an industry in Wisconsin was effected by vermin and lice, making it impossible there to grow a successful crop.

It has been stated here that hops have gone down since 1876 as an average, but the duty was raised from 5 to 8 cents, but an investigation of the table of prices—and the one which Mr. Fox left here is, I believe, correct—it will be seen that hops did not go down as an average until after they had gone to the highest price known in this country in 1883, to \$1 a pound. Since then hops declined, there being a heavy importation to get the high prices at that time. In 1886 we had an absolute failure, at which time the Germans absolutely monopolized and controlled our market. I may say that that is the turning point absolutely between the German hop as a luxury and as a known competitor with our product, except on extraordinary occasions, when the price was abnormally high, and since that time it has been a competitor. Prior to that time the exportation of our hops to England was largely in excess of the importations into this country. Since that time the contrary has been the fact, and the importations of Germans have exceeded our exportation. I have prepared a statement, which I will follow somewhat in the course of what I desire to say, trusting that the committee will call upon me for further information than what I give. The present duty on the present importation of foreign hops is a specific one of 8 cents a pound, and I think that may explain the question which arises in regard to the apparent valuation of the hops appearing in the custom-house report. It is immaterial what value is placed upon the hops which come into this country, because the duty being a specific one of 8 cents a pound, it is not calculated upon the value

of the valuation made upon it. Where the import is specific, I understand it to be no guide as to its real value, and that it may be placed fictitiously.

Now, without reference to any question as to whether a protective duty is wise or unwise, there is no dispute as to why it is laid, and that is either to create or maintain an industry that could not exist without it. It seems to me the first question we want to consider is the question as to whether the hop industry is an industry of sufficient consequence and importance that it warrants the laying of such a duty, a duty to protect it and maintain it. There is now in the United States from 55,000 to 60,000 acres under hop cultivation, producing annually from 33,000,000 to 40,000,000 pounds of hops which, reduced to bales of 200 pounds each, give 180,000 to 200,000 bales. These figures are based on the census of 1880 and modified on account of the increased acreage and production of the Pacific coast. I will say here, while speaking of the Pacific coast, that the growth of hop culture there outside of California in the State of Oregon and Washington Territory, there the growth seemed to reach its limit four or five years ago, and since that time, from the statistics which have been given here, it appears to be standing still. Based upon a full crop (its full production), where there is no falling off anywhere, the Pacific coast grows about one-third of our output or our crop, and the State of New York and other States which grow small quantities, grow the other two-thirds.

The CHAIRMAN. Will you tell us why you wish this additional protection.

Mr. HASKELL. Yes, sir; the reason we want this additional protection is because the 8 cents a pound is not sufficient to protect us from the imported German hops.

Mr. BAYNE. Right there I have a statement in my hand which shows from 1882 to 1884, including both years, that the importation of hops was 32,217,000 pounds and the exports were 54,976,000 pounds. The value of the imported hops was \$71,486,000, and the value of the exported hops was \$14,700,000; thus indicating double the value of our exports over our imports during that period of time covered by the years up to 1888 and including that year.

Mr. HASKELL. That comprises just what I referred to a moment ago, that in the year of our absolute failure, 1886, in the State of New York, is the dividing line between just where the importation of German hops did not seriously interfere with us and where they were not a competitor; but since which time they have interfered with us and been a competitor. I have reduced, for the better comprehension of figures rapidly spoken, these amounts to bales upon the basis of 200 pounds to the bale, and in the years 1887, 1888, and 1889 the total importation is 142,800 bales. The total exports during that period of time were 59,300 bales, leaving an excess of importations during that period of time of 83,500 bales.

Mr. BAYNE. Do these bales weigh the same?

Mr. HASKELL. I have reduced them to the same, although the German bale when it comes to this country weighs 400 pounds, and with the American bales the standard is from 150 to 200 pounds, but in making this per cent. I have reduced it to bales simply for convenience sake. Now, from the five years preceding 1889 the entire importation was 40,050, which was an average of 8,000 bales a year, and during the last three years the importation has been 142,000, or an average of 44,000 bales.

The CHAIRMAN. Does the German hops sell for a higher price here than the American hops?

Mr. HASKELL. It does under some circumstances and does not under others.

The CHAIRMAN. You have to sell under the German prices?

Mr. HASKELL. Yes, sir; generally.

The CHAIRMAN. In order to get a buyer.

Mr. HASKELL. Usually; yes, sir. There are certain seasons of the year when perhaps they would not be, but during the entire time that the German hops have been coming to our country steadily, which has been from about 1880, it occupied a special place in the country down to 1887 as a superior grade of hops, as a fancy article, and so sold on the market at 15 to 20 cents per pound above what the American hops were selling. It was used, as was stated, for flavoring purposes. It is a special kind of hops imported which is used for manufacturing special fancy beers that were given German names and competed, such as the Budweiser, St. Louis, Bohemian beers, beers which were bottled and which goes into the market and sells above the ordinary beer, which sells at 5 cents a glass everywhere. These were the Bavarian hops, and were very choice hops, and never came in competition with us, because the hop which does not sell within 15 cents of our production is not a competitor. Since that time the German hops coming in large quantities, as I have stated, come in at a very low price. This year, I am credibly informed, the average price to-day for German hops that have come to this country—and some 25,000 bales have come already—is from 3½ to 6 cents a pound.

The CHAIRMAN. And you would have to undersell them.

Mr. HASKELL. And they are the hops that compete with us. They pay from 3½ to 9 cents a pound, which would make an average of 6; the commissions and freight amount to 2 cents more, which would make it 8 cents, and the specific duty at 8 cents

a pound makes the hop ware-housed in the city of New York cost 16 cents, and the hops we raise upon our farms at the kiln cost 15 cents a pound, and the cost of it laid down in New York—the railroad freight paid from little stations where there is very little competition—is 16 cents a pound; so on that grade of hops we are exactly on a par. There is an additional fact that the German hops are very much stronger during the first six months of its life than it is afterwards. It is really stronger and produces a greater effect in the brewing process than the American hops of that equal quality for the first six months, from the first of October to the first day of May. So that during the very period or time when the hop is in the hands of the farmer, and when he is obliged to sell, the German hops have really the preference, because it must be used within that time in order to get the full benefit of it. After the first day of May the American hop becomes a superior hop, but at that time the price paid for it to the dealer who has bought and holds it does not inure to the benefit of the farmer who has been obliged to sell to pay his taxes in December. And the hop has got to sell at at least 20 cents a pound in order to allow even a small margin to the farmer, and the dealer who handles it during the first six months to the market, from October to May. So the German hops, which come into New York City at 16 cents a pound, and the American hops, cost in the same market 16 cents a pound, and with the German hops four-fifths of a pound will probably do what one pound will do of American hops for the first six months, is a competitor at 24 cents against the American hops at 20. So it is very easy to quote it down a trifle under 24 cents and buy them for immediate consumption, and then the American at 20 and lay it away for next summer's use.

If the committee will permit me, I desire to briefly call their attention to the number of persons in this country who are dependent, absolutely, upon the hop industry. There are from twenty to twenty-five thousand individual farmers, and they employ at least one male hand for the year. It will increase the number of men engaged in this business, who are usually married and heads of families, forty to fifty thousand. In addition to that throughout all our country for fifty miles around it takes an army of boys and girls, half-grown men and women to pick our hops, the season of which lasts about three weeks. They earn from \$20 to \$40 apiece, and it helps poor families in the cities who are absolutely dependent upon that for their winter's fuel and clothing. The value of our industry—

Mr. GEAR. Do they not do that incidental work at that time because they can get relatively much larger wages than their ordinary occupations at home?

Mr. HASKELL. Yes, sir.

Mr. GEAR. And therefore distribute the money among them?

Mr. HASKELL. Yes, sir, and in addition to that it is the only opportunity they have of getting a breath of fresh air and to get away from the cities.

The value of our hop yards, which is taking the land which is adapted to the culture, and the kilns can not be placed at a less figure than \$400 an acre, which amounts to from \$26,000,000 to \$30,000,000. Now, gentlemen, I will not spend a moment in showing to you that our industry is depressed and we are needy and poor, as I can sum the whole up in a word; that at least 25 per cent. of our hop farms are mortgaged for more than they would bring on a well-advertised judicial sale, and I think I can say without hesitation through the counties of Madison, Oneida, Otsego, Montgomery, and Schoharie counties, that our county papers are not large enough if every overdue mortgage was foreclosed to print the advertisements. Of course, other branches of agriculture are depressed, but none depressed to the extent which we are. During the past three years the prices to the farmers—and I will call the committee's attention to the fact that the prices which are quoted here from New York State the average for the year is not the average that is paid to the farmer, but it is the average quotation for the dealer to the brewer for the entire year, and does not touch the question which we are here agitating in any manner. The average to the farmer for 1887 was 12 cents a pound, and for 1888, 16 cents a pound; for 1889, 8½ cents a pound. The importation of foreign hops, I claim, is largely responsible for that, and I have already gone into that branch of the case in answer to an interrogatory.

The figures which I have shown you of the imports for the last three years place it beyond a possibility and beyond argument and shows that 8 cents a pound is not sufficient to keep them out. One hundred and forty-two thousand bales of hops, at 200 pounds each to the bale, amounting to one-third of the entire product of this country for three years probably, must have played a heavy part in our prices and in causing this depression. I now come to this question; petitions following the resolutions passed by the State organization last August circulated all through our country and have been signed, that is officially indorsed, by our organization, and signed by many hundreds of our hop-growers, is sufficient, it seems to me, to demonstrate that this great industry of this State stands as a unit and asks this committee to assist them in obtaining an increase of the tariff which they so badly need, and I doubt if it was worth while to lay before this committee an anonymous communication to a contrary intent, but I will pass that by. These petitions will be laid before

your committee, if your committee have not already received them, and they recite the depression and ask that this committee give them a duty of 25 cents per pound, and it is my judgment that 25 a pound is what we need. The bill which has been introduced by Mr. De Lano is 20 cents; we are willing to stand here as a unit upon that claim of 20 cents, although the farmers have petitioned and the organization of which I am a member ask for 25.

Mr. DINGLEY. For one moment, for some information on that point. I understood you to say that some hops abroad were worth 35 cents a pound and a large quantity were imported worth only 4, 5, or 6 cents a pound. That is invoice value and that it is these low-priced hops that trouble you more especially?

Mr. HASKELL. Yes, sir.

Mr. DINGLEY. I noticed the total imports, which does not give the different varieties, that the unit of value is 27 cents. I suppose that unit is obtained by averaging the hops that are worth 5 and 6 to those costing 35 cents, so that that unit of value does not show exactly where the trouble is as it appears from the imports?

Mr. HASKELL. I think I answered that question when I referred to that matter, that the importations of hops being on a basis of a specific duty the valuation attached played no part, and as I understand it it was of no consequence whether it is true or false; if it costs a certain amount the placing of a high unit of valuation upon it makes no difference at all.

Mr. DINGLEY. The point I was endeavoring to bring out is: In our export of hops it appears that the average value of the export is 22 cents per pound, and in the imports of hops it appears that the average value is 27 cents per pound. That would look on the face of it as if the value of the imported hops was greater than the value of the exported hops per pound. And I understand your explanation of it is that this unit of 27 cents here is really made up as an average of all, the 3, 4, and 5 cents per pound.

Mr. HASKELL. And in addition to that it is not a fair guide to go by, because it was not placed there for the purpose of fixing the duty.

The CHAIRMAN. It would not be so high if the duty was ad valorem.

Mr. HASKELL. If the duty was ad valorem instead of specific, instead of its being 29 I think you would find the duty about 15.

Mr. BRECKINRIDGE. Have you any information on that subject, or is that your impression?

Mr. HASKELL. I have information on that point, and that is that hops are brought from abroad and sold at from 3½ to 9 cents per pound. I have no information upon the point, but it is simply my belief that this valuation, that this high unit of valuation, has been placed there arbitrarily for the purpose of influencing the character of the imports.

Mr. BRECKINRIDGE. Have you ever seen invoices to any very great extent of foreign hops?

Mr. HASKELL. No, sir; I simply reply upon statements made to me by importers, and because I find hops absolutely being sold at 16 and 17 cents in the market, and they could not be imported and sold for that on the average of, say, 27 to 29 cents. It would be impossible.

Mr. BRECKINRIDGE. Of course this is very strong and very good if his information is correct. I understand you to say that the importers, while you have not seen invoices, yet the importers tell you they do buy these hops at 4, 5, and 6 cents a pound, yet that during this period while the Treasury statistics show that the average price is 29 cents a pound and a little above, without freight and without duty, that they were selling at 15 to 16 cents these imported hops in this country with duty paid.

Mr. HASKELL. Yes, sir.

Mr. PAYNE. On question right there; you refer to prices of hops in 1889?

Mr. HASKELL. Yes, sir.

Mr. PAYNE. In 1888 the prices were much higher?

Mr. HASKELL. In 1888 the prices started virtually at 25 cents, and did not decline until about November or December, when they ran to 20, and after that they ran down to less than 10 cents a pound.

The CHAIRMAN. I want to ask as a matter of fact what these foreign hops were selling at last year here. I wanted to ask this of Mr. Fox; I mean the same period.

Mr. FOX. They were selling at 24 to 30 cents, that is, with duty paid.

Mr. HASKELL. In addition to that I will say the German hops were offered to me and others in 1887 at as low as one cent and a half and three-quarters of a cent a pound in bond, that is, with the freight paid but the duty not paid, subject simply to duty and storage; but of course they were not hops of that crop. They were yearlings. Now, it seems to me that the next thing the agriculturists—

Mr. BUTTERWORTH. As I am interested in this, let me correct the question involved in that statement. You do not mean to say that these were good hops that were worth such a price as that.

Mr. HASKELL. I stated they were old German hops brought here that were worth-

less. Of course, they would have to be sold on the market for 12 cents a pound after you paid the duty and storage, but they were not worth that.

The next question it seems to me is the question of who opposed the granting of this tariff. First, there was a meeting of the New York trade of a number of importers, twenty-one of which signed a memorial to this committee asking that the duty on hops be not raised. Now, I assume they did not try or care to convince the importer that it is any benefit to him to raise the import duties and reduce the imports. We are producers and desire our own home market. Again, of the twenty-one which I have stated were importers, I am informed that 60 per cent. are aliens, men who have come here—

Mr. FOX. Twenty-five per cent.

Mr. HASKELL. Very well.

Mr. FOX. And of the rest some are not citizens, as they have not been in the country long enough—

Mr. HASKELL. I will take the gentleman's word that there are 25 per cent., and the balance are men who have not declared their intentions and are not becoming citizens. Aside from the fact it will interfere with their business, they endeavor to show that they really have at heart the interests of the hop-growers. Now, we beg leave to pass upon this question ourselves. The hop trade of this State is not in favor of maintaining as low a duty where it has but two-thirds of the hop trade.

The State of New York has joined with us in this plea, Mr. Coggshall having a petition which he will present. There has been some opposition to us by the organization of the brewers who petitioned Congress, and on March the 6th Mr. Lefeus, of Chicago, and Mr. Schermann, of New York City, came before your honorable committee opposing this increase. Now the brewers, I will state, are a class of men who, if they can make a case, are entitled to be considered. They are citizens closely identified with us in business, they are the class of people to whom our hops are sold, who convert them into beer, and make them salable, and we are closely allied, and I think they have a right to come before this committee and be heard upon this question. But we find right on the threshold of their petition to Congress, "We are in favor of protecting the domestic agriculture production against the production of what is usually styled the pauper labor of Europe," so they come here planted squarely upon the question of protecting the agriculturist, and by the gentleman who has appeared in their behalf to-day it has been stated, and the very figures demonstrate it, that the only injury that could be done them is less than 4 cents a barrel by giving us the duty we ask.

Mr. PAYNE. Is this petition of the hop-growers signed irrespective of party?

Mr. HASKELL. Yes, sir; I will state that our associations are irrespective of party. The president of the State Hop-Growers' Association is a Republican. I appear here as a Democrat, and my friend Mr. Coggshall and Mr. Clark appear here as Republicans. There are no politics known in this movement among the hop-growers. It is simply a demand growing out of the necessities of the case for help. I think that the brewers might well make that statement from the bottom of their hearts, for they are the most highly protected of any industry from importation of foreign beers, as follows: "Ale, porter, and beer in bottles or jugs of glass, stone, or earthenware, 35 cents per gallon; otherwise than in bottles or jugs of glass, stone, or earthenware, 20 cents per gallon." Now, a barrel of beer of 32 gallons, the extreme outside cost of it when in the cellar and ready for shipment to the retail dealer in the same condition as a similar barrel imported in the warehouse, is \$3. This includes cost of material, wages, salaries, and 10 per cent. on the value of the plant. This statement was made and unchallenged at a meeting of the brewers and hop-growers in the city of New York on Wednesday, March 5, 1890, and has been most carefully verified. On importations in wood, on the basis of 32 gallons to the barrel, the duty on which at 20 cents a gallon is \$6.40, or more than 200 per cent. greater than the cost to the American brewer. On importations in bottles and jugs, the duty at 35 cents a gallon affords the brewers over 300 per cent. protection. The fact is that there is no competition in this country between domestic and foreign beer; the imported article selling at fancy prices and as a luxury only. This is as it should be; but how can the brewer be heard or beeded in the day of his prosperity, largely caused by his 200 per cent. and 300 per cent. protection, in opposition to this application of his needy brother, the hop-grower, to increase the 50 per cent. protection on his product, which does not protect him to such a figure that he may also prosper.

But all brewers are not opposed to the increase of the duty on hops as requested. Reference has been made to a resolution passed at a meeting of the State Brewers' Association of our State in 1889, which was a joint convention, composed of brewers and malters and hop dealers and representatives of several hop-growers' associations in our State. At that time, by a preamble which recited "Whereas hop growing is and has been for sometime past depressed owing to various causes," the very first cause assigned was "competition of foreign competitors," and the remedy following that was a resolution that they would join with us in a petition to Congress to so reg-

ulate the duty on foreign hops as to insure protection to one of the principal agricultural interests in this State.

Mr. BAYNE. Was that adopted?

Mr. HASKELL. Yes, sir; that was adopted. I hold a copy of that in my hand. It was adopted section by section. This whole matter came up for general discussion. Mr. Fox was there and Mr. Fox opposed it. Mr. Fox stated that if they passed the resolution by which they pledged themselves to support it, that the importers might just as well step out of the association, and upon a roll-call at my request of the brewers only, in order to see how they absolutely felt upon this question, there being thirty present from New York State, twenty-seven voted aye and are on record to-day, and only three no, being from Brooklyn and Staten Island.

Mr. FOX. I will state I did so, but I understood when the resolution was passed that the brewers joined the farmers in advocating a high tariff. I was informed afterwards by one of the officers of the Brewers' Association, that I had misconstrued the resolution and that he did not construe it to mean an increase of duty, and therefore he did not see why I need resign, and upon that representation—

Mr. COGGSHALL. The resolution is here and will speak for itself.

Mr. HASKELL. The resolution and preamble, in answer to the gentleman that he did not so understand, I will say not only did he take that position, but that was the entire tone of the meeting, and that, whatever since may have been stated by anybody as to what was meant by these resolutions, it was stated in the discussion they meant just what we claim and that they meant nothing else. In addition to that, I may state that after the adoption of that series of resolutions, that preamble was made and signed, they were all struck off on that form and distributed, because it was fully the intention at that time to bring every hop-grower and every brewer and everybody interested in our State into a common organization for the purpose of doing everything that was necessary to protect one another in their common business. I have here the names of the brewers who were at that meeting in their report, and there are a good many whose names do not appear here, and some of these may have gone out, for I have not the original sheet of that roll-call.

Brewers.—Albany: Amsdell Bros., T. D. Coleman & Bro., A. F. Dobler, Granger & Story, Hinkel Brewing Company; Brooklyn: Budweiser Brewing Company, Otto Huber, George Malcom, William Ulmer; Buffalo: Gerhard Lang; Hudson: C. H. Evans, Granger & Gregg Brewing Company; New York City: A. Finek & Son, I. & M. Haffen, Jacob Hoffmann Brewing Company, A. Huepfel's Son, John Kress Brewing Company, David Mayer, Fred. Oppermann, jr., George Ringler & Co., P. & M. Schaefer Brewing Company, D. G. Yuengling, Jr., Brewing Company, Henry Zeltner; Rochester: Rochester Brewing Company; Rondout: Phillip Hoffman; Staten Island: Rubsom & Horrmann; Yonkers: Underhill, Jackson & Co.

Maltsters.—Buffalo: John M. Wiegand; New York City: M. Rosenheim, Edward Schweyer, Joseph Strouse & Son, Mathew White, F. G. & J. N. van Fliet; Oneida: James A. Gregg; Rochester: S. N. Oothout & Son.

Hop-dealers.—Albany: Chas. S. May & Co.; New York City: S. Goldberger & Co., Lilienthal Bros., Rothbarth & Sons, Martin Rothbarth & Co., John R. Scott & Co., Aug. Strassburg, S. & F. Uhlman; Waterville: W. A. Lawrence.

Associates.—New York City: Meyer & Baldenecker, Cerealine Mfg. Company, Levi Cook, Cook & Radley, J. C. de la Vergne, Francis J. Geis, German-American Brewers' Journal, A. Schwarz, Scott & Malleson, John M. Stroebel, U. S. Bung Mfg. Company.

Representatives of Hop-growers.—Madison County: D. E. Leland, E. H. Day, E. Browne, E. F. Haskell, F. B. Gill, A. O. Tolmson; Oneida County: Ira L. Snell; Otsego County, Thomas Kinch, James F. Clark.

Now there is one proposition which has been urged, which perhaps is worthy to be answered. It is plausible upon its face. That is, if by increasing the duty we shut out German importation that it will affect us injuriously upon the exportation of our hops. Our hops have a reputation as yearlings, and they are used in England principally in that capacity as yearlings where the Germans do not come in competition, and we will hold our trade which we have with English brewers and others who use the hops after they become yearlings very largely, and our hops are bought for that purpose.

Now, in conclusion, I respectfully submit that as hop raising and brewing are kindred and allied occupations and parts of a single system of business, the producer should be accorded equal protection with the manufacturer, so that each may prosper equally. And I may say, Mr. Chairman, there is no manufactured production—and beer itself is a manufactured production—that does not represent so high a proportion of labor to its value as the hop does. Every stage of the hop, extending from the day it peeps through the ground until it is finally dried in the kiln, must be carefully, constantly, and skillfully tended. It is certainly at least 90 per cent. labor, and intelligent and skilled labor. It would be much better for the growers, unless the duty upon hops is raised to at least 20 cents and they be afforded that protection, that the duty upon hops and beer should be both taken off.

The standard of foreign beer is so much higher in regard to the quantity of hops in brewing, that the American brewer would, if brought in direct competition with the imported beer, be obliged to correspondingly increase the amount of hops used from about 1½ to 2 pounds to 3 or 4 pounds per barrel and thus the annual demand for hops would be largely and appreciably increased. As appears from the first reports of the presentation of the brewer's side of this case to the Ways and Means Committee on March 5, Messrs. Lefens and Scharmann asked for a corresponding increase in the duty on beer if the duty on hops is advanced. To this the hop-grower has already signified his assent at the late meeting in New York City, and again here affirms it if such increase be necessary to guaranty to the brewer the continuance of his present prosperity.

Mr. BAYNE. You are a Democrat, in favor of protecting raw materials as well as the finished products?

Mr. HASKELL. I am taking my position here without reference to politics. I am taking the position here upon the principle of equal protection to everybody. Too much already has the idea gone forth that the agriculturist is not regarded by Congress as among the favored citizens for whom the tariff laws were created and were maintained, that none but manufacturers shall bask in the sunshine of protection. By giving the hop-grower the protection that he asks it will be demonstrated that the farmer in this case at least is not outside of the privileged classes.

Mr. Chairman and gentlemen of the committee, I thank you for your kind attention.

STATEMENT OF H. J. COGGSHALL.

Mr. H. J. COGGSHALL, State senator of New York, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, some reference has been made to the politics of the gentlemen who appeared before you to-day. I am Republican, not that I desire to paraphrase a distinguished governor of New York, who says, "I am a Democrat," but I am a Republican, and in my humble way would attempt, if I thought it were pertinent to this question, to discuss the question at large of a protective tariff, but doing the best I might I could give you gentlemen no light upon that question. I am here representing a large agricultural interest of the Empire State, an interest that is depressed, an interest that is to-day upon the ragged edge of bankruptcy and ruin, and I believe as much as I believe that I am here, that it is the result and only the result of the lack of protection to which that interest is entitled; that it is caused by gentlemen like the distinguished would-be citizen of that State, Mr. Fox—

Mr. FOX. I am a citizen.

Mr. COGGSHALL. Oh, you are a citizen; I am happy to know it. You haven't seemed to talk like one of the State of New York who had the interests of her industries at stake. This depression is caused by the action largely in New York of those gentlemen who carry their offices in their hats, these importers who are ruining her, going up and down the State of New York, and they, I assert and maintain, undoubtedly influenced the brewers to act as they have in reference to this humble petition, to this just and equitable request which the hop-growers of the State of New York lay at your feet. Why, sir, we have in the State of New York, as has been stated, an association known as the Hop Growers' Association of the State of New York. These associations are located in the counties of Madison, Oneida, Otsego, Franklin, and Schoharie. They were formed in their earliest stages, in conjunction with the New York State Brewers and Malsters' Association, for the purpose of promoting our mutual interest, and, as has been stated, at a meeting held they resolved, the brewers as well as the growers and the dealers, that they would join in petitioning Congress for an increase of the tariff upon hops, and no other construction can be placed upon it. Yet we find them here to-day remonstrating against an increase of the duty, because, why? Forsyth, said my distinguished predecessor who represented the other side of this question, Mr. Fox, "because it will be prohibitory." Well, it is the most astounding proposition to which I ever listened, because in answer to one gentleman, Mr. Gear, and one by Mr. Bayne, Mr. Fox informed us that the increase of duty as I have computed it would be one and six-tenths of a penny on every barrel of beer. Think you that is striking at the interest of the brewer? How is that prohibitory to the interest of the brewer who to day is capitalizing his investment at 400 per cent. and selling his brewing interest to British gold, and Britain is represented by this gentleman who is named after one illustrious in history, Mr. Fox, who comes here and claims to this committee that legislation, such as we ask, is prohibitory, but he can not appeal as my friend, the eloquent Congressman, Mr. Butterworth, said, to having a warm heart; he can not appeal to his warm heartedness, nor it seems to me to the deliberate and unbiased mind of any gentleman who calmly and dispassionately considers this great question.

Reference has been made, Mr. Chairman, to the petition that has been forwarded, or that I have in my hand, signed by the representative dealers in the State of New York. I have it here and, with your permission, I will read it, as it is brief:

The Congress of the United States of America :

We, the undersigned dealers in hops, all being residents of the State of New York and citizens of the United States, join the hop-growers of New York State in respectfully petitioning your honorable body to advance the tariff on foreign hops, as provided in schedule of bill introduced by Hon. Milton De Lano, member of Congress from New York State.

We make this appeal in the interest of an industry (hop growing), firmly convinced that unless the prayer of the "hop-growers" is granted, that thousands of our fellow citizens residing in the counties of Otsego, Schoharie, Montgomery, Madison, Oneida, Ontario, Lewis, and Franklin, of New York State, as well as the numerous hop-growers of the "Pacific slope," will be impoverished and very many even rendered homeless.

Respectfully submitted.

[Here follow numerous signatures.]

Now I would that I had time, but I must not consume the time as the hour is late and you have already listened for a long time, but I would like to go into a description of the condition of the farms of the State of New York. Of course, as has been said, the agricultural interests are depressed and they are clamoring at the doors of this Capitol that their interests as well as the interests of the manufacturers shall be protected. Why I expect to read by and by of the advocacy of the distinguished gentleman who appeared here as he said for his neighbors and friends and the people generally. I refer to the Hon. Mr. Butterworth. I expect to hear of his advocating an increase of the tariff in reference to wool, and yet wool is protected 34 per cent. I believe that gentleman would advocate an increase of the duty on iron, that all the representative interests of this nation will be carefully guarded by you gentlemen, but do not let your neighbors and your friends or your local interests influence or control you so as to do injustice to the agriculturists at large.

MR. BUTTERWORTH. Right there, if it is proper, will you permit me to ask one question on which I want information. I understand it costs to produce hops on the Pacific slope, 8 cents.

MR. COGGSHALL. It costs 8 cents to pick it, Mr. Butterworth.

MR. BUTTERWORTH. I am only stating the relative cost would be the same; and in New York, 13 cents.

MR. COGGSHALL. Yes.

MR. BUTTERWORTH. And shipped from the Pacific coast to the markets here would cost, say, 2 cents a pound. Now how would your higher priced hops produced in New York compete with hops produced on the Pacific coast even if the tariff were increased? I would like to hear you on that proposition.

MR. COGGSHALL. If you will permit me. On the Pacific coast hops are gathered and are landed in New York City and the cost of production and the landing them, or delivering them at their destination, unless they are in the immediate vicinity of the Pacific coast, does not vary perhaps the fraction of a penny, so their interests are identical. They stand upon a par, and whatever advantage there is to the Pacific coast people to-day, will very soon be overbalanced and overcome, so we will stand absolutely equal, by the immigration that is going there and the supplanting of the Chinese labor which is going on.

MR. GEAR. I understood from what one gentleman said that the Pacific coast hops are a little different and do not bring what our hops do on their merits.

MR. COGGSHALL. They do not, and I will say that there is no continent and no country that produces hops equal to the New York State, notwithstanding what the gentleman from England, Mr. Fox, has said.

THE CHAIRMAN. Will you have to go out of business on account of the competition of the California growers?

MR. COGGSHALL. No, sir; we are ready to give and take.

MR. BUTTERWORTH. If, then, the quality of your hops in a large measure fixes the market, it is not correct to assume that it is regulated by the tariff altogether?

MR. COGGSHALL. I did not say absolutely.

MR. BUTTERWORTH. You stated that yours are superior to any others.

MR. LA FOLLETTE. He stated they were superior to the California hops.

MR. COGGSHALL. I grant that, but does it do away absolutely with the proposition of needing protection? When you protect hops as you are protecting wool to-day we will be willing to stand by it on an equal basis, but until then we do not. You are protecting beer over 50 per cent., by your tariff rating, while hops are protected only a little over 25 per cent. These gentlemen, the brewers, I believe entirely misapprehend the position that they are in, because as has been said by my predecessor,

Mr. Haskell, our interests are to a certain extent identical, and what promotes the interests of the one promotes and protects the interests of the other, and I believe as I said in the outset if the brewers knew the status of affairs and had not been influenced—and I know whereof I speak when I say it—I say openly and without fear of successful contradiction that they have been greatly misled by representations that have been made to them, and if the language is not unparliamentary I would say misrepresentation, as to the condition that they would be placed under by this increase of the tariff. It is idle to attempt to answer Mr. Fox, for he has answered his argument as he went along by demonstrating that his premises were false and therefore his conclusions were wrong.

Now, Mr. Chairman, I have prepared a statement bearing upon this question hurriedly because I had no notice whatever of a hearing so far as I was concerned that I was expected to attend here until Friday, and during Friday night and Saturday I prepared a statement which I dictated, upon which there appears some statistics for which I would ask your careful consideration.

The CHAIRMAN. If you wish you can leave any statement you desire.

Mr. COGGSHALL. I will do that, but I only desire briefly to call attention to the question of imports and exports. Now this is a tabulated statement that has been carefully prepared and which can not be successfully disputed. The imports for the year 1887, reduced to pounds, were 18,538,049 pounds. The exports were 280,721 pounds. For 1888 the imports were 5,585,033. The exports were 6,793,818 pounds. The imports up to March 1, 1890, were 5,468,650 pounds. The exports up to the same date were 4,726,080 pounds; the aggregate imports during this interval being 29,591,732 pounds, while the exports are but 11,780,519. Now it does not seem to me that further remarks or further discussion of the question of imports and exports should be gone into, for it is so plain that he who runs may read, who has investigated it, that we had not to contend with serious results that have come to us by reasons of combinations between the importers and the brewers prior to the failure of the crop of 1886.

Now I have also here statistics with reference to the production of different countries and the surplus of this country which I will not stop to read. I do not know but I might briefly call your attention to the cost of a hop plant of 20 acres. Twenty acres of land at \$75 makes \$1,500. That is the present value of hop land. I am to a limited extent a horny-handed son of toil. I have a farm, or rather I may say the farm has me. I am, perhaps, somewhat in reference to a farm what the boy said to his father when he was asked what church his father belonged to. He said, "That he belonged to the Methodist Church, but he didn't work in it much." I have that farm, and I go up there sometimes in the summer, and when I think about the position they occupy and their distressful condition I feel like the old deacon, who said, "That if it was not wicked to swear he would swear like hell." This farm costs over \$300 an acre, and owing to the depressed condition of agricultural interests, I could not go upon the market to-day and get over \$75 or \$100; Congressman Stivers knows that. Now in regard to the cost of a hop plant of 20 acres—the 20 acres of land, at \$75 will be \$1,500; breaking the land, cost of roots, and setting will be \$200; 30,000 hop poles, at 9 cents, will be \$2,700; hop kiln complete will be \$1,300; one team of horses, wagon, tools, including hops, boxes, and sacks, \$500; making an aggregate of \$6,200, and the cost I have stated here of producing a pound of hops in this State, provided the yield is 1,000 pounds, which is in excess of what we had last year, is slightly over 15 cents per pound, and the items of cost here submitted are a test of the truth and accuracy of our entire argument and we are willing, if the figures here given can be controverted, to relinquish our claim on Congress for further protection.

Here follows a detailed statement of the cost of cultivating hops from the time the poles are set in the spring until they are harvested in the fall and the cost of a crop of 20,000 pounds as I have computed is 15.85 cents per pound.

I will not burden the committee with any statement of the manner in which we believe we should live as to the manner in which the people who produce hops abroad live, but I do desire to call your attention to the cultivation of hops in Germany, with whom we have to compete largely. The farmers live in hamlets there and their lands surround each hamlet, dividing lines are shown by small stakes or stones. Twenty acres is considered to be a large estate, and the owner of 100 acres is a landed proprietor, not one-half the number of acres Mr. Clark himself cultivates. Therefore, the farmer raising so precarious a crop of hops is very careful to limit his risk. The average hop yard of Bavaria does not exceed half an acre. The plowing, setting poles, and cultivating is done by the farmer and his family. It is not an uncommon sight to see a woman almost on the threshold of maternity surrounded by boys and girls below their teens plowing and hoeing in the field, carrying heavy loads at all hours of the day. In the summer time fourteen hours is considered a day's work for a man; eight hours field, and seven hours house work, is modest labor for a farmer's wife. Thus you will observe that the crop of hops is produced without any cost for help.

Now, Mr. Butterworth said he was so much of a protectionist as to be willing that protection amply should be given. It has been demonstrated clearly, I think, Mr. Chairman, and if not, it can be determined beyond peradventure by an examination of the facts which concern this industry, that it has not adequate protection. Certainly we are striking at no interest; we are not injuring the brewers. We are not engaged in catering to foreigners, we are not here to protect the importers, but we believe in having America for Americans, and I say to you, as I stated in the outset, that I believe it is your bounden duty to protect the agricultural interests as well as the manufacturers, and the laboring interests as well.

Now upon the question of raw material and labor, an investigation of this question would show you gentlemen that 90 per cent. of that which goes into the culture and growth and the placing of hops upon the market is labor, and upon that theory we maintain that we are entitled to the relief we ask.

Mr. Chairman, there are many other things I might suggest—

Mr. McKENNA. You say New York hops are as fine as any hops in the world?

Mr. COGGSHALL. Yes, sir.

Mr. McKENNA. The gentleman who preceded you stated that foreign hops were stronger for six months; is that so?

Mr. COGGSHALL. There are some grades that are stronger at six months, but I speak of the marketable value of hops as they are produced. The American hops go into the London market and compete successfully with the products of other countries.

Mr. McKENNA. Then American hops are fully as strong as foreign hops?

Mr. COGGSHALL. They are to a certain extent, as far as—

Mr. McKENNA. Do you agree to the testimony which has been given to the effect that the foreign hops is only used to a limited extent for flavoring purposes.

Mr. COGGSHALL. I am not very well versed in the manufacture of beer, and I do not indulge in its consumption.

Mr. FLOWER. I understand you have purchased a grapery in California to make it pay expenses, is that true?

Mr. COGGSHALL. I have purchased a grapery but I have not paid for it from the profits on my hop farm. I may state, gentlemen, that I know something about the price of hops last fall for I sold them at $10\frac{1}{2}$ when they cost 15 cents. I was so busy running for re-election to the Senate that I haven't figured how much I made upon my crop. Perhaps Mr. Fox can tell me that.

I thank you gentlemen for the attention you have given to this subject and I hope you will consider our claim, knowing that if you do it, upon the broad plain of justice, you will grant us our request.

The CHAIRMAN. Mr. Fox wishes to make a brief statement.

Mr. COGGSHALL. I do not object to Mr. Fox making a statement, but I thought that as we had the affirmative side we would have the privilege of closing.

The CHAIRMAN. You will have an opportunity to reply to anything Mr. Fox may say.

Mr. FOX. Mr. Chairman, I have here a book entitled "Hop Culture," by Mr. Lawrence, who is an authority I think my opponents will recognize. I find this statement in it: "In the winter of 1873 and 1879 the Waterville Grange appointed three committees to ascertain and report independently the annual cost of raising hops per acre, at per pound. Mr. C. H. Curtis, chairman of one of the committees, made the following report: Actual cost of raising 1 acre of hops, 778 hills, 7 by 8 feet apart, yielding 1,000 pounds, making the actual cost in growing \$1.35 to \$1.77 per acre of 1,000 pounds, or a little more than 13½ cents per pound. Mr. A. G. Harner, chairman of another committee, on the basis of 800 pounds per acre, found the actual cost in his case to be 12½ cents per pound, without the items of insurance or packing. Mr. G. N. Locke, chairman of the third committee, in estimating his land at \$80 per acre, and with no charge for fertilizers, reports the actual cost of his hops at 12½ cents per pound. The committees were composed of prominent representative growers, men of sound judgment, and their reports were placed entirely upon their experience during the last year or two."

Mr. COGGSHALL. I wish to state that the cost of picking has increased since that statement is made. I also desire to state I submitted to Mr. Lawrence, the gentleman Mr. Fox referred to, these figures and he coincided with my views, that I had not overestimated the amount of expense incidental to the cultivation of hops.

ADDITIONAL STATEMENT BY MR. COGGSHALL.

MARCH 10, 1890.

The Committee on Ways and Means of the House of Representatives :

We represent the hop-growers of New York State, who, irrespective of party affiliations, request favorable action on the part of your committee on the bill pending before you, introduced by the Hon. Milton De Lauro, of New York, to raise the duty on hops from 8 cents to 20 cents per pound. We believe that the hop-growers of the Pacific coast would have joined us in this petition had they been communicated with, as the same causes which depress our business interests, likewise affect theirs in the same manner. The reasons we assert in favor of this bill are as follows :

(1) Since 1886 our business has been depressed ; we have raised crops with losses ; our farms are heavily mortgaged, and unless we receive relief our farms will be sold in many instances by the sheriff to pay creditors, and many of us rendered homeless.

(2) The brewers, who are the consumers of our product, admit these facts, and themselves recognize the causes, in proof of which we present to your committee resolutions passed by the New York State Brewers' Association nearly one year ago.

(3) The duty on hops at 8 cents per pound permits of the indiscriminate portation of the poor as well as the good grades of continental hops of Europe, and that depresses prices, as the poor grades in Europe sell very cheaply, being only usable for speculative purposes, even in years of scarcity.

(4) The business of importing hops has gone into the hands of foreigners, who visit us once a year to sell their wares ; who own no property in this country ; owe no allegiance to its institutions, and supply the brewer with hops under the names of Bavarians and Bohemians, which are made up of the growths of all parts of Europe ; and the brewer is willing to purchase these goods, because thereby he cheapens our product.

(5) Because the cost of production in this country exceeds the cost of production on the continent by more than the amount of duty now imposed, owing to the facts which will appear hereafter.

(6) Because the consumer of our products is protected with our consent, and by the votes of our representatives, to a much larger degree than we are.

In re first. The failure of the New York State crop in 1886, when we raised 10,000 bales of hops, instead of a normal crop of 130,000, was a severe blow to our interests. We hoped to recover therefrom in the three succeeding years, but for the same causes, each year has been a repetition of the former, so that we now find ourselves in a very deplorable state, unless the causes which produced this depression are removed, and the only remedy that exists is to take away the competition we must meet under the present tariff, to wit: the low-grade hops of Continental Europe.

In re second. In March, 1889, when, at the request of the brewers of New York State, we organized the hop-growers' association, they said to us (as will appear by their own resolutions we present to you), that the causes of the depression in our business were: (a) Competition of foreign production. (b) Indiscriminate patronage extended by brewers, and they resolved "to give preference to our hops over such hops as were grown in foreign countries; to join the various hop-growers' associations in a petition to Congress to so regulate the duty on foreign hops as to insure protection to one of the principal agricultural interests of this State." They have failed to keep the pledges which these resolutions contain, but declare their intention to abide by the resolutions if we will aid them in the common fight against prohibition. They now explain to us that it is against our interest to raise the duty on foreign hops, since it is certain that a higher duty would cause an increase of production, and depreciate the value of our hops, and they feel in duty bound, under that resolution, "to protect us," which they interpret to mean, to keep the duty where it is, and not cause us to lose even more by having us increase our acreage. We respectfully submit to your honorable committee, that this explanation is an insult to our intelligence. We ask for the increased duty, and will abide the results, and do not ask the brewers, aided by the foreign hop importers, to educate us as to what is best for our business interests. We ask you to read the entire preamble and resolutions passed by the brewers' association, and judge for yourselves what their true meaning and intent is.

In re third. The small amount of duty on hops makes it possible for the importer to bring over any class of foreign hops, and in order to meet the prevailing prices here, the importer need only buy in districts where hops are cheap, mix the hops with hops of a better grade, and thereby bring his original cost price to a figure to meet the cost price of our own product, thereby inviting the competition of the brewer, and the effect has regularly been to depreciate our values. Although, as your committee will remember, the brewers themselves admit that our product is equal in quality to any hops raised in the world.

We urge upon your committee, that this means of artificially reducing the value of our product should be stopped, as it is unfair, and always affects us unfavorably. It is but necessary to illustrate the business done in the crop of 1889, to wit: New York State did not produce to exceed 70,000 bales of hops (or within 60,000 bales of its average crop); the Pacific coast, 90,000 bales; the two sections combined, about the amount of our consumption requirement. The average cost of the New York State product this year, in 1889, was at least 17 cents per pound (owing to the small yield per acre).

About harvest time, the foreign hop importers, in order to depress their own markets, circulated the report in this country that Germany and Austria would produce a crop from 50 to 75 per cent. above normal. The brewers, who seem to be allied with these foreign hop importers, earnestly believed these reports and the result was, that seven-eighths of the crop of this State sold at an average of $8\frac{1}{2}$ cents per pound to the grower. The German markets declined in consequence of these false reports, and remained depressed until the English brewer—who recognizes the superiority of our product—bought largely of New York State and Pacific coast hops. This operation brought into this country the German product at an average price of not to exceed 9 cents f. o. b. steamer, German port; but the effect was, that by supplying us (only slightly) in excess of the quantity we had exported, the German markets advanced nearly 75 per cent., and now that our hops are gone from our hands into the hands of the brewer, and only now, do we discover that the price has advanced fully 100 per cent.

We submit to your committee that the duty should be so regulated as not to subject us to the combinations and conspiracies of the consumer, aided by the foreign hop importer.

In re fourth. Prior to 1886 we felt amply protected with the duty of 8 cents per pound, because the business of importing hops was in the hands of merchants who dealt in our own product, who cultivated lands alongside of ours, and who are citizens of this country, and participated in its development. The failure of our crop in that year brought to these shores a horde of German hop dealers who have no interests in common with us, but who visit us annually; sell their foreign product for no other purpose than to depress our production, and return to their native country to enjoy the profits made at our expense. We prove this by reference to the petition of the brewers now in your possession, and will accept as true their own figures of imports and exports. They say that the exports largely exceed the imports. But we say: That that is true only up to and including 1886; but since the combinations between these foreign importers and the brewers, the result is the other way, and here are the figures. All taken from their own memorial (except September 1, 1889, to March 1, 1890), which has been furnished to us by the official report of the New York custom-house.

	Imports.	Exports.
	<i>Pounds.</i>	<i>Pounds.</i>
1887.....	18,538,049	260,721
1888.....	5,585,033	6,793,818
September 1, 1889 to March 1, 1890.....	5,468,650	4,726,080
	29,591,732	11,760,519

Further remark on this point is unnecessary. With hops ruling at an average of 11 cents in New York State is 8 cents ample protection, when, by a combination of shrewd business men, the imports exceed the exports by over 600,000 pounds this season, and the duty is 8 cents? It becomes important to establish how it is possible to furnish hops from abroad to compete with our own production at these ruinously low figures. This is the explanation:

In an average year, and that should be the guidance in a discussion like this, Great Britain has a deficiency of about 100,000 bales. (The average weight of a bale is calculated at 180 pounds.)

Since 1885 the production and consumption of the various countries has been as follows:

United States—	
Production:	Bales.
New York State.....	90,000
Pacific coast.....	90,000
Total.....	180,000
Consumption.....	180,000

No surplus.

German Empire—		
Production :		Cwts.
Bavaria.....	250,000	
Württemberg.....	70,000	
Palatinate.....	40,000	
Alsace Lorraine.....	80,000	
Altmark.....	35,000	
Divers.....	25,000	
Total.....	525,000	
Consumption.....	350,000	
Surplus.....	175,000	
or about 100,000 bales.		

Austrian Empire :		
Production :		
Saaz.....	40,000	
Upper Austria.....	20,000	
Styria.....	20,000	
Gallicia.....	15,000	
Divers.....	15,000	
Total.....	110,000	
Consumption.....	130,000	
Deficiency.....	20,000	
or about 12,000 bales.		

Belgium :		
Production.....	80,000	
Consumption.....	20,000	
Surplus.....	60,000	
or about 33,000 bales.		

France :		
Production.....	40,000	
Consumption there and in other continental states.....	60,000	
Deficiency.....	20,000	
or about 12,000 bales.		

Thus you observe that the surplus of Continental Europe about equals England's deficiency, and under natural conditions, our own surplus, should any exist, or a corresponding quantity of continental hops, would have to be held as accumulated stock, until a year of great deficiency somewhere absorbed them.

Our production, if equal to the best continental production, will always receive at equal prices the preference in England, but as our duty is so low, in comparison to expense and cost of labor here, we invite the Europeans to ship to this country a mixture of their better grades, with Altmarks and Belguims which sell for almost nothing, and depress the price of the great bulk of our hops thereby. We can regulate our own production according to our own requirements, and are willing to meet the vile trash that these importers now bring here, in the English market for whatever surplus we may have. It is a proverbial fact that the American grower is not expected to compete in the London market with German hops. The English brewer knows that he receives from this country hops in the original packages, while from the continent they receive, under the name of Bavarian or Bohemian hops, hops grown in different parts of the continent. We ask you to protect us against competition of this character.

In re fifth. The cost of a hop plant of 20 acres in New York State is as follows:

20 acres of land, at \$75.....	\$1,500
Breaking land, cost of roots, and setting.....	200
30,000 hop poles, at 9 cents.....	2,700
Hop kiln complete.....	1,300
One team of horses, wagons, tools, including hops, boxes, and sacks.....	500
	6,200

And the cost to produce a pound of hops in this State, provided the yield is 1,000 pounds per acre (which is 300 pounds in excess of the average) is slightly over 15 cents per pound, and the items of cost here are submitted by us as a test of the truth

and accuracy of our entire argument, and we are willing that if the figures here given can be controverted to relinquish our claim on Congress for further protection.

Setting poles and grubbing	\$100	Railroad fares and getting pickers	\$150
Spring plowing and breaking	30	Hop dryer	50
Corner pecking	25	Brimstone, coal, and wood	30
First cultivating with cultivator	25	Cleaning yard and sharpening poles	20
First tying	30	Covering yard with manure	250
Hoeing	30	Hop sacking, twine, and labor	75
Second tying	20	Feeding and maintaining two horses five months	150
Second cultivating	25	Wear and tear 10 per cent. on poles, horses, and tools, value, \$3,500	350
Third tying	20	Add 6 per cent. on cost of plant, \$6,200	372
Third cultivating	25	Taxes	40
Hoeing	20	Insurance	15
Phosphates and cost of application	140		
Salt and lime, and cost of application	75		
Picking 1,600 boxes of hops, equal to 20,000 pounds	800		
Pole-pullers, box-tenders, and overseer	150		
			3,017

Cost of crop, 20,000 pounds, 15.085 cents per pound.

We will not burden your committee with a description of the mode of living which we feel ourselves entitled to, in comparison with the mode of living of our Bavarian hop-raising colleagues; but since you know the cost of our product, we deem it important to describe to you the method of cultivating hops in Germany.

Farmers live in hamlets there (dorf), and their lands surround each hamlet; dividing lines are shown by small stakes or stones. Twenty acres is considered to be a large estate, the owner of 100 acres is a landed proprietor, therefore the farmer raising so precarious a crop as hops, is very careful to limit his risk. The average hop yard of Bavaria does not exceed one-half acre. The plowing, setting poles, and cultivating is done by the farmer and his family. It is not an uncommon sight to see a woman almost on the threshold of maternity, surrounded by boys and girls below their teens, plowing and hoeing in the fields, carrying heavy loads at all hours of the day. In the summer time fourteen hours is considered a day's work for a man; eight hours field-work and seven hours house-work, is moderate labor for a farmer's wife.

Thus you will observe that the crop of hops is produced without any cost for help. It may also be of interest to your committee to know, that when picking time comes, the growers, their wives, sons, daughters, the parish priest and the school-master, all join forces under a system of communism, and pick free gratis, all the hops surrounding a particular hamlet. The owner or renter of any farm is expected to furnish free beer to his village coadjutors on the day his particular hop-garden (as it is there termed) is picked.

With the opportunity given to the dealer to mix hops bought on the basis of so small a cost of production, we are sure the committee will come to the conclusion that we have—that is, the cost of production in this country is 15 cents, hops on such a system can be laid down at a sea-port in Europe at 6 cents per pound, and the poorer grades certainly for a fraction less.

We now come to the concluding reasons why we should be more fully protected in our industry. The brewer whose beer does not cost him to exceed \$3 a barrel, manufactured in his cellar, is protected by our votes (and our Representatives) 20 cents a gallon for beer in the wood and 35 cents a gallon for beer in bottles or jugs, which exceeds 200 per cent. protection for beer in the wood and 350 per cent. for beer in the bottle, and yet he calls himself our friend, and writes in his memorial to Congress: "The glaring injustice of the proposed increased duty on hops becomes still more manifest when the likelihood of occasional failures of American hop crops is taken into consideration." All the while well knowing that we are only protected slightly over 50 per cent. on the cost of our production.

We now ask Congress with true Christian charity that if the brewer is not sufficiently protected, to raise the duty on imported beer from an average of 275 per cent. on its American cost, and at least 400 per cent. on its German cost. Raise it in the name of common justice so that if in any year there should be a slight failure of the American hop crop, and the poor brewer who now advertises dividends of 15 per cent. on a capitalization of four times the cost of his plant, should ever have to pay the inflated American hop grower 7 cents per pound more for his hops than he paid this past season (which he dare not deny was less than 12 cents per pound), that the poor brewer can continue to pay that dividend and not disappoint his foreign stockholders, who paid him for a part of the stock with British gold; who demand low tariff on European material, but high tariff on the beer they produce in this country.

If the brewers will argue that we produce raw material, we respectfully submit that we have shown that the price of kiln-drying hops (similar to the mode of converting barley into malt), and fitting them for market involves more than half the

cost of our product, and the handling of the hops from the time they are ready to pick until they are dried, requires the most skillful labor in this particular branch.

Perhaps it is significant to note that in other countries, Germany for example, and which country these brewers seem so anxious to patronize, has a tariff on hops as well as on beer, and they may not consider the comparative duty we now ask so "glaringly unjust," when we inform your committee that the duty on hops into Germany is 2½ cents per pound (10 marks per hundred), and the duty of beer into Germany is less than 6 cents a gallon. The proportion of values in percentage is nearly equal.

If this illustration does not suffice, we beg to refer your committee to France, where the duty on hops is higher by 15 per cent. on the value than it is on beer, while here, the duty on beer is from four to five times higher than on hops to protect a class of manufacturers who say to Congress that the protection of a poor agricultural interest "is a glaring injustice."

STATEMENT OF HON. BINGER HERMANN.

The Hon. BINGER HERMANN, a Representative from the State of Oregon, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I do not desire to detain the committee but a moment merely to give expression to the sentiments of our people of the State of Oregon who are particularly engaged in the culture and production of the hop. I was exceedingly surprised in the course of this debate to hear stated on the parts of gentlemen that the people of the Pacific coast were adverse to any increase of the duty on hops, at least the producers of hops on the Pacific coast occupied that position. I desire more particularly to sustain the people of the State which I have the honor to represent who are engaged there extensively in the cultivation of the hop. The great Alamo Valley, which is 150 miles in extent from the mouth of the river to the head of navigation, all that entire country, is used largely at present and a great many there are largely engaged in this production, and I have had sent me petitions and also resolutions on the part of conventions of hop growers of that State appealing to Congress for an increase of the duty upon the foreign hops, and reasons are set forth, etc., showing why this should be done for the absolute existence of this valuable production and industry of our country.

Now, it has also been asserted that the hops can be produced at about 8 cents a pound on the Pacific shores. That may have been true, Mr. Chairman, some years ago, but I should be very much obliged to the gentlemen if they will produce any statistics showing that the hops at the present time can be produced at that low rate. A few years ago we had the Chinese, from lower California up to Alaska. At the present time, and I might say within the last twelve or eighteen months, a change has occurred; at least 50 per cent. of that labor is now unfit for the purposes for which we formerly used it. When we had that labor it was at a mere nominal figure. A large portion of this labor was Indian labor. They would go to the reservations and invite the Indians down on a particular day of the month and they would come, male and female; there would be hundreds and hundreds of them upon the different hop farms picking hops at a comparatively small amount of wages. But the Indians are now largely placed on lands which are allotted to them in severalty, and they are beginning to till their own soil, so that that labor is as difficult to obtain as the Chinese; so that is another reason why it is that this cheap labor can no longer be utilized.

Now, as to the quality of the hops. It is well known that as to our climate we are troubled a great deal with moisture; that the fogs which settle down around the coast, owing to the warm gulf stream which flows up the coast as far as the Alaskan Islands, etc., washing the entire Pacific coast shores, produces a certain condensation, and we have rain when we should have dry weather; and it is an absolutely essential thing that the hop when it is ripe shall be picked within a very few days, and consequently great losses occur by reason of the scarcity of labor. I also desire to say, Mr. Chairman, that frequently the people of my State are compelled to allow the hop crop to go to decay simply because they could not afford to pick the hops at the rate of labor in view of the prices then prevailing. I know this of my own knowledge, that a large portion of the hop fields in that State have been left in this manner. I can say that. In regard to the price of picking being 8 cents, I venture to say that within the last few years there is no instance in that State where hops have been picked at a less cost than from 10 to 12 cents, and when hops only bring 12 cents in the market we can not afford to touch the crop and it goes to decay. I only desire to offer this in view of the petitions presented by the Hop-Growers' Association convention and various assemblies held in the various parts of the States.

I thank you, gentlemen, for your kind attention.

Mr. BUTTERWORTH. I would like to state this, I do not want to be misconstrued: It is a misapprehension that the office of protection is to make good every man's

losses, to make every business prosper. I do not understand that. If a man's crop is lost, I do understand the rest of the community is bound to make it good; but the object of the tariff is to put every business on an equal footing as against all competition, which is to remain just and fair, and when upon such footing any industry stands fairly and equal in the manner of advantage to some other industry precisely, then the protection system has performed its proper office, and can not go beyond that. I agree with my brother Coggeshall that if it does not do that it ought to be increased, but if it does do that it has performed all its office.

Mr. COGGESHALL. We want as much protection on hops as Mr. Butterworth wants on wool.

Mr. BUTTERWORTH. My friend is quite right about that. I want to add this: If I have not misapprehended it it is afforded protection, and this is the theory upon which I am going, a protection which places it upon an equality with industries elsewhere, and beyond that I wish to call Brother Coggeshall's attention to the fact that the trouble with our friends in New York, as it was in northern Ohio and other localities, that situated so far as climatic influences are concerned and better adapted by reasons of soil to the production of hops, they gain that advantage, and hence it could not occur that with any kind of a tariff it would put upon equality northern Ohio or northern New York with California and other localities.

Mr. COGGESHALL. The fact is, as the gentleman has demonstrated who preceded Congressman Butterworth, we stand upon an exact footing; that it costs the Pacific coast people as much, when you figure the actual expenses thereof, to produce their hops as it does in New York State; and then I say, as I have stated before, that the brewers are protected over 50 per cent., while the hop-growers are only protected 25 per cent. An investigation will show from the importation of hops from abroad—

Mr. BUTTERWORTH. But I would say, Senator, in that matter it is not a question about breweries. They are doing well, beyond all doubt; but if it tends to prohibit, to take from the public treasury a revenue of \$350,000 to \$400,000 a year, and draw it from some other source—

Mr. COGGESHALL. But we say it does not.

The CHAIRMAN. You want to make the conditions equal.

Mr. COGGESHALL. That is all.

PETITION FROM PASSAIC COUNTY, N. J.

We, the undersigned brewers and malsters of the city of Paterson, county of Passaic and State of New Jersey, having heard that the member of Congress representing the twenty-fourth district of the State of New York is making an effort to greatly increase the import duty on hops, protest most earnestly against any advance in the duty, as it would be a great hardship to the large number of consumers in all parts of this country, and would be prohibitory in its effect, besides proving of no benefit to the producers.

The present specific duty of 8 cents per pound is equal to an ad valorem duty of 60 per cent. at to-day's values, and fully represents the average cost of production in the United States. The hop-producing sections of this country are confined to a few counties in the State of New York and also to a few counties in the States of California, Oregon, and Washington. The hop growers of these four States produce annually a large surplus, the only outlet for which is by export to England. The seeming anomaly of importing German hops to a country which already produces a surplus is accounted for by the superior quality of the foreign article. These imports serve a useful purpose in keeping up the quality of the domestic product. The growers on the Pacific coast have expressed no wish for an increased duty, and the agitation is confined exclusively to the farmers in New York State.

The duty, which for many years was 5 cents per pound, was a few years ago increased to 8 cents per pound. This duty has been very oppressive, and is out of all proportion to the tariff on other products. As any further increase would be disastrous in its consequences, we respectfully request you, as a member of Congress from this district, to use your influence and best efforts to prevent any increase in the duty and to have it reduced to its former standard.

HACHLIFFE BROTHERS.
GRAHAM & Co.
JAS. A. GRAHAM & Co.
C. BRAUN.
SRAPPLER & MENNY.
KATZ BROS.

ORANGES.

THE CROP OF FLORIDA.

STATEMENT OF J. E. HARTRIDGE.

WEDNESDAY, *February 12, 1890.*

Mr. J. E. HARTRIDGE addressed the committee. He said :

Mr. Chairman and gentlemen of the committee, I desire to state that this committee is the result of a sentiment that has been growing in Florida for some time, which received a tangible shape through a united meeting of the orange industry and farming interests in convention assembled in Florida recently. There they met for the purpose of devising some means by which they could be protected in an industry which had been established in the State by a number of years of industry and investment of large sums of money. To show the importance of that movement, it might be proper to state in the beginning that there are in the State of Florida 20,000 persons engaged in growing oranges; that these 20,000 persons represent a voting population resident of 15,000 voters, being quite one-fourth of the entire vote of the State; that the other 5,000 of the 20,000 are non-residents who have purchased places and engaged in this industry, with a view not only of having a resort in the winter, but having an industry that will be remunerative. It might be said that this industry of 20,000 persons represents a population of 100,000 people; that they employ 20,000 laborers, who win their daily bread by work in these groves, and have a population dependent upon them of at least 100,000 persons; that there is invested to-day in this industry in the State \$100,000,000. I mean by this to include the value of the lands, of the groves and packing-houses, and interests which are necessary to the proper housing and marketing of the crop.

I mention this, Mr. Chairman, that it may be seen how important is this industry; and I may say here in passing, that in order to bring an industry of this character in that State to profitable fruitage, it requires a term of at least ten years after setting of constant toil and watchfulness. Now the number of groves in the State of Florida in which this immense amount of money is invested are not to day in a bearing condition, but they are gradually coming to that position, because when we get to the state where they are all productive, we think we will be in a condition where we will not have to ask the aid of protection from the Government. Now, we ask this protection, Mr. Chairman, for protection's sake, and we ask protection that will protect. It is in that spirit and because of that sentiment that we come here. We claim that because of the cost of labor and the price of it, which these orange-growers are compelled to employ in the State, being at least \$1 a day against labor which is at least 40 to 50 percent. cheaper in the groves abroad, that there is an item of expense to the Florida grower that he must meet and compete with. That aside from that, it is our information that the foreign grower is able to obtain money at a percentage a great deal less than growers in Florida. It is not extravagant to say that no person who is growing oranges in the State of Florida can get money advanced to him at less than from 10 to 12 percent. That is another large expenditure and a large expense that attaches to this industry there. Now we say, Mr. Chairman, that if we have an opportunity of being properly protected until we get in that condition that we can not run but stand, that we will not ask anything further from Congress, but will take care of ourselves. We do not desire, I might say now, any protection upon lemons, because we are very frank to say, as far as that industry is concerned, we do not think it has reached a condition of sufficient importance in the State that would warrant us in asking protection, but it is only upon the orange crop.

The CHAIRMAN. Has it reached any such condition in California as to make it necessary to be protected?

Mr. HARTRIDGE. I am not prepared to state as to California.

Mr. FLOWER. Do you know the duty now imposed on lemons?

Mr. HARTRIDGE. I do not know exactly.

A BYSTANDER. Thirty cents a box.

Mr. HARTRIDGE. We do not desire, I may say, to injure any industry in the United States of that character, and if any industry needs that protection we will be glad to see them have it, but we are here only asking as far as oranges are concerned.

Now, there are in course of cultivation in the State of Florida 250,000 acres of land,

and we say here that we are capable of producing in time oranges sufficient to supply the entire country, because there is susceptible of tillage for orange purposes 10,000,000 acres of land in the State of Florida. So it is not our purpose here to ask an exorbitant price for oranges or get to a position where oranges will be increased to the consumer, because we say as matters now stand that the foreign producer with the tariff which we ask will be able to get fruit here, good fruit, upon a similar plane of cost that is now put upon the Florida grower. I might say that it would serve our purpose that that should be brought about, and that is one object of asking this protection, that only good fruit should be imported to compete with good fruits here. And I want to say right here, in passing, that any law which is enacted which provides for damage claims we believe destroys itself, because we think this has been a prolific source of imposition upon the custom-house and of the importation of fruits called in the market "trash." That is, we understand importers will deliberately buy what is called in the foreign market "trash" with a small quota of good fruit and exhibit the trash to the damage inspector, obtain a rebate upon the whole cargo, and that enables him to sell this at a profit.

Now, if we have a tariff that will protect and that will keep away from this market trash, and lets into the market only good fruit, then Florida will be brought into competition with good foreign production, and will not be compelled to compete with old trash that is brought here and put upon the market in this way for the purpose of catching the damage inspector and demoralizing and depressing the market to a degree, knowing the greed of gain upon the part of persons will compel them to purchase the poorer and cheaper article, while the good Florida and good foreign fruit being in competition would not even sell except to the individual consumer who would purchase good fruit and not an inferior article. So we say here, looking to the protection of this industry, it should be, we think, not only a dollar for a standard box, but it should exclude the idea of any rebate for damaged fruit, and that we say would enforce the introduction of good fruit into this country.

Now, it is a singular fact, Mr. Chairman, that these persons who are here asking that this industry be protected are citizens of the United States with their lots cast here, with all they have here; that it is significant in contrast to that, if you look at those who import, that you will see by taking from the indices which I hold in my hand of the foreign importers of the State of New York, out of one list of twenty-seven, twenty are foreigners, and out of another list of thirteen, all are foreign but three. So we say this is American industry upon American soil.

The CHAIRMAN. You mean by that that they are not citizens of the United States. Mr. HARTTRIDGE. I am not prepared to state that, but it is an inference of mine. Perhaps they are not. Now, it is also a fact against which we are compelled to guard that large areas of land abroad are being prepared for the cultivation of oranges. At least 20,000,000 of buds of the improved varieties of Florida have been taken from this country within the last two years for the purpose of being grafted upon the foreign production, and being near us, and being able to get their trees to a fruitage by reason of a more luxuriant soil and cheaper labor and climatic influences at an earlier stage than ten years, we have confronting us now a condition that is approaching that will put a great many more oranges upon this market from foreign production than are now being produced. So it is not alone the present against which we ask this protection, but it is against the future. Now, we say the experience of Florida has demonstrated, and we hope to show by that pamphlet which we have prepared and placed in the hands of the printer to be placed before this committee, that unless something is done to aid these people who have gone down into that State and invested these millions of dollars, hoping to make this a profitable industry, they will be absolutely driven out of the market, and the industry where these millions are invested will be destroyed, and where thousands upon thousands of people are dependent for a living, without the means of earning their bread.

The CHAIRMAN. Will that be the condition of things if you are to be continued under the present rate of duty?

Mr. HARTTRIDGE. That is our notion about it. That is the notion of these people who have familiarized themselves with it more than I. I will say frankly I am not an orange-grower, but I am a native of that State, interested in all its industries; and some of my friends here who are orange-growers, with all other growers in this convention assembled, as a result of this conviction state that they can not compete with this imported fruit unless they were protected, and this result which I have stated will come about unless we have the means of keeping out this foreign fruit. I will say they do not raise their fruit at a different period of the year from the time at which we produce here. The present statistics will show for the months of January and February that at least one-fourth of the foreign importation into the city of New York in the years 1888 and 1889 were brought here, and these are the months when we have the largest shipments from Florida. It is idle to say they grow them and put them here at a period of time when the Floridas are not produced, because they are now raising a character of fruit for the early market, and also raising a char-

acter of fruit for the late market, so as to enable them at that period of the year to place this fruit before the people of the United States. So we are thus met in this way, and it just comes down, stripping it of all extraneous questions—and looking at it in its nakedness, it comes down to a certain question of fact. Here is an American industry that needs protection for protection, and it comes here in the only way it can come, and asks the Government's fostering care.

I say, Mr. Chairman, we have prepared here a presentation of our case, which we hoped to have in type by this time. If the committee will indulge us thus far, Mr. Wilson will read that presentation.

Mr. BRECKINRIDGE. You say you are not an orange-grower?

Mr. HARTRIDGE. I am not, but I am a native of the State.

Mr. BRECKINRIDGE. You are familiar with the cultivation of the orange there?

Mr. HARTRIDGE. I am familiar with it with that familiarity which one has who is not directly an orange-grower, but who has been accustomed to seeing orange groves.

Mr. BRECKINRIDGE. Do you consider yourself an authority? My idea is whether you feel prepared to answer practical questions about the industry.

Mr. HARTRIDGE. I feel prepared in this way, that where questions are propounded with which I am not familiar that there are some of the largest growers of the State present who are thoroughly informed by practice, observation, and study of the question, who would be very glad to answer any questions propounded by you.

A BY-STANDER. If you reach the stage of presentation you want to ask questions, we will be very glad to have some one answer those questions.

Mr. HARTRIDGE. I will answer questions as far as I am able, and when I am not, I will request some of the other gentlemen to answer them who can.

Mr. BRECKINRIDGE. You speak of fruit grown for the early and late market. I will be glad if you will amplify that a little bit, so as to show how the different processes are employed.

Mr. HARTRIDGE. This is information that the orange-growers here have imparted to me, that they are planting groves that will come into bearing, giving the different periods of fruit at different periods of the year.

Mr. BRECKINRIDGE. I want a little more information upon this question of early and late fruit, and I will wait until some of the growers come on.

Mr. HARTRIDGE. With this presentation, Mr. Chairman, any additional questions might be asked of my associates here.

Mr. FLOWER. I would like to ask you a question. Do you grow a single orange in Florida that they grow in Sicily?

Mr. HARTRIDGE (turning to a by-stander). Do we grow in Florida any oranges that are grown in Sicily?

Mr. MCKIBBEN (the gentleman addressed). Yes, sir.

Mr. FLOWER. What varieties come to the Northern market?

Mr. MCKIBBEN. There is a variety called the Mediterranean Sweet.

Mr. FLOWER. I have never yet seen so poor an orange come from Florida as those which come from any export port. I would like to know the quality, because I have never seen one of theirs that is comparable with yours.

Mr. HARTRIDGE. That is one reason I suggested a few moments ago; we are compelled to compete with a market depressed with imported trash.

Mr. FLOWER. The point is that your fruit is not like theirs. It does not sell for the same price as yours, does it?

Mr. HARTRIDGE. It does not.

Mr. FLOWER. There is not a single box of Mediterranean oranges which compares in price with yours.

Mr. MCKIBBEN. Yes, sir.

Mr. FLOWER. Which one?

Mr. MCKIBBEN. It is not one particular one. And you see the effect of foreign fruit on our market is just this, they will send fruit to our markets—and they can put them here at the rate of \$1.20 a box and make a profit. Now vast quantities are coming into the market and can be sold at \$1.20 a box, and consequently that affects the price of the Florida orange, no matter —

Mr. FLOWER. How many are there in a box?

Mr. MCKIBBEN. About one hundred and seventy.

Mr. FLOWER. Do you know what the Government collects on oranges and lemons?

Mr. MCKIBBEN. I have not the statistics in my mind.

Mr. FLOWER. It is about \$2,000,000. When is the best orange picked from your trees, before the buds come on and the blooms are on, or as soon as they begin to come on?

Mr. MCKIBBEN. About January our fruit is in its prime.

Mr. FLOWER. That is before the buds start?

Mr. MCKIBBEN. Yes, sir; they do not start until February or March.

Mr. FLOWER. How long will that orange keep?

Mr. McKIBBEN. Do you mean on the trees?

Mr. FLOWER. That is at its best in January, and you send them to the New York market. How long will they keep?

Mr. McKIBBEN. That is a difficult question to answer.

Mr. FLOWER. Are they not now going out of market in New York for the best Florida oranges?

Mr. McKIBBEN. No, sir; the New York market is supplied with Florida oranges.

Mr. FLOWER. But they are coming in in small quantities at the present time?

Mr. McKIBBEN. There can not be a great scarcity, because they are not bringing good prices.

Mr. FLOWER. What price do India River oranges bring?

Mr. McKIBBEN. They are quoted now at \$3 to \$4, I think.

Mr. FLOWER. Barrel or box?

Mr. McKIBBEN. Box.

Mr. FLOWER. What does the Mediterranean orange sell for?

Mr. McKIBBEN. Mr. Morris, can you give the latest quotations for Mediterranean oranges?

Mr. MORRIS. I should judge it was \$1.75 to \$2.25.

Mr. FLOWER. And you are selling for \$3.25?

Mr. McKIBBEN. You are asking about India River fruit?

Mr. FLOWER. Take the St. John's.

Mr. McKIBBEN. Taking them on the average they do not average more than \$2.25 to \$3.

Mr. FLOWER. If they sell their orange at \$1.25 and the same quantity in each box—

Mr. McKIBBEN. No; there are different sizes of oranges and a different number in the box; but the average is 170.

Mr. FLOWER. If one sells at \$1.25 duty paid and the other at \$3.25, there is no competition between the two.

Mr. BRECKINRIDGE. Let me interrupt you right there for a moment. The average box is one hundred and seventy, the same as the foreign.

Mr. McKIBBEN. No, sir; the foreign oranges come in different shapes.

Mr. BRECKINRIDGE. I was told a while ago that the average number in a box of Florida oranges was one hundred and seventy.

Mr. McKIBBEN. I was putting it at the average; I was not speaking of foreign oranges.

Mr. BRECKINRIDGE. What is the average number of foreign oranges in a box?

Mr. McKIBBEN. Their box of oranges will contain on an average just about what ours do; but they ship a great many in cases holding four hundred and twenty.

Mr. BRECKINRIDGE. We are not speaking of cases. We are speaking of boxes. What is the average number of foreign oranges in a box?

Mr. McKIBBEN. I should say about two hundred.

Mr. PAYNE. How many cubic feet to the box, the Florida size?

Mr. McKIBBEN. Our box of oranges is supposed to be 2 cubic feet.

Mr. PAYNE. How many cubic feet are in a box of Mediterranean oranges.

Mr. KIBBEN. They are the same; two cubic feet.

Mr. PAYNE. There are the same number of cubic feet in a standard box.

Mr. McKIBBEN. Yes; in a standard box.

Mr. FLOWER. If the Florida oranges will sell for \$4 to \$5 a box, and the Mediterranean orange will sell for \$2.50 a box after paying duty, do you think they come in competition with each other?

Mr. McKIBBEN. Let me answer you, Mr. Flower, just this way about that: We are getting prices now at the end of the season. You take our season at its beginning, and we have been unable to get really a fair price for our fruit. You give a wrong impression as to the cost of the production now.

Mr. FLOWER. My point is right here. If your orange—and I know it is—is so much better than theirs that anybody who can afford it will buy it in New York at \$4 or \$5, even \$6 a box, in preference to the Mediterranean orange at \$2.50, I want to know where the real competition comes in. A great many people in New York—there are 300,000 people in New York between Sixth avenue and Fourteenth street that can not read the English language. They may have learned to eat the Mediterranean orange. You certainly could not sell it in another section of the city where they have tasted the Florida orange. The question is, will you raise the price of that orange to that people who know nothing about this on purpose to take care of this crop, and will it do your crop any good? That is the question.

Mr. McKIBBEN. Yes, sir.

Mr. FLOWER. I would like to have your explanation.

Mr. McKIBBEN. We maintain, by protection on our oranges, we are not going to increase the cost to the consumer. Now, it is a fact to-day it makes very little difference whether our oranges sell—

Mr. FLOWER. If it cheapens the article to the consumer, what good does it do you?
Mr. McKIBBEN. It will give us our own market for our own production.

Mr. FLOWER. How about the men who have cultivated a taste for these others?

Mr. McKIBBEN. They will have cultivated a taste for it after a while.

Mr. FLOWER. But if they want this Mediterranean orange, and they do, because there are thousands sold at a cent apiece in New York from wagons—you have seen them, and I have, sold to the poor people at 1 cent apiece. This is the poor man's fruit, and yours is the rich man's fruit, because of its high price. Now you are going to raise the duty on that orange to that poor man, and you are going to make his cost more so as to make him buy yours.

Mr. McKIBBEN. If you will give us this duty we will make our crop increase rapidly, and we will be able to supply the demand at the same price.

Mr. FLOWER. This is right from the New York market and probably some of you gentlemen know the gentleman who wrote it. "The best Florida orange is almost exhausted at this time." And mind you, this is the time of the year that after the Florida orange is gone, and they can not get it, they will call for something else. There is no hotel or restaurant but what starts breakfast with a Florida orange on his table, and when they can not get that they get the next thing to it. Now, when your crop quits these others come right in. Now it says: "The best Florida orange in New York sold last week for \$ $\frac{3}{4}$ per box against Mediterranean oranges at \$ $\frac{2}{3}$ a box. The lowest priced Florida orange was sold at \$2.50 against Mediterranean lowest price at \$1."

These are the facts upon records of last week's market. There is the price list. The point I want to make is this: Does it do you one particle of good to raise the duty on oranges to \$10 a box? Would it do you a particle of good, as far as Florida is concerned, when they are an entirely different orange from what you raise? I grant if you were raising the same kind of orange, where you might get the same price for the time being, and if really it was cheapening it to the consumer and lessening the price you get for it, I could see your object, but what good is it going to do you to get the duty raised on that? I can see what harm it will do the poor people to do it, but I can not see what good it will do you, unless they buy the oranges you raise.

Mr. MILLS. How many orange trees grow to an acre of ground in Florida?

Mr. McKIBBEN. From seventy to one hundred.

Mr. MILLS. How many oranges do you get on an average crop from a tree?

Mr. McKIBBEN. For an acre?

Mr. MILLS. Well, for an acre.

Mr. McKIBBEN. One hundred and fifty boxes to the acre.

Mr. MILLS. And how many to the box?

Mr. McKIBBEN. About one hundred and seventy.

Mr. MILLS. What is that worth on your farm delivered on cars ready for shipment to New York, say that acre of oranges.

Mr. McKIBBEN. Can you answer that question, Mr. Wilson?

Mr. WILSON. It sells from 75 cents to \$1.25.

Mr. FLOWER. Here is its answer—that in one grove of 18 acres not far from this place they sold 7,500 boxes of oranges. Oranges are now selling on the trees for \$1.50 per box, and the grove in question realized more than this, because the fruit was shipped and the risk of transportation incurred, and the estimate of price obtained for the oranges was \$1.50 per box, and the crop was sold for \$11,250.

The CHAIRMAN. What do you say to that statement?

Mr. McKIBBEN. I say that statement is an exceptional case.

Mr. MILLS. I meant for you to take a fair average.

Mr. McKIBBEN. I prefer to say if you get the facts in this case that everything is 50 per cent. above its real value.

Mr. MILLS. What is a fair average for it, year by year, per acre of oranges?

Mr. McKIBBEN. When the trees are fifteen to twenty years old, an acre of oranges averages, say, 150 boxes, and you get an average price of \$2 per box—

Mr. MILLS. That is \$300 for that acre.

Mr. McKIBBEN. Yes, sir.

Mr. MILLS. What is the yield of a cotton plant to the acre in your country?

Mr. McKIBBEN. I do not know anything about cotton.

Mr. MILLS. The cotton raised for export is 7,000,000 bales. Take the rich lands of Mississippi Swamp, the rice belt and cotton. I am talking about the average.

Mr. McKIBBEN. It will average about 1 bale to 4 acres.

Mr. MILLS. Say a quarter to a half a bale; say about half a bale. It is worth how much? Twenty five dollars an acre?

Mr. MABRY. I think that would be a very high estimate at \$25 an acre.

Mr. MILLS. Wheat is how much per acre?

Mr. McKIBBEN. I can not tell you.

Mr. MILLS. Twenty-five bushels to the acre?

Mr. McKIBBEN. Some of the Western people could tell you about that.

Mr. MILLS. Twenty-five bushels to the acre I believe would be a fair estimate. A dollar a bushel would \$25 for wheat; corn is worth \$15 to \$20 an acre. All these people are utterly unprotected. Do you think, gentlemen, it is fair for you to come here and ask us—you who are getting \$15.00 an acre for your oranges—to compel people, who have to make money by raising corn for pork and beef, to bear that burden?

Mr. HARTRIDGE. But what goes to make up that \$150?

Mr. McKIBBIN. I say it is not fair to bring that up in respect to the orange. In the first place it is a yearly crop. It is produced from the time the land is broken up. It is made in a few months. Now, it takes twelve years to make an orange grove.

Mr. FLOWER. Seven to twelve.

Mr. McKIBBIN. It takes twelve years to get that exceptional crop.

Mr. PAYNE. Suppose you take a wild orange grove, how long would it take to get that in a good condition?

Mr. McKIBBIN. After budding a wild orange grove would probably bear in five or six years.

Mr. MILLS. How long will the trees live?

Mr. McKIBBIN. They will live for years. We do not know about the age.

Mr. MILLS. It is not like cotton, where it has to be planted every year.

Mr. McKIBBIN. You must remember the land in the first place has got to be bought and paid for, and the trees bought and planted.

Mr. BRECKINRIDGE. Do you cultivate between the trees?

Mr. McKIBBIN. No, sir; that is going out of use entirely. Very little is raised in an orange grove. We think it is detrimental to the tree. There has to be a yearly expenditure of money, and it is an unsuccessful operation.

Mr. FLOWER. How much; \$500 an acre?

Mr. McKIBBIN. Take a grove that is twelve years old and it will not cost one dollar less than \$1,500.

Mr. FLOWER. Do you know that Mexico—

Mr. MILLS. I want to get at this before you go to that. How do you expend that \$1,500 on that acre of ground?

Mr. McKIBBIN. In the cost of the land, in your clearing, and in your preparing for planting.

Mr. MILLS. We have to do that for planting cotton, wheat, and corn.

Mr. McKIBBIN. Yes, sir; but not as thoroughly as in this. We have got to get the land thoroughly and scientifically worked.

Mr. MILLS. Then, on the other hand, when you once get the oranges planted they stand for a long time; whereas, on the other hand, cotton has to be planted every year.

A BY-STANDER. We want to get our ground into that condition, and therefore we have to spend this money.

Mr. McKIBBIN. We have to pay 10 to 15 per cent. for money, too, in Florida.

Mr. MILLS. We do that in Texas.

Mr. McKIBBIN. There is another thing you have not taken into consideration, gentlemen, and that is this: that we are subject, once in every three or four years, to damage by frosts, when we will probably lose the crop.

Mr. MILLS. Cotton is subject to the same thing every three or four years, and in three out of four years there is a short crop. You can not get a cotton crop, you know, without rains. We have got all these things to contend with.

Mr. McKIBBIN. Yes, and we can not get an orange crop without rains, and we have all these things to contend with.

Mr. MILLS. I simply want to show that your orange is not an exception in these things.

STATEMENT OF M. H. MABRY.

M. H. MABRY next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, this gentleman says why should we be protected, why should this agricultural product in Florida be protected, when the wheat, and corn, and oats, and other products of agriculture are not protected? My dear sir, I think we should protect that—

Mr. MILLS. But you can not.

Mr. MABRY. If you can not devise any way of protecting it, it is not our fault. But I want to say about Florida that the people are under many disadvantages, without transportation, without money, without capital, and without labor, and have demonstrated the fact that they have got the soil capable of producing more oranges than this country can possibly consume, and they have their places, they have their homes, they have demonstrated the fact that we have an American industry in orange-growing. All we want, all we ask of you here, is this: while this industry is in its infancy, while it takes

these orange trees to come into a bearing condition, that you do not allow it to be crowded out by imported fruit into this country. We have a good soil there, and we know what goes on in the market. We have distributing agencies in Florida for the immediate distribution of this fruit according to the demand. We know through the fruit exchange where the demand exists.

Mr. FLOWER. Do you know the editor of the Florida Agriculturist. Is he here?

Mr. MABRY. No, sir; he is not here.

Mr. FLOWER. Did you ever see that paper?

Mr. MABRY. Yes, sir.

Mr. FLOWER. Is that what you would call a reliable paper?

Mr. MABRY. Yes, sir.

Mr. FLOWER. Then I just want to put this in evidence about this crop. It says:

"We take the following piece of orange information from the Agriculturist for the following week and is in answer to a California paper's assertion that Florida groves do not pay the handsome profits yielded by the California groves:

"We know of one grove of 18 acres not far from this place that yielded 7,500 boxes of oranges. Oranges are now selling on the trees for \$1.50 per box. The owner of the grove in question realized more than this as the fruit was shipped and the risk of transportation, etc., incurred. But estimating the price obtained for the oranges at \$1.50 per box the crop would yield in cash \$11,250."

Mr. GOODRICH. That paper is published in my own town and I would state that it is an advertisement of Mrs. T. H. Shimer, who has a grove in the limits of the town, and who is anxious to sell and wants to run it up to a high price.

Mr. FLOWER. I have an interest in an orange grove right above there and I think he is pretty near right, and I am a seller, too.

Mr. PAYNE. I want to know what Florida oranges were worth in January last in the New York market?

Mr. MABRY. I am unable to tell you.

Mr. PAYNE. About what? Can you not give a general statement? What were Florida oranges worth in the New York market in January last?

Mr. WELSH. \$1.38 to \$2.35. They rarely went beyond \$2.35, and often sold at \$1.38.

Mr. PAYNE. When did the Mediterranean fruit begin to come in there?

A BY-STANDER. It began early in October.

Mr. PAYNE. What quantities came in October?

Mr. WILSON. October, 1887, 38,797 boxes; October, 1888—

Mr. PAYNE. Now, November?

Mr. WILSON. In November of that year, 204 boxes.

Mr. PAYNE. December, how much?

Mr. WILSON. 15,805 boxes.

Mr. PAYNE. January of that year?

Mr. WILSON. This is in 1887.

Mr. PAYNE. Well, now, January, 1888?

Mr. WILSON. January, 1888, 58,365 boxes.

Mr. PAYNE. February?

Mr. WILSON. 91,218.

Mr. PAYNE. March?

Mr. WILSON. 108,724.

Mr. MILLS. Go on with these months.

Mr. WILSON. We had better commence in 1887, at the beginning.

Mr. MILLS. Yes, and go through the year.

The CHAIRMAN. We will publish that paper, and it will be printed in the Record.

Mr. MILLS. Very well, then.

Mr. MABRY. I want to say the position taken by Mr. Flower, by which he would make the impression upon the members of the committee that because you put a duty upon foreign oranges you increase the price on the American, is wrong. It is not that, and we claim it will not do that, because we have got the ability to put oranges in this market to supply all the people of this country. If we had an industry in Florida that could only supply one-half or one-fourth the needs of this country, it would be wrong to ask it; but we have got land in Florida enough to supply the American people all they want, and if we can be given the opportunity to develop that industry and furnish homes for American people to live in, we ask you to give us an opportunity to do this. We can raise the oranges and put them into the market during the season, and we can with cold storage—

Mr. PAYNE. During what months do you supply them?

Mr. MABRY. We commence in November, January, February, March, April, and May, up to June. That is the Florida season.

Mr. PAYNE. Is not there a scarcity of Florida oranges now? And is it not so reported?

Mr. MABRY. There can not be a scarcity of oranges if you get the industry started and the trees bearing.

Mr. FLOWER. This is from a trade journal of New York, and gives just the information you desire.

Mr. PAYNE. One moment right here. Is not there a scarcity now of Florida oranges?

Mr. MABRY. Ten years ago the industry was supposed to have been worthless—

Mr. PAYNE. But is not there a scarcity of Florida oranges now in the New York market?

Mr. MABRY. I concede it, and I will state to you the reason why we want you to give us protection, so that we can supply the American people with the cheapest oranges in this country.

Mr. PAYNE. Is not there a difficulty in keeping Florida oranges after the 1st of April?

Mr. MABRY. No, sir; I do not think so. They stand upon the trees luscious and sweet in June.

Mr. PAYNE. But of course they are not as good as they are in April?

Mr. MABRY. Just as good, and the varieties we are developing are not going to be taken from the trees earlier than that. We are expecting to produce fruit that will come into the market at different seasons.

Mr. PAYNE. But are you producing that fruit now?

Mr. MABRY. Yes, sir; we will produce it now. We have got the soil to produce it there, if we had the muscle, brains, and capital, and had the labor to go there and help us. That is what we ask you gentlemen, that you shall say by putting on this tariff duty that men can go down there and make their homes with us, and help us go into this industry and develop it.

The CHAIRMAN. Is that the general sentiment?

Mr. MABRY. Yes, sir; it is the universal sentiment of the orange-growers of that country. They want them to come there. We have got our money in it, too, and we ask you now to help us, who have struggled and toiled and demonstrated the fact that we have got this industry there. We are not here to put up the price of oranges, and make the poor people of this country pay more than they are worth. Not that; but we hope to be able to put into the hands of the poorest people of the country oranges which will be the best and the cheapest, and not ask us to go across the water and compete with those men who are selling in other markets.

Mr. BRECKINRIDGE. What per cent. of oranges consumed in this country are imported now?

Mr. MABRY. I can not tell you that.

Mr. BRECKINRIDGE. You do not know what per cent. you produce now?

Mr. MABRY. I can tell you what amount Florida produces. Her capacity is about 4,000,000 boxes.

Mr. BRECKINRIDGE. You mean her present capacity is about 4,000,000 boxes?

Mr. MABRY. Yes, sir.

Mr. FLOWER. And the last of the crop brings the highest price?

Mr. BRECKINRIDGE. But it takes you twelve years to bring the fruit to a bearing point.

Mr. MABRY. Yes, sir; on an average.

Mr. BRECKINRIDGE. So the foreign oranges would be consumed for ten or twelve years, so as to increase the groves, so as to supply the domestic demand.

Mr. MABRY. No, sir; we have 250,000 acres of land planted in Florida to-day, some young trees not coming to a bearing point, and we have 10,000,000 acres not planted.

Mr. BRECKINRIDGE. That 10,000,000 not planted would take ten or twelve years to come to a bearing point?

Mr. MABRY. Yes, sir; on an average, to bring it into bearing.

Mr. BRECKINRIDGE. That is the only point I am making just here. What you have got now is only what you have been encouraged to under the present—

Mr. MABRY. No, sir; we do not find an outlet now—

Mr. BRECKINRIDGE. Of course men do what they think best. Of course any increase of duty would be an increase in the cost of the foreign orange as long as that orange is imported, and it would be ten or twelve years after you plant these groves, other than the small extent you have got started—

Mr. MABRY. I am speaking very frankly, and I say, gentlemen, that I take this proposition: If it took twelve years, and it increases to some extent the price of oranges, I think we have a right to come here and claim that if we can in twelve years bring up this industry and furnish homes and all that, and furnish cheap oranges to the people, we are entitled to do so.

Mr. FLOWER. Why not make the tariff take effect ten years from now?

Mr. MABRY. That would be absolutely ruinous. You want to ruin us so we can not do anything, and then when we are dead and buried, you want to sing psalms over us.

Mr. PAYNE. How much has the price of oranges fallen off in the last ten or twelve years?

Mr. MABRY. The price for imported oranges—

Mr. PAYNE. I mean for Florida oranges. How much has the price fallen off in the last twelve years?

Mr. MABRY. It has gradually declined.

Mr. PAYNE. How much has it declined?

Mr. MABRY. Between 100 and 150 per cent.

Mr. FLOWER. How would oranges sell in New York twelve years ago, and how did they sell?

Mr. MABRY. We had but very few groves twelve years ago, and then they were grown in favored places. It was stated they could not grow anywhere there, but now we can grow them on the peninsula of Florida, and good ones, too.

Mr. PAYNE. You think this tariff ought to be on oranges high enough to protect it, and for the sake of protection?

Mr. MABRY. To keep oranges from coming into this country.

Mr. PAYNE. For the sake of protecting the industry?

Mr. MABRY. And to give us a chance.

Mr. PAYNE. Not for making a revenue?

Mr. MABRY. If you come to raise revenue, you ought to put a revenue tax on this, because there is no better article to tax for raising a revenue than this article, and I think every one will agree with that, whether he be Democrat or Republican, as this is a luxury; so you could put your revenue there. If you want revenue, gentlemen, here is where you can put it on, and it certainly would not take bread and clothing from anybody, and it would not hurt anybody a bit.

The CHAIRMAN. I do not understand you are advocating a tariff revenue on oranges.

Mr. MABRY. No, sir; I am not. I am for protection on oranges. I want it distinctly understood, we are for protection on oranges. We do not want to be misunderstood here, but we want it distinctly understood that we want to develop this industry in this country.

Mr. FLOWER. How are you going to protect that orange even by putting on a duty of \$5 a box, when you do not import or grow the same character of orange?

Mr. MABRY. It is the same kind. We have imported buds from Sicily, the Mediterranean, and everywhere else, and put them into our own trees. We have got a better climate and a better soil, and more capacity, and more sense.

The CHAIRMAN. Mr. Flower does not seem to understand that a poor orange may displace a good one; but they do.

Mr. MABRY. Yes, sir.

Mr. FLOWER. The chairman does not seem to understand that there are three times as many people—yes, ten times as many people in New York and through the West—poor people—who buy these oranges and eat them, because of their cheapness, and that not in twelve years could oranges be grown here for the purpose of competing with them.

The CHAIRMAN. I understand you to say this increased duty proposed would not increase the price of the oranges?

Mr. MABRY. I do not believe it would.

Mr. FLOWER. How would it lessen the price if these oranges were not imported, and you would not grow oranges for twelve years?

Mr. MABRY. But they can grow them, and we are growing them now.

Mr. McKENNA. What has caused the decline of 50 per cent. in the price of Florida oranges?

Mr. FLOWER. I deny that they have declined.

Mr. MABRY. We know, who sell them.

Mr. FLOWER. We know, who buy them. I see that last week you sold at auction Florida fruit. I read this in a newspaper:

"Mr. E. L. Goodsell sold this week 1,200 boxes Florida oranges, at prices ranging from \$3.40 to \$2 for seedlings, and \$3.90 for Navels. Tangerines sold for \$3.80 to \$2.85 per half box, and grape fruit at \$1.25.

"Messrs. Sgobel & Day, agents of the Florida Fruit Exchange, have sold this week 2,000 boxes of Florida oranges at a higher range of prices than those previously ruling. For some fancy Indian River fruit they, yesterday, obtained \$5 and \$1.62½ per box, and one line of choice, handsome Washington Navel oranges which were sold the 4th instant, brought the high figure of \$6.12½ per box. Balance of the fruit sold \$3—\$2.50 on all excepting the common grades or those with decay. Each week sees lighter arrivals from Florida, and the season is not far from its close.

"TUESDAY.—Sale of bark *Nuoro M.* — from Messina. It was a great disappointment, as it was expected that it would be a good cargo on account of the short passage, instead of which the oranges were in very poor condition and sold from \$1.62½ to \$1, mostly \$1.37½ to \$1.25. The lemons were fair to poor, had shriveled some and were started; they sold from \$2.25 to \$1.75.

"WEDNESDAY.—Sale of cargo of steamship *Letimbro*: Lemons, a few small lines

of fancy packed 300s and 360s sold at \$4.62½ to \$4; fancy 300s, \$3.50 to \$3; choice, \$2.62½ to \$2.50, and fair, \$2. Fancy 360s, \$2.50; choice, \$2.25; fair, \$2. Fancy oranges, \$2.37½ to \$2; choice, \$1.87½ to \$1.75, and fair, \$1.50."

In other words, Park & Tilford and Acker, Merrill & Condit, that class of grocers in New York who sell oranges, sell these, and sell no others where they can get these. After this date when your oranges go out of the market, they sell the next best thing to it, and that is one reason why I do not want the people of New York or of this country estopped from purchasing the oranges that rank next to the Florida oranges when the Florida orange is out of season, especially when this question before us is to reduce the revenue \$60,000,000. I do not believe in raising more revenue by raising the duty on oranges.

Mr. MABRY. I do hope the gentleman will not base his information upon these facts.

Mr. FLOWER. I have the facts—

Mr. MABRY. Because there is so much error in that; there is so much error in what he says. Somebody has been advising him about this matter.

Mr. FLOWER. Excuse me; it is nobody except the Philadelphia Fruit Exchange, the Boston Fruit Exchange, and the New York Fruit Exchange. Nobody but those three.

Mr. MABRY. The Boston Fruit Exchange send a message here as follows:

"Fruit and Produce Exchange indorse Florida memorial to McKinley. We are with you.

"FRANK L. RIPLEY."

Mr. FLOWER. Before you get done you will find that Frank L. Ripley is only one member of the Chamber of Commerce of Boston.

Mr. MABRY. But he is speaking for the exchange. I say this, Mr. Flower—we can produce the orange at the time you say we can not, and we can put it into the market at the time you say we can not.

Mr. FLOWER. In twelve years?

Mr. MABRY. We can do it now. I want to say furthermore, we have got the capacity to put in a limited quantity on the market right now. This is a great and vast country of ours. There are some sections where they can grow grain in competition, but we can not grow grain in Florida, and we are dependent upon somewhere else for our grain. It is a beautiful place; it is a suitable place to live in. We have got some of the world's goods there, and we have got something to cultivate. We can not go out and destroy this industry and take up something else. We can not not raise wheat and oats or something else. We have got a peculiar climate, adapted to this one thing particularly.

The CHAIRMAN. Is your labor higher than other countries?

Mr. MABRY. It is twice as high. We pay \$1.25 for labor. That is our price.

The CHAIRMAN. What is the price against you on the other side?

Mr. MABRY. Fifty cents.

Mr. BRECKINRIDGE. Is it mostly white or colored labor?

Mr. MABRY. One man gets just as much as the other. A dollar and a quarter per day is what they get.

Mr. BRECKINRIDGE. You did not produce many oranges ten or fifteen years ago.

Mr. MABRY. Not many.

Mr. BRECKINRIDGE. This industry has grown up within the last ten or fifteen years?

Mr. MABRY. It has.

Mr. BRECKINRIDGE. What do you consider the value of an acre of ground where the trees are in good bearing—say fifteen to twenty years of age?

Mr. MABRY. That depends entirely upon the proximity to transportation and depot facilities. It depends upon the quality of the soil and the condition of the trees and development, and their ordinary bearing capacity.

Mr. BRECKINRIDGE. Take a good illustration. Good soil and where you are near a railroad or steamboat line, and where your grove has been intelligently selected and improved and in good bearing.

Mr. MABRY. Are you taking an extreme case or a medium case.

Mr. BRECKINRIDGE. You may state each, and then give all three of them.

Mr. MABRY. There are groves in Florida you can not buy for less than \$4,000 per acre, and there are others which can be bought for \$500 per acre; that is, bearing groves. But I will say that a good bearing grove brought into a bearing condition might be regarded as having a market price of some \$2,000 to \$2,500 an acre. Now, gentlemen, I say we are dependent largely upon this industry. We are forced to this position. If you destroy it, you absolutely destroy us. That is all there is about it.

Mr. BRECKINRIDGE. You are now producing about 4,000,000 boxes a year.

Mr. MABRY. That is our capacity at the present time, I think, sir.

Mr. BRECKINRIDGE. Has the value of the groves enhanced in the last eight or ten years?

Mr. MABRY. You are going too far back. Take the last four or five years, they have decreased in value.

Mr. BRECKINRIDGE. That is to say, you would have paid more for the grove which you can now get for \$2,000?

Mr. MABRY. You could hardly buy one. They were worth more, but the value of the property has decreased in Florida, and we have been taught to realize this thing, to see this industry slipping from our hands.

Mr. BRECKINRIDGE. This is the value of the improved property?

Mr. MABRY. Yes, sir.

Mr. BRECKINRIDGE. The value, I presume, of unimproved property has gone up?

Mr. MABRY. No, sir; it has not. It has decreased. The unimproved property in Florida has decreased in value. Why? Because of the danger of flooding the market with oranges. People say that we are to be crushed out and the market to be flooded, and that it will destroy everything. I tell you on the peninsula of Florida, we are dependent upon this industry alone. If you give us a chance to develop it, we will do so. We have got to buy your grain, your corn, and your clothing—

Mr. BRECKINRIDGE. What was Florida doing with this land before the war? What was its character?

Mr. MABRY. It was an unbroken wilderness. Very few people were there after the war.

Mr. BRECKINRIDGE. Is it swamp land?

Mr. MABRY. No, sir. These 10,000,000 acres are high and dry, with good places for homes, and require no ditching.

Mr. BRECKINRIDGE. Is this rich land?

Mr. MABRY. It is not generally rich land. There they have another expense of fertilizing the soil.

Mr. PAYNE. But some is rich?

Mr. MABRY. Some is rich, but not generally.

Mr. BRECKINRIDGE. Of this particular soil we are talking about there are some 1,000,000 acres adapted to this industry.

Mr. MABRY. That is not rich. It is not rich soil. This rich soil has been taken up argely.

Mr. BRECKINRIDGE. This particular soil was not utilized until after the war?

Mr. MABRY. No, sir; there was nobody to utilize it.

Mr. BRECKINRIDGE. Because nobody knew the way to utilize it?

Mr. MABRY. There was nobody to utilize it; there was nobody there. There was no transportation, and no way of getting the thing out.

Mr. FLOWER. It was just worth a little sum to hold the world together?

Mr. MABRY. Yes, sir; but we made it a pleasant home.

Mr. FLOWER. Yes, and some of our people of the North helped you to do it?

Mr. MABRY. Yes, and we buy a good many things of the North.

Mr. FLOWER. Yes, and we bought a good deal of land and raised groves there. I want to get out the fact before this committee, because I am searching for light. Understand, I would not do the Florida orange-grower one single particle of harm; but I do say this; that you should come in the same spirit and not do my constituents harm; and I believe that these Mediterranean oranges come at a time when you can not raise yours, and that they ought to come, and they would not affect you at all if the duty was \$1,000 a box. In October, December, and January, these Mediterranean oranges are sour up to the middle if not to the end of March. When they come at that time they are no more like Florida oranges than a match is like thunder and lightning, or a farthing candle is like an electric light. I want you to correct me if I make a mistake in that. Mediterranean oranges are tart if not sour up to the middle if not to the end of March.

Mr. MABRY. You are talking of foreign fruit.

Mr. FLOWER. Mediterranean oranges that come in here are green fruit, and sour, while the Florida oranges are sweet and in every respect superior to the best orange in the world. Do you deny that?

Mr. MABRY. I think it is the best orange in the world.

Mr. FLOWER. I agree with you on that, even surpassing the California Navel oranges.

Mr. MABRY. Let me tell you, right there, in Jamaica and Mexico and Trinidad, and other places, they are taking millions of buds therefrom trees here and planting them, and they are places where they have no population to consume them, and they must be exported directly.

Mr. FLOWER. Now, in regard to Mexico, they would eat them up in charges before they got to the sea-board. I have seen them there carried on mule-back hundreds of miles in straw baskets strapped over a mule. Well, we will get on with this and see how you deny it. And in consequence all dealers, retailers, consumers, and even the corner stands on the streets will now only sell Florida oranges, still abundant, on account of the great popularity of said fruit, and it is limiting the consumption of

Mediterranean oranges to the poorest of our classes, amongst the tenements, where the peddlers go selling the fruit, twenty oranges for 25 cents, or twenty-five oranges for 25 cents, or are shipped to our most distant States where Floridas would rot soon. The only defect in the Florida orange is its weak keeping quality. When Mediterranean oranges will reach here sweet, the bulk of the Florida crop has already been marketed.

Mr. MABRY. That is a mistake.

Mr. FLOWER. Does anybody know that?

Mr. MABRY. We know that.

The CHAIRMAN. What are you reading from?

Mr. FLOWER. This is from the president of the Italian Chamber of Commerce of New York.

Mr. MABRY. Then let me ask a question. I want to ask this question: If you got all this information from New York, is it not a fact that the New York brokers are furnishing money to these Italian growers, and import that orange here—

Mr. FLOWER. No, sir. The fact is, New York is raising to-day at least one-third of the crop of oranges in Florida that you talk about. All my neighbors and friends—or many of them—have orange groves down there, and it has been a favorite investment.

Mr. MABRY. Mr. Chairman and gentlemen of the committee, I do hope you will seriously consider this matter, and I beg of you to seriously consider it. When he makes the point here that we are asking you to protect fruit that does not come in at the same time with this foreign fruit, I say you must not believe it. I say that is a mistake, for I tell you this fruit comes right in the moment with ours.

Mr. FLOWER. But right there I wish to have you contradicted by the facts.

Mr. MABRY. Have you got any facts?

Mr. FLOWER. When Mediterraneans are reaching here sweet, the bulk of the Florida crop is already upon the market and sold.

STATEMENT OF JOHN H. WELSH.

Mr. JOHN H. WELSH next addressed the committee. He said:

Mr. Chairman and gentlemen of the Committee, let me say at this point, at the last auction sale at Jacksonville, ten days ago, sixty odd thousand boxes during the season were sold at public auction at about \$1.62½ a box. Some brought \$1.75, and they went down as low as \$1.38. We have been encouraging there the home market and auction market, and the prices at which oranges will sell at Jacksonville at the present time is a fair indication of the value of the average price, which would be \$1.62. That is for choice oranges.

Mr. FLOWER. I want to ask another question; that statement about the orange grove. I think now \$1.50 is an outside figure, because I am interested in an orange grove, and I think \$1 a box last year was a pretty fair price on the trees.

Mr. WELSH. The oranges sold on the trees last year at from 75 cents to \$1.25. I want to correct an error that may enter in here. You seem to have an idea that because the oranges in New York are the best oranges that they are all best. Many people planted trees without any idea of fine oranges, and consequently have many oranges that are not fine. When you speak of a fine variety of oranges, you speak as if all were fine.

Mr. FLOWER. I have never been able to strike an orange from Florida that was not better than any other.

Mr. MABRY. I wish to state in connection with this matter, we are very earnest about it. We are representing our people in Florida in this matter, and they realize the importance of it. It is a vast industry to sustain life down there, and it is capable of sustaining a great deal more. We come before you, representing the position socially, morally, and financially of that State. We represent all classes of people. We come before you as direct representatives of the people, asking this without any reference whatever to shades of difference in relation to political opinion or religious opinion or in any other way. It is the united sentiment of our people of both parties and all classes of our State.

The CHAIRMAN. Are you lieutenant-governor of Florida?

Mr. MABRY. No, sir; I was lieutenant-governor of Florida. I held the position until it was abolished.

Mr. STONE. What duty do you advocate?

Mr. MABRY. We state the duty should be \$1 a box.

STATEMENT OF F. S. GOODRICH.

Mr. F. S. GOODRICH next addressed the committee. He said:

Mr. Chairman, and gentlemen of the committee, I am very much gratified to see the brethren from Florida advocating this, because it is the most wonderful conversion of the last few years. It follows in the line of Saul of Tarsus on his way to Damascus, when a wonderful light broke in upon him. These brethren are all Democrats—

A BYSTANDER. No, sir; not all Democrats.

Mr. GOODRICH. Well, some, then, are Republicans. They have come here to advocate this duty—

The CHAIRMAN. That is just what you want.

Mr. GOODRICH. It is exactly what I want. And now I congratulate the brethren, and let the prophets remember that paying \$1 a box on oranges means a little something on wool, and a little something on manufactures, and a little something on other things; it is a mutual thing all around.

ARGUMENT OF ORANGE-GROWERS.

WASHINGTON, D. C., March 12, 1890.

Hon. WILLIAM MCKINLEY, Jr.,

Chairman Ways and Means Committee:

Self-preservation has been aptly called the first law of nature. To-day the State of Florida appears before you in the person of a committee representing every class of our material condition, social, financial and industrial, praying that a duty of \$1 per standard box (or its equivalent on larger packages) be placed on the importation of foreign oranges.

For years the belief has been gaining ground in the orange-growing districts of Florida that the cheapness of the foreign production (meaning labor and cultivation) must ultimately destroy the largest and most important industry in the semi-tropical regions of the United States; but the people of Florida trusted that the superior quality of their fruit, their nearness to the distributing markets of the United States, would enable them to compete with foreign citrus-producing countries, but they have been forced to realize the utter hopelessness of competing with cheap labor, cheap capital, and advantages of cheap development, together with cheap harvesting and marketing. So on the 25th of February, 1890, the people of Florida met in Convention pursuant to the following call:

"MASS-MEETING OF ORANGE-GROWERS.

"To select a committee to go immediately to Washington to apply to Congress to put a higher duty on oranges. Tuesday afternoon, February 25, at the Semi-Tropical Exposition, Ocala, Fla. A most urgent appeal to you all. We must have protection or languish. The committee of representation will be composed as follows: (1) Orange-growers at large; (2) Florida Fruit Exchange; (3) Florida Horticulture Society; (4) Farmers' Alliance; (5) Orange-Growers' Union; (6) Orange and Vegetable Auction Exchange; (7) Industries dependent on orange-growing. One cent a round trip."

No meeting in the history of Florida was ever so well attended by citizens representing the complete material interests of the State, as the following report, taken from the daily Times-Union, of Jacksonville, will show:

FLORIDA FRUIT-GROWERS.

Proceedings of the convention at Ocala yesterday—The orange industry in danger—The sentiment unanimous for a duty of a dollar a box on foreign oranges—A committee to be sent to Washington.

[Special to the Times-Union.]

OCALA, FLA., February 25.

Pursuant to the call of President George W. Wilson, of the Semi-Tropical Exposition, a mass-meeting of the fruit-growers of Florida assembled in the Exposition Building at Ocala to-day at 2.30 o'clock p. m., for the purpose of considering the subject of foreign competition in the marketing of oranges.

When the meeting was called to order by President Wilson, the following gentlemen were on the platform with him: Hon. John P. Dunn, of Ocala; J. C. McKibbin, president of the Orange-Growers' Union, Pomona; Hon. R. F. Rodgers, president of the Farmers' Alliance, Live Oak; C. B. Collins, editor of the Free Press, Ocala; Col. A. L. Eichelberger, Ocala; Hon. W. H. Cook, Pomona; Hon. A. S. Mann, manager of the Orange Auction and Forwarding Company, Jacksonville; Hon. J. A. Pooser, Manatee; Ex-Governor M. H. Mabry, Leesburgh; Hon. A. P. Baskin, Anthony; Maj. George R. Fairbanks, president of the Florida Fruit Exchange; Hon. H. W. Long, Marion County; J. N. Strobhar, J., T. & K. W. Railway; A. L. Bittinger, Ocala Banner; C. S. Young, Ocala; Captain Johnson, Dade City Democrat; A. H. Manville, Jacksonville.

President Wilson welcomed the Farmers' Alliance in an eloquent address. He was followed in response on behalf of the Alliance by its president, Hon. R. F. Rodgers, who made a stirring speech.

Mr. Wilson then stated that he had taken advantage of Alliance day to call a mass convention representing all orange-growers and orange-growers' associations to consider the all-important and at present absorbing topic of foreign competition.

Mr. Wilson was chosen chairman and A. H. Manville was elected secretary. The following committee on resolutions was appointed: Maj. George R. Fairbanks, Hon. H. P. Healy, Hon. A. S. Mann, and General Davis Tillson.

While the committee was out, Chairman Wilson addressed the convention on the issue as follows:

"Not only is Florida feeling the direct and ruinous effect of the importation of Mediterranean fruit, 100,000 boxes of which have arrived in our ports for each of the last three weeks, breaking prices and losing Florida at least \$200,000, but another and even greater danger has recently come to notice in Mexico, Central America, the West Indies, and the coast of South America. Immense areas have been planted in oranges during the past few years. When sugar failed in these countries the question arose, 'What are we to do with our vacant land?' 'Plant orange-trees,' was the answer. 'Where can capital be had?' 'From England and the mother countries,' came the reply, and in any quantity, at 3 or 4 per cent. Gentlemen, so with their cheap money, cheap labor, rich lands, and cheap transportation, they can lay their oranges down at our packing-house doors for less money than we can grow them. American ship-builders are already constructing fleets to engage in this carrying trade. This is no chimera; it is hard fact. It is not distant; it is upon us. Shall we let the fruits of our painstaking labor be taken from us, our living that we have established, by a set of men who have no sympathy with our social life, our traditions, or our institutions? We are confronted with dire disaster, and it behooves us to stir ourselves speedily and make our plight known, through an efficient committee, to the law-makers of the country."

Maj. G. P. Healy, of Jacksonville, following Mr. Wilson, said he could corroborate every word Mr. Wilson had said, and, in addition, it had come under his personal knowledge that large quantities of orange buds had been sent from Florida to the near-by countries enumerated. He had eaten Florida navel oranges grown upon the wild stocks of Jamaica, budded with Florida buds, as good in every way as Floridas. Thousands upon thousands of buds have been sent out during the past eighteen months, and to Mexico over a million buds during the past year. "Gentlemen," he said, "if you don't take measures to shut out foreign-grown oranges you will see the time within three years when Florida-grown oranges will not bring 75 cents in New York."

The following memorial was presented:

"The growers of citrus fruits in the State of Florida, represented in convention by the Farmers' Alliance of the State of Florida, the Farmers' Alliance Exchange, the Orange Growers' Union, the Florida Fruit Exchange, the Horticultural Society of Florida, the Florida Orange and Vegetable Auction Company, and other associations composed of fruit-growers, and also of the railway and transportation companies and their connections, respectfully memorialize the Congress of the United States, and urge upon its attention that the present duty on citrus fruits is insufficient to give the protection necessary to encourage the production of these fruits in the States of the Union in which this industry exists; moreover, but a small amount of revenue is produced, and we respectfully urge and ask that such duty should be advanced to a special rate of 50 cents per cubic foot, or \$1 per box of 2½ cubic feet. Therefore,

"Resolved, That a committee of eighteen be appointed as representatives of this body, who shall be entrusted with the furtherance of the objects proposed in the memorial, who shall select a subcommittee from that number to go to Washington to present this memorial to both Houses of Congress.

"Resolved, That the said committee meet in Jacksonville on the 1st day of March to begin their work; that an additional committee of fifteen be appointed to at once canvass the State and generally promote the objects of this meeting, inaug-

urating such measures as may be deemed most advantageous to the cause here advocated."

This report was signed by the committee, as follows: R. F. Rodgers, president State Farmers' Alliance; J. C. McKibbin, president Orange Growers' Union; G. R. Fairbanks, president Florida Fruit Exchange; A. S. Mann, president Florida Orange and Vegetable Auction Company and manager of the Alliance Exchange; J. N. Strobhar, J., T. and K. W. Railway; A. Martin, E. T., V. and G. Railway, and F. C. and P. Railroad and by the committee for the State at large, George W. Wilson, J. E. Hartridge, J. H. Welsh, J. A. Harris, Hamilton Diston, H. M. Flagler, E. A. C. Bielby, G. P. Healy, John P. Dunn, M. H. Marby, J. A. Leslie.

In submitting the report of the committee, Major Fairbanks took occasion to call attention to the peculiar adaptability of our climate to the citrus fruits. Up to a recent date all the citrus fruits consumed by the country were brought here from foreign countries; they sold high and were of poor quality. Since cheaper and more speedy transportation, organization, etc., had enabled Florida to place her fruit on the market of the country, it had been good, abundant, and cheap. "After all our work, outlay, and patience," said Major Fairbanks; "after extending our groves until we are able to supply the demand of the country, foreign competition comes in unexpectedly and uncourted and bears our markets, and all lose. This condition ought not to exist if we do our duty. It is no new thing we ask—simply an increase of a tariff now existing but inadequate; a tariff indorsed by both parties, included in both the Mills and the Senate bills." He called attention to the helless condition the growers would be in if the orange industry was destroyed, as he said would happen if the present conditions continue, as the people of Florida have no other staple to fall back upon. He believed, however, that the people were aroused to their danger, and would put forth such an effort as would secure the result.

From the above published report you will see that the undersigned committee represent the various interests within the State of Florida. Therefore we respectfully beg leave to submit the following statement of facts for the consideration of your committee, and to earnestly ask that a duty (specific) of \$1 per standard box (or its equivalent on larger packages) be placed on the importation of foreign oranges into the United States of America.

The committee would call your attention to the fact that fifteen years ago orange-growing in Florida was carried on to a very limited extent, and it was then doubted that the production of the fruit in the State could be made to yield a profit to the grower. The sparsely-settled condition of the peninsula—which is the orange-growing section—the want of labor, want of information for propagation, and the almost total absence of transportation facilities in this section, made the embarkation into this industry still more hazardous and uncertain. The cost of all things incident to living (owing to the remoteness) and the impossibility to procure capital to develop the industry without paying a high rate of interest for it, aside from the difficulties and great expense attending the labor of the pioneer in the development of this industry, the hardships that he encountered, the obstacles that he surmounted, can not be conveyed by words. The sturdy labor and energy of those who foresaw the capabilities of this portion of our Union, aided materially by the capital from the North, have at this time demonstrated that we have in the United States a great industry in orange-growing, the development of which is now in its infancy. It requires time, money, labor, privation, and constant watchfulness to grow oranges in Florida. The average time for bringing an orange grove into full and profitable bearing in the State is about ten years, and during all this time it requires a constant outlay of money, with no returns. There no longer remains a doubt as to the fact that Florida soil and climate are capable of producing a fine marketable orange, equal to any that can be put into our markets. There remains no longer a doubt that Florida soil and climate are capable of supplying, completely and adequately, the demands of our home markets, and it can truthfully be said that the capacity of Florida to produce oranges is far beyond the wants and demands of the consumption within our country.

This committee represents to you that at the present time not less than \$100,000,000 have been invested in the orange industry and its development in Florida, giving employment to at least twenty thousand laborers, at a cost of from \$1 to \$1.25 per day. That there are now planted in orange groves not less than 250,000 acres, and there are in the State not less than 10,000,000 acres adapted to growing oranges at the rate of at least 150 boxes per acre. That the climate of Florida is conducive to comfortable living, and there is a chance and an opportunity for thousands of American citizens seeking a warmer clime for health alone, to grow oranges, and make a comfortable living, provided this industry can be saved from destruction in its infancy from the importations of foreign oranges, under a system of allowing foreign fruit into our markets, grown at a cost less than half what growers in Florida pay American labor, and cheaper transportation (on account of water traffic), there is no inducement for the people of the United States to put their money into the orange in-

dustry and wait ten years on the investment to yield a profit to be crushed by the product of countries not in sympathy with our conditions or traditions.

We would confidently assert to your committee that if this industry could be protected until it has reached a stage of full maturity and development we could supply our home markets with better fruit (cheapened by inventions as applied to harvesting, packing, and storing), and at prices bringing to the producer a modest but comfortable livelihood. There is no danger of the people of the United States having to pay high prices for oranges if the Government will pursue the policy of helping us get our industry fully established. Ours, gentlemen, is a contest between well-paid labor, expensive operative capital, and the cheap capital and still cheaper labor of Europe, Mexico, Central America, West India Islands, and South America. Florida can not (allow us to reiterate) compete on equal terms in the production of oranges while we pay \$1 to \$1.25 per day for labor and 10 per cent. to 15 per cent. interest on our capital, while the same result is reached in the countries mentioned with labor paid less than 50 cents per day, with operating capital at 3, 4, and 5 per cent.

It is claimed from some sources that foreign oranges do not come in competition with Florida oranges for the reason that the foreign fruit is put into our markets at times when we have no Floridas. This is not true. Florida has developed and is developing an early and late variety of oranges. To-day we are putting into our markets oranges the entire season. With proper inducements we can supply the demand of all periods of the year, and the recent successful experiments in cold storage will enable the grower to store his crop, to be distributed at the demands of the consumption, should the supply become greater than the home consumption. Our heaviest shipments commence in November, and last until June, during which time nearly all of the foreign oranges are thrown upon our markets, coming directly in competition with us.

We herewith submit an accurate statement of the receipts of foreign oranges (this does not include numerous small-fruit producing countries as yet in the transition stage of development) during the years 1887, 1888, and 1889.

Receipts of oranges in United States.

	Boxes Mediterranean.		Cases Valencias.		Barrels Jamaica.
	New York.	Other ports.	New York.	Other ports.	New York.
1887.					
January.....	100,182	54,264	13,514	18,204	10,133
February.....	76,948	51,045	13,094	9,100	3,219
March.....	130,004	90,025	10,222	11,415	9,419
April.....	224,496	137,923	3,804	19,396	94
May.....	235,002	157,136	1,309	15,688	248
June.....	162,732	34,799			
July.....	84,362	13,461		474	
August.....	48,237	1,224			1,219
September.....	7,557				10,026
October.....	38,797				23,747
November.....	214		3,031		22,154
December.....	15,805	23,150	21,679		18,028
	1,114,336	563,027	66,653	74,677	97,257
1888.					
January.....	58,365	35,472	23,491	6,900	6,932
February.....	81,218	99,137	27,405	1,939	12,529
March.....	108,724	54,057	23,603	3,166	14,736
April.....	181,927	102,350	30,647	3,747	7,575
May.....	110,276	58,959	12,002	3,900	1,669
June.....	45,420	10,822	2,127	423	
July.....	20,601	1,486	1,117	831	
August.....	8,380				
September.....	95				7,877
October.....	404	83			30,463
November.....	7,681	2,389			6,151
December.....	31,589	29,264	6,012		3,367
	670,680	395,927	126,404	20,915	91,299

Receipts of oranges in United States—Continued.

	Boxes Mediterranean.		Cases Valencias.		Barrels Jamaica.
	New York.	Other ports.	New York.	Other ports.	New York.
1889.					
January.....	95,597	47,568	4,580	3,167	.....
February.....	41,802	113,069	10,734	5,160	.....
March.....	152,137	144,045	38,610	7,143	.....
April.....	102,495	86,636	30,304	11,852	.....
May.....	83,295	41,007	28,779	9,357	.....
June.....	79,689	19,576	12,167	4,989	.....
July.....	49,849	4,164	.....	.....	.....
August.....	14,389	1,696	.....	.....	.....
September.....	78	.....	.....	.....	7,877
October.....	29	.....	.....	.....	30,463
November.....	98	.....	.....	.....	8,028
December.....	5,989	5,367	29,383	.....	3,367
	625,447	463,128	154,647	41,668	49,735
1890.					
January.....	57,341	48,279	47,140	19,573	1,696
February.....	79,667	76,256	52,529	17,800	7,131

RECAPITULATION.

	Boxes.	Cases.	Barrels.
1887.....	1,677,363	141,330	97,257
1888.....	1,066,607	147,319	91,299
1889.....	1,088,575	196,315	49,735
1890 (first two months).....	261,543	137,042	8,627

Over one-quarter of the whole probable yearly receipts from the Mediterranean have arrived in January and February—say 261,543 boxes of oranges.

During the year 1889, not less than 20,000,000 of Florida buds (not including what has been sent from California) from improved varieties, were exported to Mexico, West India Islands, South America, some of the Pacific islands, and Europe, to be grown on the vastly increased acreage of orange trees planted and being planted in these countries.

It is not our purpose to increase the cost of the orange to the consumer, but looking to the near future, it is absolutely certain that the vast amount of foreign oranges to be grown with cheap labor and cheap money will be thrown upon our market and sap the life from our industry.

The propagation of orange for commerce in countries outside of Europe is not for the home consumption of their respective countries (for this is limited on account of small population), but aiming to find distribution and profit in the markets of the United States.

The increased tariff is asked that we may be protected from the demoralizing influence of large importations, that the rich soil and poorly paid labor of more tropical countries makes possible, at a cost which defies competition on the part of the North American grower and laborer. Nor is it amiss to state that the American grower does not desire to avoid competition on equal terms with foreign fruit, but to compel the importation of superior fruit through mediums that will place the respective growers on the same plane as to the cost of putting the fruit in the market.

And in this connection we desire to place ourselves on record as earnestly protesting against the enactment of any law that allows a rebate for damaged fruit. Such a clause is a delusion and a snare; the prolific progenitor of fraud and a haven of refuge for the dishonest importer.

Because of this damage clause it is made possible for the foreign buyer to deliberately import, with a small quantity of good fruit, large quantities of what is denominated trash in the market, with which to delude the damage inspector and obtain a rebate for damage from the customs. In this way superior home fruit is compelled to go upon a glutted market in competition with an inferior article that has escaped the duty contemplated by the law, and which the greed of gain induces the caterer for large numbers to purchase instead of the better fruit. With this damage claim

eliminated only good fruit will be imported, and the home production will compete with a first-class article at a like cost for marketing freed from the depressing influence of innumerable cargoes of trash. Good Floridas will compete with good Sicilys, and rubbish kept at home.

Give us a duty of \$1 per box on foreign oranges (please distinctly understand we are not asking anything on lemons) and we can compete with those countries. Refuse to place this duty on oranges and the long years of patient labor, now past in wooing the productions of the soil, will be sacrificed and lost, and from the Pacific to the Gulf and the Atlantic the sad story of thousands of impoverished homes will be hurled across the waters to people growing rich on our ruin.

To you, gentlemen of the North, gentlemen of the East, gentlemen of the West, a sister State holds out her imploring hands for succor, and sends through us, from the bosom of her blossom-laden orange groves, the prayer for protection on her nursing industry. Protect us now and the future will enable Pomona to send her fragrant greetings to every man, woman, and child in the United States, holding a penny in their hands, and across the waters to the marts of the world, we can compete with those that have prayed your honorable committee to grant petitions from them that would mean ruin to thousands of your people.

With the most earnest prayer for your favorable consideration, we have the honor to be

Your most obedient servants,

M. H. MABRY,
JNO. E. HARTRIDGE,
J. C. MCKIBBIN,
R. F. ROGERS,
JNO. H. WELSH,
GEORGE W. WILSON,
Committee.

NOTE.—We will furnish the committee from time to time such data as will support and strengthen the points covered in this argument.

THE CROP IN CALIFORNIA.

STATEMENT OF HON. W. VANDEVER.

Three thousand car loads, or 900,000 boxes, of oranges were the past season transported from southern California, by rail, to various parts of the United States. One dollar and twenty-five cents to \$1.50 per box for ordinary seedlings is a fair average of the price delivered on board the cars at the citrus centers. This is as low a rate as will possibly compensate the producer. It is with great apprehension that the California producer of oranges regards the increasing importation of this fruit from foreign countries to our markets.

It costs 57 cents per box (by car-load lots) to transport oranges from Florida to New York City or to Boston.

The average yield of an acre of orange trees in good bearing is 200 boxes.

The transportation of a box of oranges from Italy to New York City or to Boston is 25 cents; duty 25 cents. Total freight and tariff 50 cents. It costs 7 cents per box more to land oranges in New York or Boston from Florida than it costs to bring them from Italy. Upon the basis of 200 boxes to the acre, then, Italy has the advantage of Florida in supplying New York or Boston with oranges of \$14 per acre.

Common labor in the State of Florida is worth \$1 per day and in Italy 20 cents per day.

One man's labor is required to cultivate 10 acres of oranges; three hundred days' labor, which is about an average year's work, \$300 in Florida; \$60 in Italy.

The Italian producer, then, has the advantage of the Florida producer in supplying the American market of \$14 per acre in transportation and duty and of \$24 per acre in labor; a total of \$38 per acre on oranges.

The transportation of a box of oranges from California to New York or Boston is \$1.25 per box (by car-load lots); to Chicago, 90 cents. Labor in California is \$2 per day. Therefore the Italian orange-grower has the advantage over the California orange-grower in New York of about \$70 per acre, and in the Chicago market of about \$58 per acre.

To place Florida and California in our American markets on an equality with Italy the import duty on oranges and lemons should be at least \$1 per box.

The orange is the chief source of citrus wealth in southern California. It provides fruit the year round. Oranges may be picked from the trees at Riverside and at Pasadena the entire year; the old crop being left on certain trees for use, and lasting in very good condition until a new crop begins to ripen, without apparently affecting the

new growth. The California orange has great staying qualities. In this particular it is far superior to the Italian orange, and even better than the Florida orange. The Riverside orange is famous for its excellence. The seedless Navals brings large prices in the market, and the seedlings of southern California are generally in flavor and lusciousness far superior to the best imported oranges from the Mediterranean.

The orange belt of California extends from San Diego to Santa Barbara, skirting the Coast Range and the Sierras from 10 to 50 miles from the ocean. The base of the Sierra Madre affords the most favorable localities for orange culture. Intense heat does not injure the orange. The southern California orange will also stand a temperature four or five degrees below freezing. The orange is not a native of California; it was brought as seeds from Spain, long years ago, by the padres and the explorers who first settled the country.

The extent in value of the industry at the present time can be imagined from the following figures: In Los Angeles County there are about 350,000 bearing trees; Santa Barbara, 30,000; San Diego County, 55,000; San Bernardino, 300,000; Ventura, 5,000; in all, including scattered ranches, of which no account can be taken, nearly 1,000,000 bearing trees. The significance to the country at large is important. It means that California intends to demand a share of the patronage given to Mediterranean and Havana ranges, and that she can, if necessary, supply the entire demand.

VIEWS OF H. K. SNOW.

AUSTIN CITY, CAL., *January 13, 1890.*

DEAR SIR: I inclose you a petition of a great many orange-growers in this county to ask of Congress for more protection on our oranges. The present tariff is only about 25 cents a box, which is only about 8 per cent., whereas wine grapes are protected 50 cents a gallon, equal to 3 cents a pound for green grapes, and they sell here for \$10 per ton, or one-half cent a pound. Good oranges are worth from \$2.50 to \$5 per box in the markets.

There ought to be a protection of at least \$1 a box, which is only about 30 per cent. There will be several petitions sent you, and I trust you will do all you can to further our wishes. Senator Stanford ought to help us, as it will be a great impetus to orange growing, which will tax the railroads to their utmost to carry the fruit to market in a very few years. I will not bother you with many remarks, as I know that you are very busy. This work ought to be done before the Committee on Tariff. You will know of course.

Most truly, yours,

H. K. SNOW.

Hon. WILLIAM VANDEVER, *Washington, D. C.*

STATEMENT OF DR. J. S. ESHLEMAN.

MINNEWAWA VINEYARD,
Fresno, Cal., January 14, 1890.

DEAR SIR: My friend, Mr. Ellwood Cooper, of Santa Barbara, writes me that you are desirous of having some expression of the people of our State in relation to certain reductions in the tariff.

Our chief industry in this section is that of the raisin producing. The fig bids fair to become second in importance. The wine industry is now paralyzed because the present price of wine does not pay to fortify with alcohol. As now protected the raisin and the fig may pay. Thousands of our own countrymen, as well as a good class of foreigners, have made great sacrifices to reach California, mostly with little capital, and often in frail health, seeking at the same time hygienic advantages, as well as support for their families. Here they find both as the present conditions exist with us.

Capitalists also have flocked to this coast for health and enterprise. They have explored the State, studied its possibilities, tested its inducements and feasibilities, procured lands, constructed expensive irrigation schemes, and with great patience and persistence published the information they acquired to the world, with the effect of drawing an unprecedented tide of immigration to this coast.

All this has been accomplished by the aid of a protective tariff on the industries they set about establishing. These industries are in their infancy. The masses are poor. The capitalists have placed them upon 10, 20, or more acres of land, often without asking a dollar in payment for the land. They can plant only slowly, but they are sure to succeed and eventually pay by small installments for the land. But this will depend upon protection to the industry.

It would be doing great injustice to every class of our people after holding out in-

ducements to them to invest their all and their future prospects in reaching and improving this distant land of the Government to suddenly change the conditions, as a reduction of the tariff would do. They should have at least time to mature the trees and vines, and become able to compete with the cheap labor of other countries. In regard to any sudden reduction of the tariff, it would be an *ex post facto* to a people who have been induced to enter into a new industry involving great sacrifices. In fruit-growing we have to look several years into the future for any returns, and can not, therefore, brook such instabilities.

Reduce the tariff now on raisins and figs and you will stop the planting of thousands of acres now in the course of preparation and blight the prosperity of our country.

These I submit respectfully as my candid, truthful impressions.

Very respectfully, yours,

J. S. ESHLEMAN, M. D.

General VANDEVER.

STATEMENT OF ROGER J. HOGAN.

NEW YORK, *March 13, 1890.*

SIR: Having noticed in the *World* of to-day an article on the hearing before your committee as to the advisability of increasing the tariff on oranges to \$1 per box, and having been secretary and manager of the Foreign Fruit Exchange for three years previous to October 15, 1889, at which time I was replaced by another person, as I had advocated the protection idea as against the foreign-fruit interests, I feel that I am competent to give an opinion from a disinterested stand-point.

You may know the receivers of the foreign fruit do not want their interests disturbed or affected under any consideration in the first place, as then their calling would be at an end; and in this connection there are other matters to be considered, viz, the time the shipping seasons of the California, Florida, and foreign interests begin and end, which circumstance would have a little weight in determining what should be done.

At a convention of orange and lemon growers, held at National City, Cal., some time ago, it was decided that they petition Congress for protection to the extent of \$1 per box from November to June each year, and for the period between these months the duty could be reduced to 50 cents per box.

The bulk of the foreign oranges arrive here in the spring and early summer, as it is at this time they are consumed mostly.

My belief is the industries of this country ought to be fostered, encouraged, and protected, and every patriotic citizen takes this view of the matter.

I would have the dollar per box levied on oranges for protection, and no duty on lemons until such time as the protection of lemons increased to such an extent as would become necessary that lemons should be protected as well.

As far as oranges or lemons for the rich or poor goes, this version of the matter is ridiculous; the chances are if these products were allowed to increase under the fostering care of a protective tariff all kinds of oranges and lemons would be supplied cheaply for all the people collectively.

From a political stand-point I can understand a tariff would be assessed for revenue only.

Respectfully,

ROGER J. HOGAN.

HON. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

NUTS, OLIVES, ETC.

STATE BOARD OF HORTICULTURE,
Santa Barbara, Cal., January 10, 1890.

DEAR SIR: Owing to the blockade of the mails by reason of the washouts, your letter of the 19th ultimo only reached me the 7th. I go to town to-day and take this answer.

I am engaged in the culture of almonds, English walnuts, and olives, green fruits, and Japanese persimmons. The duty under the tariff of 1883 is as follows: Almonds, 5 cents per pound; pits, $7\frac{1}{2}$ cents [as the pits are just half the weight and the price about double, the duty should be 10 cents instead of $7\frac{1}{2}$]; English walnuts, 3 cents per pound. Olive oil is not on the tariff list I have now before me, but I think it is \$1 per gallon duty. If not it ought to be. Olives are free, but under the head of pickles not provided for, 35 per cent. ad valorem. Olives could be shipped from the Mediter-

anean to this country in water and put up here, in which case they would be free. It should read, "Olives and olive pickles, 25 cents per gallon"; that is about 35 per cent.; but when you take into consideration that bottles, corks, and labor are so much cheaper in Europe than here something should be added above the comparison of oil value. Say, if you please, in casks, 25 cents per gallon; in glass jars or bottles, 40 cents per gallon. Grease for soap is free. A great deal of olive oil comes to this country under the head of grease. Olive-oil grease should be excepted, and a duty fixed according to its value.

As to my opinion on the protection of fruits, I refer you to my opening address at the Los Angeles Fruit-Growers' Convention, November, 1885; also at the Santa Barbara convention, April, 1888. Olives I leave to the Los Angeles growers; figs and raisins to the Fresno people; prunes to San José and Santa Rosa. I have written to the interested people of these districts to write you at once giving their opinions.

Duty on figs, 2 cents; prunes, 1 cent; raisins, 2 cents.

There is but one true financial principle involved in tariff duties. Tariff for revenue only is unsafe, because you must be constantly moving up and down according to circumstances, disturbing manufactures, trade, and finances. If revenue is in excess then put on the free list every thing that is not produced in this country or not likely to be. Protect everything that will increase manufactures, increase trade, and make it possible for the American people to successfully compete in every branch of business. This tinkering is always a serious disturbance. If revenue is too great, distribute the surplus in improvements, to the soldiers, to the purchase of bonds. There are various ways that the money can be expended that will add to the greatness of our country.

I am, very truly,

ELWOOD COOPER,

President, Commissioner for Los Angeles District.

HON. WILLIAM VANDEVER,
Washington, D. C.

P. S.—I would insist that no deductions from the present tariff be made on fruits. I scarcely believe it would be wise to increase, except as to correcting the olive, and I believe there ought to be 1 cent more on the prunes; make them 2 cents. On the oranges increase 25 cents per box, or \$1 per one thousand. The freights and duties on oranges from the Mediterranean is fully 25 cents per box less than the freights from California. We ought to be at least on the same footing in the New York market.

The following is the extract of the writer's opening address before the Los Angeles convention November 15, 1885, referred to:

PROTECTION TO THE FRUIT INDUSTRY.

I will state how it operates with regard to my business—making olive-oil, growing almonds and English walnuts. We pay labor \$1 a day and board. The boarding costs us about 35 cents, say 2 francs; labor 5 francs, equal to 7 francs. In the south of France and Italy they pay labor 1 franc; the boarding costs not over 1 franc, total 2 francs, or equal to \$1 per day on every laborer employed.

The freight from San Francisco to New York on oil is \$60 per ton; from the Mediterranean \$15, or one-fourth, so that without an import duty, other things being equal, it would be better for me to proceed at once to southern Europe to carry on my business. With walnuts and almonds we make the same comparison, except that the freight on these to New York is \$40 per ton, and from south of Europe about half as much.

While I wish to avoid any political discussion at this meeting not pertinent to our actual demands or necessities, I will in this place state that if we want laws to protect and encourage the greatest prosperity of our State, we must, as intelligent citizens, look after framing of them. We can not plead indifference or pre-occupation, we can not ignore the community in which we live—our district, our county, our State, or our common country.

Proposed rates of tariff on imported fruits.

	Present tariff.	House bill, Fiftieth Congress.	Senate bill. Fiftieth Congress.	Proposed rate.
Oranges:				
In boxes 1½ cubic feet.....	13 cents.....	13 cents.....	13 cents.....	25 cents.
In boxes, 1½ to 1¾ cubic feet .	25 cents.....	25 cents.....	25 cents.....	50 cents.
In boxes, 2½ to 5 feet.....	55 cents.....	55 cents.....	50 cents.....	\$1.00.
In bulk.....	\$1.60 per M.....	\$1.60 per M.....	\$1.50 per M.....	\$5.00 per M.
Lemons same as oranges.....				
Beans, per bushel.....	10 cents.....	Free.....	25 cents.....	40 cents.
Chocolate, per pound.....	2 cents.....	2 cents.....	2 cents.....	3 cents.
Cocoa, manufactured, per pound.	do.....	do.....	do.....	3 cents.
Grapes.....	20 per cent.....	20 per cent.....	1 cent per pound.....	2 cents per pound.
Plums and prunes, per pound.....	1 cent.....	1 cent.....	1 cent.....	2½ cents.
Figs, per pound.....	2 cents.....	Free.....	2 cents.....	2½ cents.
Raisins, per pound.....	do.....	1½ cents.....	.....	3 cents.
Walnuts and filberts.....	3 cents.....	3 cents.....	2 cents.....	5 cents.
Currants.....	1 cent.....	Free.....	Free.....	2½ cents.
Almonds, not shelled.....	5 cents.....	5 cents.....	5 cents.....	7 cents.
Almonds, shelled.....	7½ cents.....	7 cents.....	7½ cents.....	10 cents.
Olive-oil.....				\$1 per gallon.
Pease.....				30 cents per bushel.
Peanuts.....				1½ cents per pound.
Olives and olive pickles.....				25 cents per gallon in casks; about 35 per cent. ad valorem. Forty cents per gallon in jars or bottles.
Olive oil grease.....	Free.....			Should be made dutiable.

OSTRICH FARMING IN CALIFORNIA.

The raising of ostrich birds, or ostrich farming, in California was undertaken on the strength of an import duty which affords a very moderate protection. It has encountered many vicissitudes, but the demonstration is clear that this will become a profitable industry in this country if encouraged. The present rate of 25 per cent. on crude and 50 per cent. on dressed feathers is inadequate. It does not protect as it should. A specific duty is suggested of 5 shillings per pound on crude feathers, invoiced at 10 shillings or under, and of 10 shillings per pound on feathers invoiced at £1 sterling or under.

I submit herewith a communication from E. J. Johnson, manager of the American Ostrich Company, Fallbrook, San Diego County, Cal.

WM. VANDEVER.

FALLBROOK, January 29, 1890.

DEAR SIR: Herewith please find copy of letter sent you last year. The numbers have increased somewhat during the year, though losses at one of the Los Angeles farms, and some at our own, have diminished the increase. Probably four hundred birds would be a total at this date. I am corresponding with a party in Texas who are going to establish an ostrich ranch there, and will buy their stock from the California bird birds.

Very respectfully,

E. J. JOHNSON,

Manager American Ostrich Company.

Hon. WILLIAM VANDEVER,
Washington, D. C.

FEBRUARY 2, 1889.

DEAR SIR: The new Senate tariff bill includes in its free list ostrich feathers, and I wish to call your attention, first, to the ostrich-farming industry in Southern California; second, to the effect of this measure upon ostrich breeders, or farmers; third, to the injustice of it; fourth, to the necessity of a higher rate and more efficient measures for compelling its observance.

First. There are five feather-producing ostrich farms in this State, viz:

(1) The California Ostrich Farming Company, at Anahiem, with eighteen imported birds and one hundred and twelve natives; total, one hundred and thirty. Established in 1883.

(2) The American Ostrich Company, at Fallbrook, San Diego County, with eleven imported birds and fifty-nine natives; total, seventy. Established in 1884.

(3) Edwin Cawston, Norwalk, about fifty, all told. Established in 1886.

(4) Kenilworth Ostrich Farm, Los Angeles. Number of birds unknown to me.

(5) J. C. Sketchly, near Red Bluff, Tehama County. Number of birds unknown.

Besides the above there are some birds kept at Pasadena, Santa Ana, Santa Barbara, and a few in Arizona, more for exhibition purposes than for feather production; the American Ostrich Company also having a fine exhibit at Coronado Beach. A safe estimate of the total number of birds in California would be three hundred and fifty.

Second. The raising of ostriches in California has thus far been attended with many discouraging drawbacks unknown in their native country. Imported birds lose for a time their powers of reproduction—in some cases it is never recovered. The expense of caring for and feeding them is much greater than in Africa, owing to higher priced labor and land, and the substitution of cereals for the velt grass of their native soil. This enterprise was undertaken by private capital on the strength of the import duty on ostrich feathers, 25 per cent. on crude and 50 per cent. on dressed feathers; to annul it would be to rob us of the slight encouragement it affords us—slight because experience has proved this protective duty to be chiefly theoretical. It does not protect the industry as it should in order that those who have become engaged in it through the indirect promises of the Government might successfully compete with the African product, for, being an ad valorem duty, the low-priced feathers have come in almost free; and especially has this been the case since 1881, when all grades declined 25 per cent., with further declines in 1883, 1884, 1885, and 1886, and from this fall they have never recovered; this would apply also to mixed lots, making the duty on plumes of no appreciable account.

I would respectfully suggest that a specific duty of 5 shillings per pound on crude feathers invoiced at 10 shillings or under, of 10 shillings per pound on feathers invoiced at £1 sterling or under, and so on, grading them with a provision that they must be imported in separate packages numbered to correspond with the number of their separate invoices, would furnish us a real protection. While with dressed feathers a specific duty high enough to exclude importation would give increased employment to home labor.

Having demonstrated at much expense and under many difficulties the fact that ostriches can be successfully raised in California, we believe the Government should permit us to make it financially a success instead of withdrawing the support upon which we built our hopes, small though it has proven to be.

Trusting that I have not too far intruded upon your time, and hoping to hear from you in relation to this matter,

I am, yours, very respectfully,

E. J. JOHNSON,

Manager American Ostrich Company, Fallbrook, San Diego County, Cal.

Hon. WILLIAM VANDEVER,
Washington, D. C.

CURRENTS FROM GREECE.

DEPARTMENT OF STATE,

Washington, February 28, 1890.

SIR: I have the honor to transmit to you herewith for the consideration of your committee a copy of a dispatch from our minister at Athens concerning the duty on currants imported from Greece into this country.

I have the honor to be, sir, your obedient servant,

JAMES G. BLAINE.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

No. 24.]

LEGATION OF THE UNITED STATES,
Athens, January 28, 1890.

SIR: I have the honor to submit the following observations for your consideration and such official action as you may deem proper to take.

As the present Congress has now under consideration, in conformity with the rec-

ommendations contained in the President's messages, a revision of our import duties, with special reference to a reduction of the revenues derived therefrom, in so far as "not to impair the just and reasonable protection of our home industries," I feel justified in recommending that the present duty imposed upon currants be removed. My reasons for this action are—

First. That these seedless grapes do not come directly into competition with any home product, and could only remotely compete with our grapes in the manufacture of a very low grade of wine. The possibility of any competition from the importation of dried currants is so improbable that when the question of reducing or removing the duty therefrom was before a former Congress the best informed representative of the wine-growing section of California, so I am informed, ridiculed the idea of competition from this source with the prolific vineyards of the Golden State.

Second. The removal of the present duty of 1 cent per pound, would induce a large increase in the consumption of this delicious table fruit among the masses of our people, which is most desirable. On this point I beg the privilege of quoting from a communication addressed to the Secretary of the Treasury by the "Foreign Fruit Exchange of New York," under date of January 15, 1886, in which, in referring to currants among other imported fruits the following statement is made: "It appears an undisputed fact that the great consumption of these articles (fruits) is by the middling and poorer classes in all parts of this country (America) and it would seem to be of the highest importance and at the same time most desirable under existing circumstances that they should be put within the reach of all consumers at the lowest possible cost."

The chief advantage to be derived by the people of Greece from the removal of the duty now imposed on currants imported into the United States will be in the increased consumption resulting from the reduced cost to the consumer.

For, whilst I think the industrial history of the United States abundantly disproves the theory advanced in some quarters that the cost of an article to the consumer is increased precisely to the amount of the duty thereon, even when the duty has been imposed to foster home productions, I am equally clear that the results naturally following the removal of a duty imposed for revenue only, and which gave no stimulant to home competition would be a reduction in the cost of the article to the consumer equal to the amount of the duty removed. This, I am sure, will be the result in the case under consideration, for the reason that the paramount need of Greece is not to obtain an increased price, but an enlarged market for the product which now forms nearly 60 per cent. of her entire exports, and which is capable of great expansion.

Another argument, not one of dollars or cents, that may be urged in favor of the repeal of the duty, resides in the fact that for nearly three-quarters of a century there has existed between the Greek people and those of our great country the most cordial and kindly feeling. The encouragement and assistance extended by our Government and people in the heroic struggle for Greek independence has left in the minds and hearts of this people a cordial and grateful feeling for our own country and countrymen that every American must recognize who visits this classical land.

Besides this, the political institutions of the two countries are less dissimilar in substance than in name. For whilst Greece is called a kingdom, it derives its vital force from the people; indeed, in many respects it is the most democratic government in existence, having but one legislative chamber, elected with universal suffrage, directly by the people. This chamber alone authorizes all public expenditures, and is in fact the supreme power in the government.

Although the Greeks of to-day through energy, economy, and industry are advancing in education and in material prosperity, they are poor when contrasted with our people. We can not, however, forget their ancient and immortal contributions to civilization, literature, and art, their wonderful history as a people, as well as their many sacrifices in the protracted struggle for independence. These, in connection with their present needy condition, alike appeal to us, a favored free people, to render to them such aid as we can, especially as in this instance it can be done without injury and with possible advantages to our own people. The case may be briefly summed up as follows:

As it is desirable to reduce the revenues derived from imposts where it can be done without detriment to our working classes, and as the duty now imposed upon currants appears to serve no purpose except to increase the revenue, and as the abrogation of the duty would lessen the cost and thereby increases the consumption of this healthful fruit among the masses of our people and at the same time benefit a heroic and friendly nation, I most heartily recommend that currants be placed on the free list.

I have the honor, etc.,

A. LOUDON SNOWDEN.

HON. JAMES G. BLAINE,
Secretary of State, Washington, D. C.

CURRENTS AND RAISINS FROM TURKEY.

DEPARTMENT OF STATE,
Washington, March 15, 1890.

SIR: I have the honor to transmit for the information of your committee a copy of a note from the minister of Turkey here, together with a copy of the statement therewith inclosed, asking that Turkish currents and raisins be included in the "free list" for the reasons given.

I have the honor to be, sir, your obedient servant,

JAMES G. BLAINE.

Hon. WM. MCKINLEY,
Chairman Committee on Ways and Means.

—
TURKISH LEGATION,
Washington, March 13, 1890.

MR. SECRETARY: I have the honor to inclose herewith the copy of a translation of a report I have just received from some Turkish merchants. I should be very much obliged if you would kindly forward same to the Ways and Means Committee of the House of Representatives. I consider the contents of said report as extremely interesting and worthy of the always impartial consideration of the honorable members of the House.

Accept, etc.,

MAVROYENI.

Hon. JAMES G. BLAINE,
Secretary of State.

COPY OF A REPORT SENT BY TURKISH MERCHANTS.

If the late Republican bill's provision (Mr. Randall's) as regards Zante currents (from Greece) are going to be maintained in Mr. McKinley's bill, that is to say, if Zante currents and others are going to be put on the free list, we wish to remark that it will naturally follow that the Turkish currents known as Sultani will be included in the above clause for the following reason: Our Turkish currents of "Sultani" are, owing to their quality and kind, in less competition with any currents that may grow on California soil than even the Zante currents from Greece.

If, therefore, Mr. McKinley puts on the free list the "Zante currents, the "Sultani" currents will be included as a matter of course.

We think it also advisable to draw the attention of Mr. McKinley to the fact that not only the above kind of "Sultani," but also all kinds of Turkish raisins are entirely dissimilar from the kind known as Malaga raisins, which latter are considered to be in competition with the California ones. Consequently our Turkish raisins, being in no competition whatever with any raisins grown, or to be grown in California (because the difference lies in the quality of our soil), an express provision ought to be made in the coming tariff bill, not only as regards "Sultani" currents (which have been already provided for by the Randall bill), but also concerning all kinds of Turkish raisins, which we report have nothing to do with California Malaga raisins. Instead of putting, therefore, on the free list "Zante currents and others," to avoid all possible misrepresentation of this text the following one would be clearer: "Zante currents, Sultani, others of the same kind, and all Turkish raisins."

Our other Turkish fruits, like figs, were also, we think, put on the free list by Mr. Randall for the same reason, namely, that they were not in any competition whatever with any American fruit of the same kind. Such being still the case, we are sure that Mr. McKinley will also put the above on the free list by an express provision.

THE SUGAR BEET.

[For additional sugar see *ante*, page 624.]

STATEMENT OF CLAUS SPRECKELS.

Mr. CLAUS SPRECKELS, of Philadelphia, next addressed the committee. He said :

Mr. Chairman and gentlemen of the committee, I appear before you, gentlemen, to state that I think the greatest industry, the greatest agriculture for the farmers, is the industry of beet, and I have taken it up on that account. I guess you are all aware that our farmers complain that their property is going down and that their farms do not bring as much now as they did twenty years ago. There is a reason for it, and they will continue to deteriorate more and more. In former years they got more for their wheat, and their land was not worked out as much as it is now and it is going down deeper in the mire all the time. There is one single thing for the farmers to cultivate that will bring their farms up, and that is the beet culture; nothing else will do it. I say to you gentlemen that as sure as I stand before you the time will come when the American people will raise their sugar in their own country and export it, instead of importing it. I sunk a good deal of money in it, and three years ago I went to Europe to study it and to order machinery. I formed a corporation with six gentlemen as associates—I am the seventh—and I said to them, "What stock will you take?" Each of them took \$10,000, making \$60,000, and I said I would take \$440,000. I wanted it done that way so that if there was a loss I would stand to lose nearly all; so I kept that amount of stock and I have got it to-day. I went to Germany to examine to see if we could do it. Of course the first difficulty is in the labor. Our labor is \$2 a day. Now, the beet culture requires a good deal more labor than other farm products. Now, the people said that they could not cultivate this beet because they had no labor. I said to them, "Let us see; you have your youngsters here, fifteen, sixteen years old; you can put them to work at this. When they are doing nothing else they are off fishing or hunting. Put them at this and learn them to be industrious." So we have taken young people there and a young fellow has come and said, "These are the clothes I bought for myself and I have \$35 in a savings bank." This industry helps to make them an industrious people, and instead of running around, they will save money and make themselves good farmers.

Now, if you will listen, I will explain why our farmers will reap a benefit from this and the land will be richer. First, the beet has to be plowed and cultivated much better and they will find they have at least double the wheat to the acre. You will say, "Now where is the fertilizers?" I will explain where the farmers get that. First, the beet takes up the salt and it takes up the sugar. The sugar is put in by the air and sun which does not cost anything, and the beet does not take as much ingredients out of the soil as wheat or barley. Now, the process of manufacturing is this: That beet contains sugar and salt of potash. When the sugar is taken from that, there is 40 to 50 per cent. of sugar more or less; but the salt will not let this sugar crystallize, and there you have a difficulty. This is taken and it goes through a process where it is put into a vat with powdered lime and there is cooled by cold water at a temperature below 66. From there it goes to a press and after that you have the whole mixture, lime and salt. Then we open a cock and a jelly fluid runs out and that is the salt. Now we have got the sugar and lime together, call it sugar of lime. Now as soon as this strikes a heat of 80 degrees the lime lets the sugar go. Put it through another process and you have got the sugar of 98 degrees, the sugar and the lime separated. Now, then, this potash we all know is the richest thing that we can put upon land, so the farmers can enrich their land through that.

Mr. McKENNA. Where is your factory situated?

Mr. SPRECKELS. At Watsonville, Cal.

Mr. McKENNA. What is its capacity?

Mr. SPRECKELS. The capacity is 6,000 tons in four months.

Mr. CARLISLE. Of beets?

Mr. SPRECKELS. No, of sugar.

Mr. FLOWER. Do you get as high as 16 per cent.?

Mr. SPECKELS. No.

Mr. FLOWER. Fourteen per cent.?

Mr. SPRECKELS. We get 12 and a fraction; last year I did not get 12.

Mr. FLOWER. That does not produce as much sugar to the beet as Nebraska and some other sections?

Mr. SPRECKLES. I can not speak from that, as I only speak from my own experience. That varies in certain years; this year it will be probably 14 per cent.

Mr. GEAR. How many tons of beets does it take to make 6,000 tons of sugar?

Mr. SPRECKLES. I am speaking about the average. They are not all alike, and secondly the farmers will not cultivate them all alike, and there is a great difference.

Mr. GEAR. It would be about 7 tons of beet to make a ton of sugar.

Mr. SPRECKLES. You can say it would be about $8\frac{1}{2}$ to 9.

Mr. McKENNA. With the proper cultivation on the part of the farmers and such process as you have in California now, about what percentage of sugar can be obtained?

Mr. SPRECKLES. In some circumstances by certain farmers they take out an average of 14 per cent.; I am speaking about the average.

Mr. McKENNA. Take the average farmer as they cultivate it, not cultivated as it ought to be cultivated, what percentage of sugar can you get?

Mr. SPRECKLES. I offered the premium of \$250 for the best product of a 5-acre lot which would produce the richest and best beets and make the most sugar out of it, and for 10 acres I offer the premium of \$500. Mr. ———, of Watsonville, got that \$500 and he got very near to 3 tons of sugar to the acre.

Mr. GEAR. Is not the amount of saccharine or glucose matter in the beet contingent to a certain extent on the season, the weather?

Mr. SPRECKLES. Largely.

Mr. FLOWER. Can you develop the seed of the beet such as the horse and cattle and make it yield better?

Mr. SPRECKLES. They are doing it.

Mr. FLOWER. In one instance they have got 22 per cent.

Mr. SPRECKLES. I know it; I had some 24 per cent., but that is not the average.

Mr. CARLISLE. What will be the ordinary average yield per acre to the farmer in money for its beet?

Mr. SPRECKLES. There it differs again.

Mr. CARLISLE. Take the average.

Mr. SPRECKLES. I am sorry I did not bring the whole thing with me.

Mr. McKENNA. You can tell generally?

Mr. SPRECKLES. As I say, some farmers make as much as \$55 to \$60.

Mr. LA FOLLETTE. How many tons of beets to an acre?

Mr. SPRECKLES. The first year they have been getting as high as 25 to 26 tons; that was the highest. Some go down as low as 10.

Mr. LA FOLLETTE. What are they worth a ton?

Mr. SPRECKLES. I pay \$4 a ton up to 14 per cent. After 14 per cent. I give 50 cents for each degree, and the average would be about \$5.05 a ton.

Mr. CARLISLE. How many crops of beets can be cultivated on land without some other crops?

Mr. SPRECKLES. The experience in Germany has been that after, perhaps, twenty years they could not raise beets every year, and they have come to the conclusion that it is best to raise them every third year. The next year they will plant barley, then they will plant wheat, and then they go back to beets again.

Mr. LA FOLLETTE. With that rotation, can we have beet cultivation indefinitely?

Mr. SPRECKLES. Yes, sir. I know that in California, where they have new land, they can not come up to Germany in grain raising now. I know when I was a boy there it was hard to get bread as it was so high. They raise wheat and hogs now. Bismarck says, "You shall raise those hogs here." I say here that it is the beet culture of Germany that has given them these advantages.

Mr. McKENNA. Now, if we introduce the beet culture here, what becomes of us?

Mr. SPRECKLES. We consume it; we do not export it now. Germany exports perhaps this year 700,000 tons.

Mr. McKENNA. Is your factory running at a profit now?

Mr. SPRECKLES. We have made over 6 per cent. on the capital.

Mr. GEAR. How much beet-sugar have you made?

Mr. SPRECKLES. On the whole, I should say 3,200 tons. This last season was a bad season. It was dry, and the farmers there did not produce over 10 tons to the acre. We had a very unfavorable season on account of this dryness.

Mr. GEAR. The beet requires a very moist climate?

Mr. SPRECKLES. Not exactly. The beet goes down rather deep, and if there is moisture it gets it. For several years we have had very little rain, but this year we certainly got enough.

Mr. GEAR. The climate of Germany is rather moist?

Mr. SPRECKLES. Yes, sir.

Mr. BRECKINRIDGE. You have stated to us how much product an acre of beet will bring, can you give us some idea of the cost of producing that?

Mr. SPRECKLES. I can only state from my own experience in the first year. I had a big loss on my ranch.

Mr. BRECKINRIDGE. Of course we do not want the exceptions. Take a farm where a fair experience has been obtained; how ought the cultivation and marketing of an acre of beet to compare, for instance, with the cultivation and marketing that is putting it in the local market, of an acre of wheat?

Mr. SPRECKLES. You mean what it costs for an acre in the cultivation?

Mr. BRECKINRIDGE. The whole cost of production.

Mr. SPRECKLES. As I have stated, on some farms they make a good deal of money per acre where others have lost; so it is pretty hard for me to say.

Mr. BRECKINRIDGE. I am not speaking so much as to the process as to find out what it costs to raise. You tell us what it brings, we know there are variations, but I want a general idea, if you can give it to us, of what it costs now to get that. We can figure on what it costs in a general way to cultivate, pick, and market an acre of cotton, or to cultivate and market an acre of corn or wheat.

Mr. SPRECKLES. It is quite different in localities. Perhaps there it will be from \$3 50 to \$4 a ton, may be from \$3 a ton.

Mr. CARLISLE. To produce per ton of sugar or per ton of beet?

Mr. SPRECKLES. Per ton of beet.

Mr. BRECKINRIDGE. That includes what?

Mr. SPRECKLES. The whole thing delivered to the factory.

Mr. BRECKINRIDGE. And the interest on the rent of the land, etc.?

Mr. SPRECKLES. That I could not say.

Mr. BRECKINRIDGE. Or do you mean the mere cultivating and harvesting expenses?

Mr. SPRECKLES. I mean, suppose a man has a farm, has a ranch and cultivates it. He may have so many in his family and they do not keep certain account of it.

Mr. BRECKINRIDGE. You mean his actual expenditure to get that?

Mr. SPRECKLES. It is pretty hard to give it exactly.

Mr. CARLISLE. What parts of this country in your judgment are suitable for the cultivation of beets for sugar?

Mr. SPRECKLES. I think the beet will mature better in a cold climate than it will in a warm climate, the warmer the climate the less the beet will mature.

Mr. CARLISLE. Can you indicate the parts of the country where it is best suitable for its cultivation?

Mr. SPRECKLES. Take all the Western country, there is no trouble about it.

Mr. CARLISLE. You mean all west of the Mississippi River?

Mr. SPRECKLES. Yes, sir.

Mr. CARLISLE. How about any part of the country east of the Mississippi River?

Mr. SPRECKLES. That I can not of course answer, because I have not studied that soil.

Mr. McKENNA. But you said it can be done in the country west of the Mississippi River.

Mr. SPRECKLES. There is no question about that.

Mr. McKENNA. You are satisfied it can be done in California?

Mr. SPRECKLES. Yes, sir, I am satisfied of that.

Mr. McKENNA. How do the farmers take to the cultivation of the beet in the place where your factory is?

Mr. SPRECKLES. They like it very well.

Mr. McKENNA. Do you know anything about the Alvarado factory?

Mr. SPRECKLES. Yes, sir.

Mr. McKENNA. Is that run at a profit since last year?

Mr. SPRECKLES. I suppose it did.

Mr. McKENNA. Have you not heard it did; are they not contemplating extending their works there?

Mr. SPRECKLES. Yes, sir.

Mr. McKENNA. Are you not contemplating extending your works?

Mr. SPRECKLES. Yes, sir; I am going to have the machinery built to put it up.

Mr. McKENNA. Have you any doubt from your experience about the successful raising of beet sugar in this country at a profit?

Mr. SPRECKLES. There is no question of that.

Mr. McKENNA. Now what would be the effect, if any, upon your purpose to enter into this business if this committee should take the duty off sugar and give you a bounty on the beet sugar produced?

Mr. SPRECKLES. The trouble about the bounty is that my associates say that if a bounty is given they are going to quit; we are not going to put up additional factories.

Mr. McKENNA. You will not extend your business?

Mr. SPRECKLES. We can not. As I stated to you I put \$440,000 in the first factory. You gentlemen know I could not put that amount in every factory; the other one is composed of other capital, but I am interested in that factory.

Mr. McKENNA. Where are you contemplating putting that factory?

Mr. SPRECKELS. We have several places in view, but we have not come to a decision. We are waiting to see what Congress will do.

Mr. McKENNA. If Congress does not take the duty off sugar what will you do?

Mr. SPRECKELS. Put it up.

Mr. McKENNA. And you are satisfied you can make a success of it?

Mr. SPRECKELS. Yes, sir.

Mr. GEAR. How many tons of beets is a fair yield to an acre in California?

Mr. SPRECKELS. We average from 10 to 25, according to the land.

Mr. GEAR. I think you said you paid \$4 a ton for beets which contained 12 per cent. of sugar.

Mr. SPRECKELS. Yes, sir.

Mr. GEAR. And you paid 50 cents a ton for each degree over 14?

Mr. SPRECKELS. About 14 by the polariscope. You know you do not always get it as the polariscope says.

Mr. GEAR. But you give 50 cents a degree for all that goes above that?

Mr. SPRECKELS. Yes, sir.

Mr. GEAR. What is the average in Germany?

Mr. SPRECKELS. I think in Germany they have about from 14 to 20.

Mr. GEAR. Do you know the prices paid in Germany?

Mr. SPRECKELS. About the same, \$4.50 to \$5. Still, if you will allow me to say, in Germany one-third of the farmers have their own plant. They club together in a district and the farmer who may own 10 acres get so much stock, and they go to the bank and borrow the money and build a factory, and it is incorporated. That is what I have advocated here.

Mr. McKENNA. There is no reason why that should not be established here?

Mr. SPRECKELS. No, sir.

Mr. GEAR. The price paid in California and in Germany is about the same?

Mr. SPRECKELS. Yes, sir.

Mr. GEAR. Therefore it is more profitable in Germany to the grower, because of the lower price of labor in that country.

Mr. SPRECKELS. Yes, sir. There is another thing; we have the pulp, and the pulp in Germany is actually worth two-thirds of what the beet is worth. They use it to feed the cattle, and they have dairies. Here the farmers say they do not want it, and it is poured out in a heap. It lies there; you can keep that a whole year.

Mr. GEAR. How long can you grind the beets—how long does the season last?

Mr. SPRECKELS. In our climate we can grind up to January.

Mr. GEAR. When does your harvest begin?

Mr. SPRECKELS. About the latter part of August; three months is about enough.

Mr. GEAR. It is a little longer than the cane season in Louisiana.

Mr. SPRECKELS. I do not know.

Mr. BRECKINRIDGE. Can a beet refinery be run all the year?

Mr. SPRECKELS. No, sir; you can not keep the beets too long. In Germany there will be a freeze, and at a certain time they get the beets and bury them in the ground and put straw around them, and in the winter they bring them to the factory.

Mr. BRECKINRIDGE. They run their factories the whole year.

Mr. SPRECKELS. No, sir; about three months. They start a little later than we do.

Mr. BRECKINRIDGE. They run a corresponding period.

Mr. SPRECKELS. In California they can run four months; they start there about the 1st of October.

Mr. BRECKINRIDGE. So when you begin the manufacture you immediately complete the operation and give out the sugar for consumption?

Mr. SPRECKELS. Not for consumption.

Mr. BRECKINRIDGE. You are not running a refinery, but what you call a factory? It has to be subsequently refined.

Mr. SPRECKELS. Yes, sir. Here and at Alvarado I am glad to see they made it a success. They went up the flume a couple of times, but now a gentleman named Burr came to me and said: "Can I sell sugar to you?" and I said certainly, and I buy the sugar and refine it.

Mr. CARLISLE. What is the sugar worth per pound as it comes from the factory—what does it sell for now?

Mr. SPRECKELS. The price to-day is 5½, testing 96.

Mr. CARLISLE. How does it compare with the price of cane sugar with the same amount of saccharine matter in it?

Mr. SPRECKELS. We pay a little less for the beet. We do not pay as much for the beet sugar as for the other for this reason, that you have the salt to contend with, where the other is simply sirup where—

Mr. McKENNA. Are you talking of refined sugar?

Mr. SPRECKELS. Yes, sir.

Mr. CARLISLE. I asked you for the price of sugar as it comes from the factory.

Mr. SPRECKELS. That would be worth about a half a cent less per pound.

Mr. CARLISLE. That would be about 5 cents, and that is a little lower than cane sugar with the same amount of saccharine strength.

Mr. SPRECKELS. It would be from a half to three-eighths of a cent.

Mr. CARLISLE. Depending upon the polariscope.

Mr. BRECKINRIDGE. In speaking of that part of the country which is adapted to the growth of the sugar beet you said the country west of the Mississippi River. How far north will that run and how far south?

Mr. SPRECKELS. I could not answer that exactly.

Mr. BRECKINRIDGE. East and west, of course, is not a very good description of a scope of country, but I believe they are putting up a sugar factory in Nebraska?

Mr. SPRECKELS. I believe so.

Mr. BRECKINRIDGE. So it looks as if it was going pretty far north. Do you believe this business could be made profitable down as low as Louisiana and Texas?

Mr. SPRECKELS. That I could not say. I do not know whether the beets would keep on continually growing. I do not know whether you could get it in Louisiana or Texas.

Mr. BRECKINRIDGE. I understand you to say that from your present experience and observation you have more faith of its being a success in more northern latitudes.

Mr. SPRECKELS. There is no question. Where you have a great deal of moisture and a warmer climate I do not think it matures well.

Mr. GEAR. Still it is considered that a colder climate is more conducive by virtue of the fact that it ripens, while in the warmer climate it keeps on growing and growing and the sugar does not concentrate.

Mr. SPRECKELS. Yes, sir.

Mr. McKENNA. Does it produce in southern California?

Mr. SPRECKELS. Yes, sir; that is the richest of all. We have gotten from there 18 to 24 per cent.

Mr. McKENNA. They are contemplating erecting factories in southern California?

Mr. SPRECKELS. Yes, sir.

Mr. McKENNA. Do you know of Mr. Girde?

Mr. SPRECKELS. I am not acquainted with him.

Mr. McKENNA. You know of him by name?

Mr. SPRECKELS. Yes, sir.

Mr. McKENNA. He is a capitalist of Southern California?

Mr. SPRECKELS. I believe so.

Mr. McKENNA. You know he contemplates erecting a beet-sugar factory?

Mr. SPRECKELS. Yes, sir.

Mr. GEAR. How long do you think, under favorable conditions, it will take to fairly develop the beet industry of this country, not perhaps to supply our own wants, but to fairly develop it?

Mr. SPRECKELS. It is only a question of the capitalists being assured that the tariff will be kept on. We have got to develop and to learn considerably to get up to the standard of the old country.

Mr. GEAR. Suppose you had no tariff and had labor just as cheap as it is in Germany, you could develop it just as well as with a tariff?

Mr. SPRECKELS. If we had labor just as cheap and had our mechanics and capital as cheap, I say the American people can beat any nation.

Mr. GEAR. You say you do not pay any more in California than in Germany.

Mr. SPRECKELS. But other causes enter. In that factory there, I use about two hundred and fifty men, and I pay them \$2 where the men in Germany are paid 1 mark, which is about 25 cents. I have paid in California as high as \$17 a ton, and they paid in Germany about \$1.50 to \$2 a ton; you must consider freights. The first year I paid the railroad \$41,000 for freight. You must not forget that there are many things that enter into it. You must not forget that the pulp in Germany is worth two-thirds of what the sugar is, and here we throw it away, while there they feed it to the stock.

Mr. GEAR. Do not your people use the pulp for feed?

Mr. SPRECKELS. We have tried to get them to use it. I give the whole thing away.

Mr. GEAR. If you will start a beet factory in my State we will assure you that we will buy the pulp.

Mr. SPRECKELS. You have to get people educated up to it.

Mr. GEAR. May I ask you a question a little outside of this special matter?

Mr. SPRECKELS. Yes, sir.

Mr. LA FOLLETTE. Just a moment, before he leaves this subject. I do not know whether it was stated by Mr. Spreckels or not. I understand you to say the cost per ton to the farmer to raise the beets would be from \$3 to \$4?

Mr. SPRECKELS. It would be less than \$4.

Mr. LA FOLLETTE. Per ton?

Mr. SPRECKELS. Yes, sir.*

* See Mr. Spreckels's letter, which is appended to this hearing.

Mr. GEAR. You import sugar from the Sandwich Islands?

Mr. SPRECKELS. Yes, sir.

Mr. GEAR. And that comes in free?

Mr. SPRECKELS. Yes, sir.

Mr. GEAR. And you export refined sugar from this country?

Mr. SPRECKELS. Here?

Mr. GEAR. From California?

Mr. SPRECKELS. Yes, sir.

Mr. GEAR. To Honolulu?

Mr. SPRECKELS. Yes, sir.

Mr. GEAR. And other points. You get a drawback from the Government on that sugar?

Mr. SPRECKELS. Yes, sir; but not on the Hawaiian sugar.

Mr. GEAR. You get no drawback from that.

Mr. SPRECKELS. No, sir. I imported from the Philippine Islands 35,000 tons, and perhaps 3,000 or 4,000 tons from South America.

Mr. CARLISLE. On that you get a drawback if you export it.

Mr. SPRECKELS. Yes, sir.

Mr. McKENNA. In the way it is stated, I think it would appear that he receives a drawback on the Hawaiian.

Mr. GEAR. I was looking over a Government report on that question which brought it to my mind.

The CHAIRMAN. Is there anything further you desire to say?

Mr. SPRECKELS. I think I have kept you gentlemen long enough.

Mr. GEAR. How does the consumption of sugar in this country compare with other countries, that is, the per capita consumption?

Mr. SPRECKELS. I believe in this country somewhere in the neighborhood of 51 pounds per capita, where in England it is 62 pounds, and Germany has—

Mr. GEAR. I beg your pardon; I think the English consumption is 77.

Mr. SPRECKELS. Well, that may be. Of course, I do not keep these figures in my head.

Mr. GEAR. How do prices compare in this country and in England?

Mr. SPRECKELS. It is a great deal cheaper in England than here.

Mr. GEAR. The wholesale price of sugar in England is—

Mr. SPRECKELS. It is a good deal less than it is here.

Mr. GEAR. What is the current market price for granulated sugar?

Mr. SPRECKELS. It is 6½ cents to-day.

Mr. GEAR. That is pretty low. What is the price of white A?

Mr. SPRECKELS. I can not say. I have not made white A. I make granulated entirely. This, I will tell you, gentlemen, I look to see you raise in this country all the sugar that is consumed here. It will come as sure as I stand before you.

Mr. GEAR. How long a time will it be before it comes?

Mr. SPRECKELS. If you assure us that there is not to be any change in the tariff, and you had one hundred Claus Spreckels, I think we would do it in three or four years. I have so many irons in the fire that I have to watch them pretty closely to keep them from burning.

Mr. GEAR. Your irons never will burn. We know all about you.

WASHINGTON, D. C., February 21, 1890.

To Chairman Ways and Means Committee :

In my statement before your committee, on the 20th instant, I believe I stated that while I did not know, I thought the cost of production of a ton of sugar beets to the farmer was from \$3 to \$4.

Since which time, in looking over some statements in regard to this matter, I find that it has been with us less than \$2.50 when properly cultivated, and hence desire to correct my statement in this respect.

CLAUS SPRECKELS.

GERMANY'S BEET-SUGAR INDUSTRY.

The following statement was prepared by Dr. William D. Wamer, United States consul at Cologne, and is taken from the Consular Reports:

In the hope that the sugar crisis of the campaign of 1885-'86 would soon come to an end, the area of beets planted in 1887 was not very much larger than that cultivated in the preceding year, which had been reduced as much as possible in order to avoid an overproduction. The condition of the industry in the campaign of 1886-'87 did not turn out as it had been hoped it would, and so it was again thought necessary to reduce the production in the following campaign. In 1887 the manufacturers not only reduced their area, but also made smaller contracts with the farmers. The farmers, therefore, who raise beets for sale—that is, those who are not manufacturers themselves—planted less because they were unable any longer to realize the profits which they had hoped for.

The production of beets in the campaign 1884-'85 amounted in tons to 10,402,688; campaign 1885-'86, to 7,070,316; campaign 1886-'87, to 8,306,671; and campaign 1887-'88, to 6,963,960. The prices paid for beets in the last campaign ranged from 1.50 to 2.40 marks per 100 kilos.

The technical improvements in the campaign of 1887-'88 in beet-sugar manufacture consisted in evaporation contrivances and filtering processes. The improvement in the first instance consisted in a greater saving in the use of the waste steam by making the evaporation space larger, and the heating of the apparatus more than formerly with indirect steam, whereby a material saving in heating fuel is accomplished. In the purifying of the beet juice sulphurous acid has been brought more into use; also the repeating treatment of the juice with lime and carbonic acid, with the use of the filtering presses, has proved satisfactory. A new separation process, with the addition of carbonate of magnesia, is reported to have worked with good results in the Rhineland.

In the campaign of 1887-'88 there were 167 factories that prepared sugar from molasses, against 137 in the preceding campaign, of which 84 worked by the "Osmose" process. As long as the prices of sugar were low and the price of molasses proportionately so this process went largely out of use on account of too small profits, but it has been recommenced in the last year by a large number of factories because the corresponding prices of sugar and molasses have been more favorable. In the campaign of 1886-'87, 55 factories worked with the "Osmose" process, 3 in 1885-'86, 79 in 1884-'85, 115 in 1883-'84, 124 in 1882-'83, and 135 in 1881-'82. In 1886-'87, 48 factories worked with the "elution" process, 9 with the "substitution," 3 with the "precipitation," 20 with the "separation," 3 with the "strontium," and 1 with the "Manourey."

The following quantities of molasses were used for being converted into sugar by the above factories in the campaign of 1886-'87:

	Tons.
Osmose process	68,954
Elution and precipitation process	88,256
Substitution process	11,754
Separation process	39,889
Strontium process	6,341
All other processes	761
Total	215,955

The prices of sugar in the last campaign were more favorable in consequence of the prospect of a reduction in the production of beets, and of smaller supply of sugar on hand. In September and October there was a considerable sinking in the prices, but from that time they began to rise, when in January their highest points were reached. During the remaining period of the campaign, although the movement in the prices from February to May was downward, it took an upward course in June and July. The average prices of sugar in the principal markets of Germany per 100 kilograms during the last and preceding campaigns were as follows:

Campaign.	Refined sugar.			Raw sugar.		
	Brunswick.	Cologne.	Madgeburg.	Brunswick.	Cologne.	Madgeburg.
	Marks.	Marks.	Marks.	Marks.	Marks.	Marks.
1887-'88	58.76	59.43	57.70	46.33	48.67	48.30
1886-'87	53.36	54.43	52.64	41.27	43.53	41.29

The annexed table of the production of beet sugar in Germany during the past seventeen years shows what wonderful progress there has been made in this one industry in Germany. The number of factories in operation rose from 311 in 1871-'72 to 391 in 1887-'88, and the quantity of beets worked during the same period rose from 2,250,000 to near 7,000,000 tons. The largest quantity of beets worked during said period was in 1884-'85, which amounted to 10,500,000 tons. [See Table A.]

The exports of raw beet sugar from the German Zollverein rose from 5,666 tons in 1871-'72 to 553,793 tons in 1884-'85 which fell off to 344,710 tons in 1887-'88. The export bounties amounted in 1871-'72 to about \$922,468, and in 1887-'88 to a little over \$2,700,000. The total gross receipts of the taxes on sugar in 1871-'72, including the import duties, were \$11,546,044, and in 1887-'88, \$26,040,844. The net income, therefore, to the Government, that is after deducting the bounty, was only a little above \$1,000,000 in 1887-'88, against \$10,625,000 in 1871-'72. The highest net income received by the Government during the seventeen years was in 1882-'83, when it amounted to about 18,000,000.

Revenues from taxes on sugar beet collected in the Zollverein of Germany.

Years.	Gross receipts from sugar tax.	Gross receipts from import duty on sugar.	Total gross receipts from all taxes and duty.	Bounties on exports.	Net receipts from taxes and duties.	
					Total.	Per capita.
						<i>cents.</i>
1880-'81.....	\$24, 077, 024	\$352, 470	\$24, 429, 494	\$13, 458, 421	\$10, 971, 073	28½
1881-'82.....	23, 883, 576	361, 297	24, 244, 873	10, 332, 189	13, 912, 684	31
1882-'83.....	33, 309, 158	411, 765	33, 720, 923	17, 706, 644	16, 014, 279	35½
1883-'84.....	33, 960, 239	333, 314	34, 293, 553	22, 919, 935	11, 373, 618	25
1884-'85.....	39, 613, 436	328, 107	39, 941, 543	30, 571, 744	9, 369, 799	20½
1885-'86.....	26, 923, 766	341, 455	27, 265, 221	21, 436, 075	5, 829, 146	12½
1886-'87.....	33, 608, 791	293, 161	33, 901, 952	27, 175, 207	6, 726, 745	14½
1887-'88.....	28, 176, 253	442, 135	28, 618, 388	27, 040, 844	1, 577, 544	3½

TABLE A.—*Production of beet-sugar in Germany from 1871-'72 to 1887-'88.*

Campaigns.	Factories in operation.	Factories obtaining juice by—			Total amount of beets worked.	Amount produced by the factories.	Amount purchased by the factories.	Quantities obtained.		
		Diffusion.	Pressing process.	Other processes.				Filling mass.	Raw sugar products of all kinds.	Molasses.
					<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
1871-'72.....	311	52	216	43	2, 250, 918	1, 504, 351	746, 567	262, 993	186, 441	61, 891
1872-'73.....	324	63	220	41	3, 181, 560	2, 101, 301	1, 080, 249	371, 617	262, 551	91, 588
1873-'74.....	337	80	214	43	3, 528, 763	1, 420, 908	1, 107, 855	412, 114	291, 040	105, 818
1874-'75.....	333	113	181	39	2, 756, 745	1, 908, 091	848, 650	368, 044	256, 412	97, 602
1875-'76.....	332	157	137	38	4, 161, 284	1, 836, 306	1, 324, 977	502, 818	358, 048	133, 952
1876-'77.....	328	197	98	33	3, 550, 036	2, 490, 153	1, 059, 882	405, 503	289, 422	111, 101
1877-'78.....	329	224	81	24	4, 090, 963	1, 872, 775	1, 218, 192	515, 595	378, 009	122, 812
1878-'79.....	324	258	50	16	4, 628, 747	3, 114, 029	1, 514, 717	576, 180	426, 155	133, 651
1879-'80.....	328	291	28	9	4, 805, 261	2, 850, 586	1, 954, 675	555, 409	409, 415	131, 370
1880-'81.....	333	309	20	4	6, 322, 203	3, 871, 678	2, 455, 052	739, 336	555, 915	164, 984
1881-'82.....	343	324	16	3	6, 271, 947	3, 451, 753	2, 840, 194	774, 004	599, 722	150, 812
1882-'83.....	358	343	12	3	8, 747, 183	4, 418, 631	4, 298, 521	1, 093, 555	811, 995	196, 304
1883-'84.....	376	368	6	2	8, 918, 130	4, 205, 063	4, 713, 066	1, 216, 879	910, 109	207, 973
1884-'85.....	408	402	4	2	10, 402, 688	4, 936, 245	5, 466, 142	1, 448, 618	1, 123, 030	259, 609
1885-'86.....	399	395	3	1	7, 070, 316	4, 199, 047	2, 871, 269	1, 025, 777	808, 104	180, 177
1886-'87.....	401	387	3	1	8, 306, 671	4, 456, 083	3, 870, 587	1, 245, 953	985, 627	215, 887
1887-'88.....	391	387	3	1	6, 963, 960	3, 797, 651	3, 166, 308	1, 123, 929	910, 698	183, 036
Average for the seventeen years.	351	256	76	18	5, 644, 549	3, 260, 274	2, 384, 275	743, 374	565, 452	150, 039

At the present date the beet-sugar production amounts in meter tons, at 1,000 kilograms, to—

Countries.	1876-'77.	1881-'82.	1882-'83.	1883-'84.	1884-'85.	1885-'86.	1886-'87.	1887-'88.
	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
In Germany	289,422	599,722	848,124	925,000	1,123,030	808,100	985,000	910,680
In Austria-Hungary	341,553	411,015	472,002	435,000	450,000	475,000	460,600	400,000
In France	243,182	393,269	423,194	450,000	475,000	460,000	465,000	400,000
In Russia and Poland	250,000	308,779	284,491	300,000	320,000	315,000	320,000	430,000
In Belgium	45,628	73,136	82,723	90,000	92,000	90,000	93,000	98,000
In Netherlands	16,078	20,000	25,000	30,000	35,000	32,000	35,000	60,000
In other countries	10,000	10,000	10,000	10,000	10,000	10,000	10,000	....
Total production	1,195,563	1,815,921	2,145,534	2,240,000	2,505,030	2,190,100	2,369,200	2,298,000

TABLE A1.—Imports and exports of sugar in the German Customs Union.

[Quantities given in 100 kilograms.]

Fiscal years.	Imports.				Exports.				
	Refined and raw sugar, Dutch standard, No. 19 and upwards.	Raw sugar below No. 19.	Sirup and du- table mo- lasses.	Molas- ses for distil- leries.	Raw sugar, etc. (against draw- back).	Candy sugar (against draw- back).	Other hard su- gar, etc. (against draw- back).	Sugar without draw- back.	Molas- ses and sirup.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
1871-'72	127,305	315,832	73,298	81,341	56,665	41,763	16,328	19,394	8,563
1872-'73	124,886	97,562	69,323	23,716	81,777	51,331	28,472	8,043	35,559
1873-'74	161,483	84,148	61,021	50,422	118,092	41,120	26,310	21,182	79,363
1874-'75	141,010	89,133	56,587	50,335	28,838	39,452	15,359	16,531	79,829
1875-'76	145,273	24,526	48,397	4,748	458,942	47,125	25,329	19,588	84,568
1876-'77	77,097	10,172	53,189	28,660	462,189	73,935	43,423	9,857	122,624
1877-'78	49,153	11,674	41,028	7,054	712,010	140,013	83,416	6,764	148,744
1878-'79	39,012	15,304	38,329	31,827	1,034,718	193,561	113,966	2,243	174,507
1879-'80	29,831	16,764	28,996	72,369	951,616	262,364	97,052	2,073	171,576
1880-'81	22,654	12,652	33,220	48,510	2,214,420	353,787	206,814	1,056	160,782
1881-'82	22,016	15,049	33,139	4,588	2,539,310	399,160	144,130	615	211,183
1882-'83	21,038	23,705	37,369	3,611	3,907,027	493,811	242,181	646	141,473
1883-'84	15,577	18,763	32,216	1,695	4,911,761	642,469	298,679	597	25,381
1884-'85	12,645	20,664	33,372	2,816	5,537,931	760,154	318,852	403	650,618
1885-'86	12,300	26,203	28,942	.....	4,040,715	660,196	205,689	365	551,206
1886-'87	14,618	15,675	27,166	1	4,896,801	1,303,789	238,828	414	245,004
Average in 16 years	63,494	49,864	43,350	25,727	1,997,051	343,377	131,552	6,861	195,094

THE SUGAR-BEET INDUSTRY OF BOHEMIA.

REPORT BY COMMERCIAL AGENT HAWES, OF REICHENBERG.

INTRODUCTORY.

During the year ended June 30, 1888, the United States imported sugar, including molasses and confectionery, amounting to \$79,760,891. So little sugar is grown in the United States, indeed, that it has been proposed to remove the duty on this article upon the ground that we have no sugar industry to protect.

The Department of Agriculture has for years, with the aid of Congress, been endeavoring to establish a substitute for sugar-cane by the cultivation of sorghum. While the latter experiments seem to show that sorghum can be successfully cultivated and manufactured into sugar in the United States, I desire to call attention to a subject that has passed beyond the stage of experimentation in Europe, and which, indeed, meets the indorsement of so practical and successful a manufacturer as the well-known Claus Spreckels. According to this authority, sugar-beet culture can be successful and profitable just as much on the Atlantic slope as on the Pacific, in the Mississippi valley as in California.

Why should we pay out \$80,000,000 yearly for an article that we can easily produce ourselves?

Clearly, our efforts should be directed to the development and protection of such an industry until we may be able to save the enormous sum now paid to foreign countries, if not eventually to supply those countries themselves with sugar.

It has been my aim to make the following report so complete that the practical farmer, as well as the theorist, may become interested in the subject and find all the details necessary for his information. I have also described briefly the process of manufacture.

With this preface I will pass directly to my subject, and first call attention to the

CULTIVATION OF THE SUGAR-BEET.

The sugar-beet (*Beta vulgaris saccharifera*) is a variety of the class *Beta vulgaris linnæi*, and belongs to the family *Chenopodiaceæ*. It has become biennial by cultivation, and there are many varieties.

The conditions required of a good sugar-beet are—

(1) Regular shape (cone, pear, or olive shape). Many side roots or prongs are disadvantageous, because they make cleaning more difficult and increase the waste. The leaves should be thick and should be of the characteristic shape and color, and those which lie flat are to be preferred as protecting the beet against frost.

(2) A medium size, say, 1 to 2 pounds. Small beets make a small crop, while large beets contain comparatively little sugar. The length should not

be more than 35 centimeters. The crop should not be less than 30,000 kilograms to the hectare ($2\frac{1}{2}$ acres).

(3) Rich in sugar—from 9 to 16 per cent.

(4) A white, compact, brittle substance. Such beets are more resistant to destruction by storage. A small head not protruding from the ground, as this head must be cut off, containing, as it does, very little sugar.

It is very important to select the proper variety for a given district, because the different economical conditions of climate and soil require different varieties, if the largest possible crop is to be harvested. It is, therefore, quite necessary for every farmer to experiment with different varieties.

VARIETIES OF BEET.

The varieties which fulfill the above conditions are—

(1) *The white beet of Silesia*.—This beet was formerly the best sugar-beet; to-day it is only used where large quantities are required, as it does not contain as much sugar as some other varieties. This beet requires an excellent soil.

(2) *The Quedlinburger*.—This beet is distinguished as ripening fourteen days earlier than most other beets, so that in localities where an early frost is the rule this beet is to be preferred.

(3) *The Imperial*.—This beet is excellent for deep, good soils. It has now three offsprings:

(a) The white Imperial, by Knauer.

(b) The small Wanzlebner, which has a high percentage of sugar.

(c) Brothers Dippe small Wanzlebner.

(4) *Knauer Electoral*.—This is good on soils otherwise unfit for beet cultivation, as hilly lands and poor alluvial soils.

(5) *Knauer Mangold*.—This beet at present contains the highest percentage of sugar.

(6) *Vilmorin*.—This beet is very valuable, as it produces a sufficient percentage of sugar on low lands rich in nitrogen and in soils where all other kinds are valueless.

The offsprings of this variety are—

(a) Vilmorin blanche améliorée.

(b) Vilmorin rose partial.

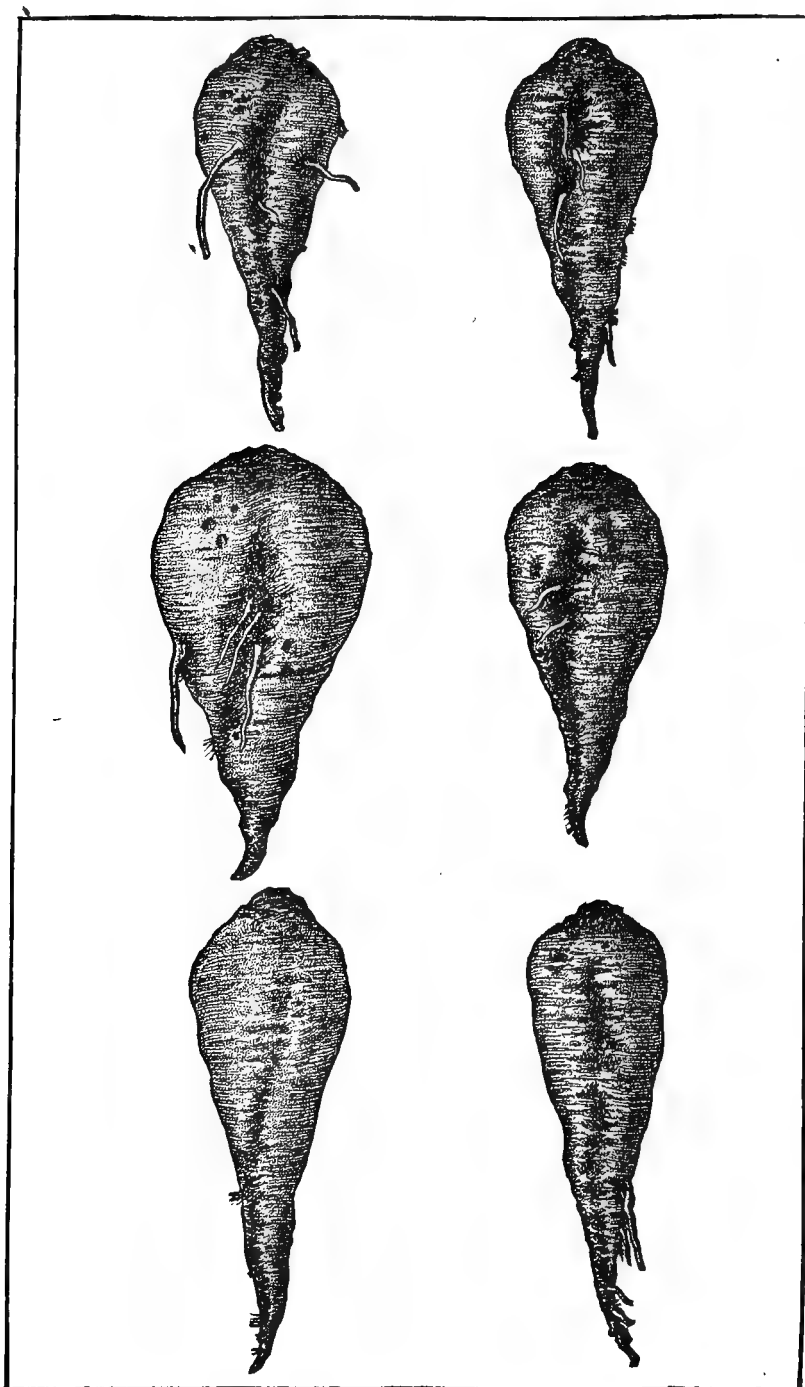
(c) Vilmorin blanche collet rose.

(d) Vilmorin collet verte race braberut.

(e) Brothers Dippe white élite—very rich in sugar.

(f) Besteborn's Emperor, which is not recommended, as it has the faults of the Vilmorin, *i. e.*, too many side rootlets and not sufficient sugar.

In order to give a better idea of the appearance of an ideal sugar-beet, I append various cuts showing the form, etc., but, of course, not the size. The length of the sugar-beet, as stated elsewhere, should be about 35 centimeters.



CLIMATE.

In Europe the sugar-beet is successfully planted between the forty-seventh and fifty-fourth degrees of northern latitude ; in Germany, between the fifty-first and fifty-fourth ; in France, between the forty-seventh and fiftieth ; in Austria-Hungary, between the forty-eighth and fiftieth ; and in Russia, between the forty-eighth and fifty-third degrees.

Like all plants, the sugar-beet requires certain conditions of climate to arrive at perfection.

According to the experiments of Briem, director of the experimental station in Grussbach, Moravia, concerning the distribution of warmth and rain-fall during the period of vegetation of the sugar-beet in the first period, *i. e.*, in the first two months, the time of germinating, the daily temperature was 10.70° C. ; in the second period (the time of the development of the vegetative organs), 18.8° C. ; and in the third period (in which the storage of the reserve substances takes place), 16.5° C. ; and during the whole vegetation, 15.3° C.

The total warmth in the first period was 650° C. ; in the second, $1,150^{\circ}$ C. ; and in the third, $1,000^{\circ}$ C.

The rain-fall was in the first period 97 millimeters ; in the second, 114 millimeters ; and in the third, 100 millimeters—together 311 millimeters.

The sugar-beet needs much warmth and light, sunny days, and a certain amount of moisture.

The best climate for sugar-beets is the so-called "wine climate," with a temperature from 9° to 10° C. in April and May, 17° to 18° C. in June and July, and 15° and 12° in August and September, respectively.

The sea-coast is not warm enough and has not enough sunny days in June and July to be successful for sugar-beet raising.

For the first period of vegetation it is necessary that a certain amount of winter moisture be in the ground, as the seeds need moisture to germinate. In the second period warmth and moisture is required for the production of roots and leaves ; in the third period, in which the saccharification goes on, dry warmth. If the days be sunny, the beets will become rich in sugar ; but if this period be wet, the crop will be great in quantity, but poor in quality. If, after a dry summer, a warm and rainy fall follows, new leaves spring up at the cost of the sugar.

SOIL.

The best soil for quality, as well as quantity of production, according to the experiments of Orth, are those that consist of mild, moist loam about 50 centimeters deep, then loam or marl 1 to 2 meters, and under this sand. Such soils, which are easy to cultivate, have a high degree of absorption, can combine nourishments, and give the plant physically a good start. Such soils are called "natural sugar-beet soils."

It is possible to raise beets on soils that do not have all these qualities, but the crop will be the better the nearer this standard is approached.

The conditions required for a good sugar-beet soil are—

(1) Depth, because the roots mostly take their nourishment from a depth of 30 centimeters, and the soil must therefore be loosened and contain nourishment up to this depth.

(2) Porousness of the subsoil, because it is impossible to cultivate a damp, cold soil at the right time. Such a soil will become cracked if very dry, and the young plants suffer, while the beets will contain little sugar. In such a case drainage must be employed. Clay soils can be improved by manuring, by the use of lime, and drainage; light soils by manuring and loamy marl.

Leplay found that the heaviest beets will be raised in descendent succession from clay, lime, loam, and sand soils; beets with the greatest percentage of sugar in lime, clay, sand, and loam soils; the most leaves in sand, clay, lime, and loam soils. According to experiments of Marek, the more moisture in the soil the greater will be the development of leaves. This influence is stronger in sand soil than in one of clay. The normal development of the root depends upon organic matter in the soil. The more moisture there is in the soil the looser the texture, the poorer the quality, and the less sugar will be in the beet.

The following soils are adapted for the culture of the beet, if they have a good subsoil: Loamy soils, mild, clayey, or sandy, and clay marl. Of clay soils, the mild and loamy ones; if the amount of clay is excessive, the soil must be made suitable by manuring. Strong clay soils are useless for beets, but clay marl soils are good. Sandy soils are least adapted to the cultivation of the sugar-beet, with the exception of loamy sand soil not deficient in humidity and the subsoil possessing enough water-holding power. Lime soils are, with the exception of loamy lime soil, not good for beets. From moist soils are raised good quantities, but poor qualities.

The best locations for sugar-beet planting are on level or only slightly sloping lands, because work is done best on such lands, and it is impossible for the beets to be swept away by heavy rains.

TRANSPORTATION, MARKET, AND LABOR.

Sugar-beets are, in relation to their weight, cheap, and therefore it is not possible to transport them great distances. They should, therefore, be planted not far from the factory or the railway. The calculations of Settegast (Germany) show the influence of transportation upon beet raising. His results show that if 50 kilograms (112.5 pounds) of beets cost 25 cents, transportation on country roads costs $3\frac{3}{4}$ cents, and by rail 0.625 cents, for 1 German mile, or 4 English miles. Therefore, beets are worth nothing if they must be carried 26.68 miles on a country road or 160 miles by rail.

It is very important to have laborers enough, as it is impossible to do all of the work by machinery. The best way to provide laborers is to give them work the whole year—in winter in the factory, in summer in the field. One man (German) can do in a day's work of ten hours and for a day's pay: Sowing by hand after the marker, 0.15 to 0.075 acres; cultivating the young

plants, 0.75 to 0.10 acres; hilling up by hand, 0.15 to 0.20 acres; thinning out, 0.10 to 0.125 acres; harvesting and loading, 2,250 pounds. Contract work one-third to one-fifth more.

MANURING.

The sugar-beet, of all the cultivated plants, needs the greatest amount of nourishment in the soil. It is, therefore, very necessary to use such a manure as will supply it with the best nourishment and in such a condition that it can be taken up by the beet. Possibly some soils are rich enough to do without manuring, but this seldom occurs. There are cases where beets have been raised in the same fields for ten successive years without fertilizer, and yet good crops have been obtained.

The ability of the sugar-beet to disclose and take up nourishment is not very high, and therefore, if a large crop is desired, much manure must be used. Manure must be used that will increase the percentage of sugar as well as the quantity of the crop.

According to E. Wolff, in 1,000 kilograms of sugar-beets are—

Constituents.	Roots.	Leaves.
	<i>Kilograms.</i>	<i>Kilograms.</i>
Water	815	897
Nitrogen	1.6	3
Ashes	7.1	15.3
Potassium	3.8	7
Sodium	0.6	2
Lime	0.4	3.1
Magnesia	0.6	1.7
Phosphoric acid	0.9	0.7
Sulphuric acid	0.3	0.8
Silicic acid	0.2	1.6
Chlorine	0.3	1.3

If we calculate per hectare (2.5 acres) 30,000 kilograms of beets (67,500 pounds) and 7,000 kilograms (15,750 pounds) of leaves, there is removed from the ground by beets—

Description.	Nitrogen.	Potassium.	Phosphates.
	<i>Kilograms.</i>	<i>Kilograms.</i>	<i>Kilograms.</i>
Roots	48	114	27
Leaves	21	28	5
Total	69	142	32

STABLE MANURE.

The direct application of stable manure to the beet is not good, because the beet will then not ripen at the right time, and the quality will be poor. Stable manure should not be put in the soil in the spring. It should be plowed under in the fall. The manure of sheep is worthless, as it contains too much nitrogen and potassium, and the amount of salts in the beets

is so increased that they are hardly fit for the factory. Manure of cattle can be used if mixed with that of horses. This manure contains sufficient nourishment, but the amount of nitrogen in proportion to phosphoric acid is too high. This should be 1 to 2, but in this manure it is just the contrary. The amount of manure usually needed per hectare (2.5 acres), is between 20,000 and 40,000 kilograms. According to a table by Wolff, there is produced in the ground by applying 30,000 kilograms of manure, 150 kilograms nitrogen, 78 kilograms phosphates, and 189 kilograms potassium. From this nourishment the result of applying freshly decomposed manure is, in the first year, 35 to 50 per cent.; in the second year, 40 to 35 per cent.; in the third year, 25 to 15 per cent. An average crop of sugar-beets (30,000 kilograms) needs 69 kilograms nitrogen, 32 kilograms phosphates, and 142 kilograms potassium. Compost is a very good manure, but it is not good to use any sugar-beet soil in its preparation, as it may contain nematodes.

FERTILIZING.

In applying fertilizer, not only the crop, but the quality, of the beets will be better if it be used alone or employed to modify stable manure. Generally nitrogen, salts, and phosphates are used; exceptionally, potassium. According to P. Wagner, the following amount of phosphoric acid and nitrogen should be used:

Description.	Minimum per hectare.	Mean per hectare.	Maximum per hectare.
	<i>Kilograms.</i>	<i>Kilograms.</i>	<i>Kilograms.</i>
Dissolved phosphates.....	40	60	80
Nitrogen	20	30	60

If nitrogen, as Chili nitrate, is used, then there will be needed 150 kilograms minimum, 250 kilograms mean, and 400 kilograms maximum.

TIME FOR MANURING.

Manuring should always be done as early as possible in the fall. The longer the manure has been in the ground before the vegetation of the beet, the greater will be the amount of nourishment and its distribution. Experiments show that manuring in spring is wrong, and there are many reasons why. For instance, if the season is dry the manure can not decompose, the ground remains loose, and consequently the young plant suffers for water. On the other hand, as soon as a heavy rain comes after a drought, the leaves grow very fast, but the plant does not ripen well, and a large crop is raised, but of a poor quality. If the manure is not decomposed, the work in the field can not be done in good shape, and insects have a good refuge. On heavy, loamy soils fresh manure is good for loosening it and allowing the air to enter.

How deep to put the manure.—It is best first to put the manure in the ground as shallowly as possible, because it decomposes better until the deep

plowing is done. The more nitrogen the beet finds in the first period of its vegetation the better. The less nitrogen found in the ground in the first period the more will be taken up in the last period, and that means a loss for saccharification.

The following table shows, by the experiments of Liebscher, that the crop may be increased without losing in quality, if the manure be properly applied and the beets planted closely:

Manure per hectare.	Sap.		Crop per hectare.
	Sugar.	Quotient in purity.	
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Kilos.</i>
None.....	16.4	89.1	31,065
20,000 kilograms.....	16.3	87.4	34,785
30,000 kilograms.....	16.4	88.8	35,435
40,000 kilograms.....	16.2	89.1	42,100

The more nitrogen there is in the soil the less fertilizer will be required, but the more phosphate.

The increase of the crop by fertilizing with nitrogen is, according to experiments by Wagner: 100 kilograms Chili saltpeter with 15½ to 16 kilograms of nitrogen increases the crop about 4,500 kilograms of beets and 900 kilograms of leaves. Fertilizing with nitrogen should take place only when enough phosphate, lime, and potassium is in the soil, because large and good crops can only be expected when these substances are present. Whether enough phosphate is present can only be learned by experiment. Fertilizing with nitrogen should only be done in the spring. Chili nitrate should always be preferred, and the following rules should be observed:

- (1) A good variety must be planted.
- (2) Seeds should be obtained from the best sources.
- (3) In addition to Chili nitrate, phosphate must be added, or the crop will mature too late.
- (4) Fertilizing with Chili nitrate should be done before sowing, not after.
- (5) Beets must be thickly planted, and cultivated four or five times.

According to the calculations of Stutzer, the use of more than 400 kilograms to the hectare of Chili nitrate does not pay.

Professor Marker has experimented upon the influence of phosphates with the following results:

Phosphates do not always produce an effect. If the soil is supersaturated with it, it can cause loss. This has often been observed by practical farmers. The cause is that P_2O_3 quickens maturity or causes an early death of the leaves, and that may lessen the crop, especially in a dry, rainless season.

Ten experiments have given the following results:

Fertilizer.	Crop per hectare.	Increase.
	<i>Kilograms.</i>	<i>Kilograms.</i>
Without phosphate (P_2O_3).....	32,063	.....
400 kilograms precipitate.....	34,456	2,393
Superphosphate (P_2O_5 —76 to 80 kilograms).....	35,346	3,283
400 kilograms Thomas slag.....	33,589	1,526
1,000 kilograms Thomas slag	34,756	2,693

There is not much difference in the effect of the various phosphate fertilizers so far as sugar in the beet is concerned. If it be necessary to use phosphate fertilizer in spring, superphosphate is always to be preferred.

SPREADING THE FERTILIZER.

Spreading broadcast has been found to be better than drilling. This is done by the machine shown in Plate 1.

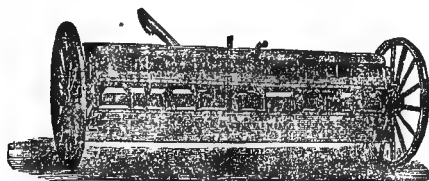


PLATE 1.

There are, however, drills which have an attachment for drilling fertilizer, as is shown in Plate 2.

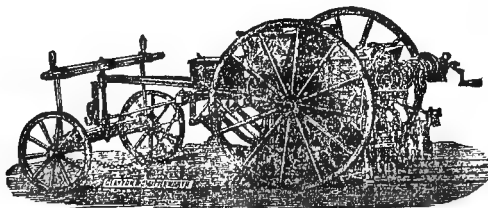


PLATE 2.

It is very important to put the fertilizer in the right depth. Practical experiments have shown that it should not be used after sowing. In using Chili nitrate, a shallow harrowing is sufficient, because the next rain will carry it deeper. Potassium and phosphate, which are absorbed immediately, must be put deep enough so that they will not evaporate. This can be done with a sharp harrow, or, better still, by shallow plowing. It is said that a depth of 20 to 22 centimeters is the best.

The following table shows the results of different depths in sandy loam soil, per hectare:

Year.	Depth.		Difference.	
	10 to 12 centimeters.	20 to 22 centimeters.		
	<i>Kilograms.</i>	<i>Kilograms.</i>	<i>Kilograms.</i>	<i>Per cent.</i>
1881.....	32,674	38,543	5,869	17.96
1882.....	36,217	39,030	2,813	7.77
1883.....	65,726	69,596	3,870	5.89

MIXED FERTILIZER (PHOSPHATE AND NITROGEN).

Of these are used: Peruvian guano (7 per cent. nitrogen to 10 per cent. P_2O_5), ammonia superphosphate, blood manure with superphosphate. Bone-dust is seldom used, as its effect is too slow; if used, it must be applied in the fall.

Although most soils have potassium enough, it may occur that lands where beets are raised every year may need it. The direct application of potassium salts to the beets is not good, because all these salts contain a chloride which injures the plants. The best is to give potassium mixed with stable manure two years before the beets are planted. When thus mixed, the ammonia is kept from becoming volatile.

Lime.—Quicklime is a good fertilizer, especially on very heavy soils, which it loosens. For 1 hectare 24 to 40 kilograms should be used.

For sandy soils marl is excellent, the best containing 30 to 50 per cent. of lime. The amount of marl needed for 1 hectare, if containing 30 per cent. of lime, is 220 kilograms; if containing 50 per cent., only 130 kilograms.

PREPARATION OF THE LAND.

The sugar-beet needs well-cultivated land. First, a surface loose and fine, which allows the air to enter and facilitates germinating and swelling; second, deep, loose, uniform soil, because the beet should develop a slender root without side rootlets. Both can be obtained only by good cultivation. Cultivation differs according to the soil.

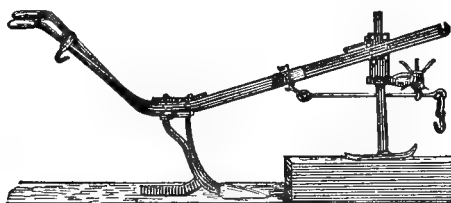


PLATE 3.

The following suggestions are of value: Loosen the subsoil without bringing it to the surface. If the subsoil be not good, this is doubly important.

The depth should be from 30 to 40 centimeters, and a plow similar to that shown in Plate 3 should be used.

To begin deep plowing, 30 centimeters will be deep enough. After several years it may be made 40 centimeters, but should be deepened only gradually, because, if too much dead soil comes up, the land is ruined for at least one year. Deep plowing should always be done before winter, so that the frost has time to work on the soil.

Steam plowing.—By the introduction of the steam-plow an implement was put in the hands of the farmer, the work of which can not be equaled. The reasons why the steam-plow works so well are—

(1) By the speed with which it operates the soil is well mixed and pulverized.

(2) The depth of all the furrows is the same.

(3) It plows to any depth, especially in heavy soils which would require a large number of animals. Generally the soil is loosened to a depth of 35 to 40 centimeters, and the plants are enabled to take nourishment from a larger quantity of soil.

(4) In dry seasons soils plowed by steam retain longer their humidity. In wet seasons the water descends quicker to the subsoil. The steam-plow increases the crop and renders it certain.

(5) The animals leave foot-prints (four oxen make about three hundred and sixty thousand in plowing 1 hectare), and therefore cause a not unimportant loss.

(6) It is possible to work in spring and fall, when with animals it would be impossible.

(7) A large number of animals can thus be used for other purposes.

If we consider that with a steam-plow 3 hectares can be plowed in a day, while with a common plow one-third of a hectare can be gone over, then nine common plows are needed to do the work of one steam-plow; and, as four oxen are needed for each plow, thirty-six oxen would be employed; and, as they should be used only half a day, seventy-two oxen would be required, and their work is not equal to that of one steam-plow.

The excellent work of the steam-plow can increase the crop of beets from 4,000 to 5,000 kilograms per hectare. The cost of plowing by steam is between \$11 and \$16 per hectare for a depth of 32 to 40 centimeters.

Deep plowing can be done in such a way that two plows go one after the other, the first cutting 15 to 20 centimeters deep and the second 10 to 18 centimeters.

Another way to loosen the deeper soil is as follows: The land is plowed from 15 to 20 centimeters, and laborers then spade up the deeper soil from 20 to 24 centimeters, the under-soil being scattered over the surface. This method is expensive, but produces very good results.

Still another way to procure most of the advantages of deep plowing, and one which is generally used on very heavy soil or on lands exposed to inundations, which consequently dry at a late period, is to form ridges.

This is done in the following manner: The land is plowed in the fall in such a way as to form ridge. For this purpose a hill plow is used, or a machine invented by Doctor Bärtel and called a "ridge former."

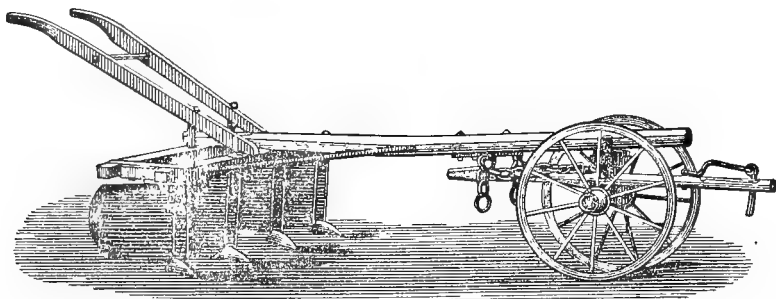


PLATE 4.

In spring these ridges are split, and thus new ridges are formed. These must be rolled to an even surface.

The advantages of preparing the land in this way are: The water gathers in the furrows and runs off; the soil in the ridge is always in a good condition and the air can penetrate it.

If grain has been grown on land about to be planted in beets, the preparation goes on in the following way: The stubble is plowed as soon as possible to a depth of 5 to 8 centimeters. For this work gang plows, as shown in Plate 5, are used.

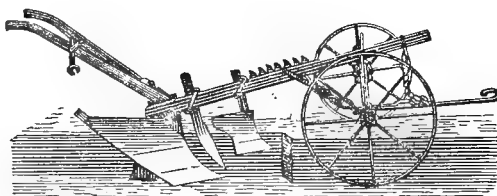


PLATE 5.

As soon as weeds come up the land is harrowed and rolled. Before winter the deep furrow is plowed, and, if stable manure is used, it should be applied before the middle of November. In such cases only a moderately deep furrow is needed, because, as before remarked, the manure thus decomposes better.

The land remains in this state during the winter, and is therefore exposed to the influence of frost, rain, etc. In spring it is ready for the beets. Then, as soon as possible, it should be harrowed. The harrows used are, if the land is crusted, "The Extirpator," or, if necessary, it must be plowed 15 centimeters deep. Then the "Acme" harrow is used.

If sugar-beets follow beets, potatoes, or corn, the land is simply plowed before winter.

Before planting all land should be rolled.

PLANTING.

The time of planting influences the crop in a high degree.

It is shown that in a warm, dry season the crop of an early planting is larger than in a cold, humid season. The time of planting is the middle of spring, with a temperature of from 9° to 12° C. (48° to 54° F.). Early planting begins with April and lasts until the end of that month; late planting is in May. In general, early planting is to be preferred, because the danger from frost is not so great as that of drought. It should always be remembered that the seeds should be put in a soil warm enough to germinate in six or eight days, not twelve to sixteen days, as is the case in cold, humid soil.

Distance apart.—This has a great influence on the crop and the quality of the beet. The experiments of Valmorin show that the largest crop will be grown if the beets be planted comparatively near together. If the distance increases, the proportion of leaves increases. The lighter and poorer the soil the further must the beets be planted apart, and experiments show that this influence is greater than that due to manuring, or even the choice of the variety. Distances vary from 30 to 50 centimeters from row to row, and from 10 to 25 centimeters in the row.

Depth for planting.—The seeds need only a very light covering—2 to 3 centimeters is the right depth. If part of the seeds are not covered at all, it does not cause so much damage as if they are covered too deeply.

CULTIVATION.

From the time of planting up to that of harvesting the following suggestions should be observed: As soon as the sowing is done the roller must be used, because in pressing the surface the humidity, which is very necessary for the process of germinating, is drawn by capillary attraction out of the deeper soil, and the surface is thus kept moist. The roller may be smooth or have rings; the latter is better, because it makes the surface of the land rough, and therefore a heavy rain can not form a crust. If, after sowing, a crust covers the field, the ring-roller is the best implement for breaking it, and after this a light harrow is recommended. Thus is the soil loosened, the air can enter, and germinating and growing are facilitated. When the plants have grown so that the rows are visible, hoeing must be done, and the earlier the better, not only because the weeds are destroyed, but also because the plants need a loosened soil. The oftener the plants are hoed the better will be the crop as regards quantity and quality. Indeed, quantity and a high sugar percentage can only be obtained by hoeing. The first hoeing must be only superficial, that all the weeds are thrown on the surface to dry, and care must be taken that no soil covers the young plants. The hoeing should be done even if the land be dry, as hoeing prevents the evaporation of the water from the deeper soil. If laborers can be had, it is preferable to first hoe by hand in such a way that only the soil about 50 centimeters distant from the beet is hoed and the soil between the rows is untouched. This is then hoed

with the cultivator. If hoeing must be done by horse-power, the cultivator shown in Plate 6 is used.

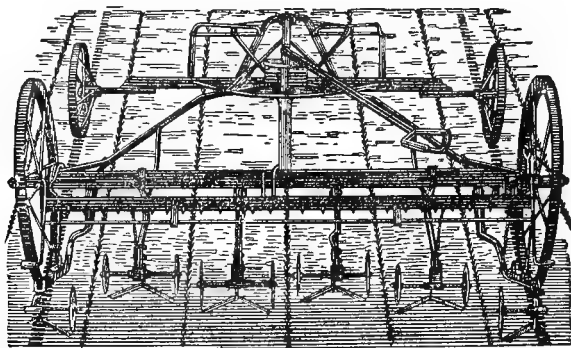
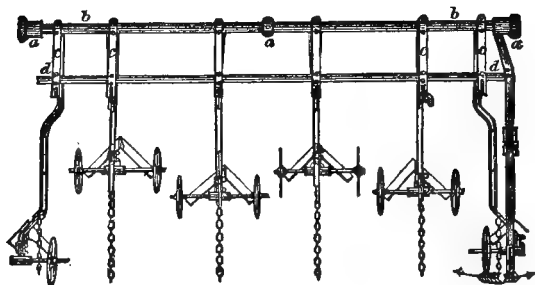


PLATE 6.



View from above of same machine.

After the hoeing comes thinning out. This must be done as early as possible, and, generally, plants sowed by the Dippel machine must be thinned out earlier than those planted by the drill, the reason being that the latter have more light and air than the former. It is practical to thin out when the plants have three or four leaves. The root is then as thick as a straw, and the whole plant has a length of 8 to 10 centimeters.

If planted with a drill, the work of cultivating can be done in two ways:

(1) The field is crossed with the cultivator at right angles to the rows, and the knives are set so that they leave about 2.5 centimeters on each side of the beet untouched. Of the plants which remain in this space the weakest are removed by hand.

(2) The whole work is done by hand. By means of hoes the laborers remove the superfluous plants, leaving spaces about 20 to 25 centimeters between. Children are employed here for this work, as they can best get down to it.

Cutting the leaves off is not sufficient, as the leaves grow again; or, if not, the plant becomes a harbor for insects. One person can thin out one-ninth to one-eighth of an acre a day. After thinning, hoeing by hand should

follow immediately to loosen the soil around the plants; then, between the rows should be hoed, and the time this should be done depends upon the weeds and the soil. As a rule, the intervals should not be more than a fortnight. A fourth, and possibly a fifth, hoeing would increase the crop. Of course, hoeing can not be done when the plants are large enough to be damaged.

Hilling up now follows. This must be done because, by covering the beets with soil, it prevents the heads from growing out, and therefore this part of the root, which is of no value to the manufacturer, as it contains little sugar, is lessened. Water can run off and evaporate better, and the soil will not become incrustated. In heavy soils this is a very important point. The time for hilling up is important, as if this is done too early the plants are buried, and if too late the leaves are damaged. Hilling up can only be done when the soil is in good condition, *i. e.*, neither too wet nor too dry. For this can be used a plow with a single share, or that already shown in Plate 5. On small farms it is usually done by hand.

ENEMIES OF THE SUGAR-BEET.

The insects which do the most damage to the root are—

(1) The larvæ of the May-bug. Remedies are to collect the bug and leaves, and encourage protecting birds and moles.

(2) The larvæ (wire-worm) of the *Elater lineatus*. Remedy is to gather the leaves.

(3) *Atomaria linearis*. Remedy is not to plant successive crops of beets, and to wash the seeds in a liquid composed of 100 parts water, 5 parts Epsom salts, and 1 part of carbolic acid. In this fluid the seeds should remain twenty minutes.

(4) Caterpillars of *Agratis segetum* (Noctua *seq.*). Remedy is deep plowing, and gathering the insect at night with a lantern.

(5) *Julus gullulatus et terrestris*. The remedy for this formidable sounding insect seems to be like that in the preceding cases, *i. e.*, the best thing to do is to catch the bug.

(6) *Heterodera spachtie nematode*. This insect caused the disease of the soil which produced the so-called "fatigue of the beet." Remedy is to sow plants in which to catch the insects. The best is the *Ropia brassica rapaeoleifera*.

Insects which damage the leaves are—

(1) *Sitpha apaca*. Remedy, distribution of dead animals in the soil, as the larvæ prefer flesh.

(2) *Cassida nebulosa*. As this insect is attracted by the weeds, the latter should be carefully removed.

(3) Larvæ of *Cleonus sulcirostris et punctiventris*. Remedy is its collection and removal.

(4) *Plusia gama*. Remedy, collecting.

(5) Larvæ of *Anthomya conformis*. Remedy is to hoe it on the surface, where the birds can get it. Collect it with the leaves, if necessary, and burn them.

(6) *Haltica nemorum*. Remedy is to plant early enough that the plant can resist the attacks of the insect; also, destroy them.

Parasites which injure the plant are—

(1) Rust, caused by *Aeromices betæ*. Remedy, the leaves of the beets used for raising seed, and which show attacks of the parasite, must be destroyed.

(2) Mildew of beets (*Peronospora betæ*). Remedy, beets used for raising seeds must be carefully selected, and, if mildew is observed, the beet must be rejected. In spring, before planting, the same precautions must be again taken.

(3) Beet rot, caused by *Rhizactonia violacea*. Remedy, in storing, to separate the affected beets from the sound ones.

(4) Smut, caused by *Helminthis parium rezootonia*.

(5) Leaf dryness, caused by *Depazea betæcula*.

(6) Rot of the heart, caused by *Sporidium putrifacium*.

(7) Rot of the beet.

It is possible that the sugar-beet may meet in the United States with a still more formidable enemy, though bearing a less imposing name, viz, the "sugar trust." No doubt, however, the remedy used in so many of the cases above mentioned may also be used here.

HARVESTING.

This is done when the beets are ripe, *i. e.*, when growing stops and all the products of the leaves go to the root, where they are deposited. In Bohemia beets ripen from the end of September to the middle of October.

Signs of ripeness.—The leaves become yellowish green, fall, and form a kind of a wreath around the plant. The middle leaves, so-called "heart leaves," also of a yellowish green, do not fall.

Harvesting should not be too early, as the loss occasioned thereby may amount to as much as 2 per cent. Of course, harvesting must take place before heavy frost, though the beet can stand frost from 3° to 4° C. (24° to 27° F.). If early frosts should come, it is best to let the beets thaw in the soil, as the loss will be thus lessened.

How harvesting is done.—(1) By hand. To each man is apportioned a certain tract of land, which he works by contract. The soil around the plant is loosened, and then the plant is drawn from the ground by hand. Work with the fork would be easier, but might injure the beet.

(2) By team. A subsoil plow is used, which should be set for a depth of 35 centimeters. A still better implement is the beet-lifter, shown in Plate 7. This machine can be worked by a boy, and also does not injure the plants, which are left loosely standing upright in their places, where they are better protected against sudden rain or frost than if lying upon the ground. As

work can be done much faster with the lifter than by hand, this machine will no doubt be of much use in the United States.

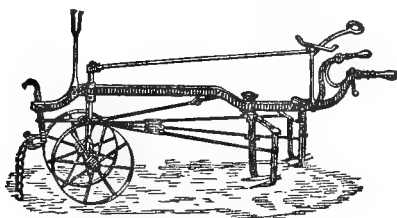


PLATE 7.

Cutting off the heads.—The green heads must now be cut off, as they are of no use. This is done in the field, and here it is the work of women and girls, who accomplish their work rapidly, using sharp knives. About 1 to 2 centimeters of the beet is removed.

Piling up the beets.—This is necessary, as it is impossible to immediately transport an entire crop to the factory, and they must be protected from rot and frost. Perhaps the best plan is that recommended by Knauer, especially if the beets must remain a long time on the field. A ditch 1 foot deep and 6 feet wide is dug, and of the required length. Beets are then piled up with roots toward the center for a height of 1 foot, and covered with 6 inches of soil. Then another layer of beets, covered also, is added, and then another, until the pile, tapering, is of the shape of a prism. If the soil is very dry, water should be applied. Beets so buried will keep six or seven months with little loss.

It is best to grow only one crop in four or five years on a single field, as otherwise the soil will be exhausted and insects and parasites increase, so that great losses would occur. Beets should follow grain or barley, and after the beet the best crop to plant is barley.

RAISING SEEDS.

If the beet industry were fully introduced into the United States, one of the first subjects that our people would have to consider would be the raising of seeds, as in Germany and Austria the supply is only able to meet the present demand. The beets selected for raising seed should possess all the attributes of a good beet as previously described.

For ascertaining the proportion of sugar in the beet, a piece is taken from the middle and the specific gravity of its sap found. This is, however, inaccurate, and the best plan is to submit the sap to polarization.

For raising seeds stable manure is unsuitable, but phosphate is highly recommended. This can be applied in the spring by grubbing. The cultivation of the beet then goes on in the manner already described. The seeds are ripe when they look meal-like if cut. The main sprouts ripen earlier, and therefore harvesting must begin with these. The plants are cut off with sickles, bundled up, and put away for drying. Threshing is gen-

erally done by hand, either on the field or at home. If done on the field, a cloth is spread, upon which the work is done. The seeds are then cleaned and ready for storing. If stored properly, they should retain their generating power from four to five years. The crop from 1 hectare should be from 15 to 35 meter centners (3,360 to 7,740 pounds).

It should be mentioned that the seed beets, after being carefully selected, are buried in ditches. In the spring these are carefully set out and cultivated with great care. Upon ripening the leaves are gathered and treated as above described.

Prof. Anton Veith, director of the agricultural college here, whose assistance has been invaluable to me in the preparation of this report, submits the following suggestions for the American farmer. As Professor Veith is thoroughly familiar with the subject of beet culture, and furthermore spent two years in America studying our farming methods from New York to California, his hints will be found practical. The professor also kindly expresses a willingness to answer any inquiries made to him on the subject of beet culture.

HINTS TO AMERICAN FARMERS.

(By Professor Veith.)

In traveling through the United States I was astonished to find that an industry so highly developed in the old country was nearly unknown there.

The influence of such an industry as the fabrication of sugar from beets exerts such a great influence upon a country that it deserves all the support of a great government.

In 1887 there was only one beet sugar factory in the United States, and that was in Alverado, Alameda county, California.

Upon inquiring as to the cause of this, I heard that several factories had been started in Illinois, but that after a few years had to be closed, as they did not pay.

I was told by the editor of a rural paper in Chicago that the soil was unfit for the purpose; by a professor in Kansas that beets would not grow containing a high enough percentage of sugar; by a chemist in Washington that the cultivation and manufacture had not been properly carried out.

The last opinion was undoubtedly the correct one.

The United States possesses soils of every kind, and in every State where wine and corn are grown it is surely possible to raise sugar-beets.

But in raising sugar-beets the American farmer, especially of the Western States, must get rid of the idea of always trying to save labor. Sugar-beets need much work, but they pay double or treble as much as any other crop.

Localities are to be preferred where there is a large population, plenty of transportation facilities, providing always the climate and soil are suitable.

Raising sugar-beets on a large scale, as is the case with grain in America, is impossible, as labor is dear and it is impossible to get sufficient help for a few weeks' work. I think the plan adopted by Claus Spreckels, in California, is the best. Here small farmers who do their own work with little help raise the beets and sell them to the factory. A better plan would be for a number of such farmers to form an association and erect a factory themselves. We find such associations in Germany, and they do very well.

In order to stimulate the farmer to raise beets of a high sugar quality, the factory should pay in accordance with the sugar percentage, *i. e.*, to demand a certain percentage, say 9, and pay extra for any increase over this figure.

Raising sugar-beets gives the farmer a chance not only to get more out of his land than possible with other products, but also improves his land for other products.

If the farmer sells the beets to the factory and gets back the pulp for feeding and perhaps the mud or lime, he loses very little of the mineral substance from his soil, as the sugar-producing substances are absorbed by the plants from the air.

Raising beets improves the land, because the thorough cultivation necessary brings it to a perfection never to be attained with other crops. The land will also be clearer of-weeds.

In raising beets the whole agriculture of the country must be changed, *i. e.*, brought from an extensive culture to an intensive one.

In raising corn, grain, fodder, etc., the farmer uses only the upper part of his land, and not the subsoil. If sugar-beets are planted, the deeper soil is also placed at the service of the owner.

In connection with the improvement of the land, cattle raising is also improved, as the waste furnishes excellent fodder for milk as well as for fattening. An increase of manure can therefore be produced.

The first thing a farmer should do is to procure proper seeds, and these he should raise himself.

As implements are expensive, those should be procured which can be used for various purposes, as the universal plow of Sack.

For planting seeds it is recommended to try the corn-planter.

In closing I would only state that there exists a great future for beet culture in the United States (and I would recommend that careful experiments be made) and that the success which has already greeted Claus Spreckels in California be followed in other quarters.

Sugar-beet crop in Austria-Hungary.

Provinces.	Crop.			Planted in sugar-beets.		Crop raised on 1 hectare.	
	1886.	1887.	1888.	1887.	1888.	1887.	1888.
	<i>Met. cent.*</i>	<i>Met. cent.*</i>	<i>Met. cent.*</i>	<i>Hectares.†</i>	<i>Hectares.†</i>	<i>Met. cent.*</i>	<i>Met. cent.*</i>
Lower Austria.....		383,760	730,690	2,578	2,578	135	169
Bohemia.....		15,301,600	27,400,460	91,830	120,060	154	190
Moravia.....		7,639,650	10,523,930	51,142	62,800	137	152
Silesia.....		788,630	887,820	4,024	4,165	182	175
Galicia.....		444,500	551,450	4,445	4,625	100	120
Total.....	32,984,870	24,558,140	40,094,350	154,019	194,228	‡141.6	‡161.2

* 1 meter centner = 220 pounds.

† 1 hectare = 2.47 acres.

‡ Average.

MANUFACTURE OF SUGAR.

We have now traced the cultivation of the beet from the preparation of the land to the moment when the root, minus its useless head, is ready for fabrication. In studying the subject of this report, then, I have to ask my readers who have accompanied me through the great beet fields of Bohemia, where we have seen the various stages of cultivation, to now leave the farm and enter with me the greatest sugar factory in Bohemia. And here I may remark that, while this paper is not intended to give more than a superficial idea of the process of manufacture of sugar—and machinists and engineers are referred to the books mentioned for detailed information—I have found it necessary to go somewhat into technicalities and to employ plates to illustrate the various processes. Without this the general reader could not possibly get an intelligent idea of the subject.

Standing in the court-yard of the great factory referred to, we see wagon after wagon dumping its load, for each of which the farmer gets a receipt. No price has yet been fixed, but the farmer must sell to the factory, as beets can not stand transportation, on account of their weight, as already explained. The price will be fixed later by the manufacturer, who is, indeed, the Great Mogul of the neighborhood, and could exclaim with Napoleon: "*L'etat, c'est moi.*"

Through the middle of the court referred to runs a ditch lined with perfectly smooth tile, through which a rapid stream of water carries the beets to the washing-machines, where all dirt and stones are removed.

It may be here remarked that while there are two ways of extracting the sap from the beet, viz, by pressure and by diffusion, only the latter is employed in this neighborhood. The advantages of the process of diffusion are: The cheaper plant required, less workmen and force, ease of keeping apparatus in order, simple inspection of the work, its cleanliness, easy increase of work without corresponding loss of sap, and the entire absence of "press cloths." The only disadvantage is the great amount of water required, which limits such factories to those localities where sufficient water can be had.

The beets having been thoroughly cleaned, an elevator carries them to the top of the building and delivers them to the cutters, where ribbed knives reduce the beet to little cuttings like vermicelli. A railway carries this material and dumps it into the "diffuser." The diffuser is an iron cylindrical tank, made to close tightly, and supplied with pipes above and below. Nine are usually connected together, and constitute what is called the "diffusion battery." This battery forms so important a part of the sugar factory that I must now introduce two diagrams, marked Plate 8 and Plate 9, and to frequently refer to them in order to explain the process of diffusion.

In Plate 8 are seen nine diffusers, indicated by circles; horizontal shading means filled with water, diagonal lines filled with cuttings, and the balance are empty. The arrow shows the water entering, and finally the sap leaving the apparatus for the saturator.

In this connection also we must study Plate 9, which shows more plainly the mechanical connections of the battery.

Here the diffusers are also numbered from I to IX, the water-valves W to w_9 , the sap valves from S to s_9 , the overflow valves from u to u_9 , and the calorisors from C to C_9 . The tubes V to V_9 connect each diffuser with its calorisor.

In beginning work water is first warmed in the last vessel of the battery, while the first is being filled with beet cuttings.

First stage.—The water comes from the reservoir through the tube W and valve w_7 into the diffuser VII from above; passes through V_7 to C_7 ; here ascends and passes by the closed valve s_7 through u_7 , over w_8 , through VIII, V_8 , C_8 , over s_8 , through u_8 , over w_9 , through IX, V_9 , C_9 ; travels the short distance from s_9 to s_1 in the sap pipes, streams into C_1 from above,

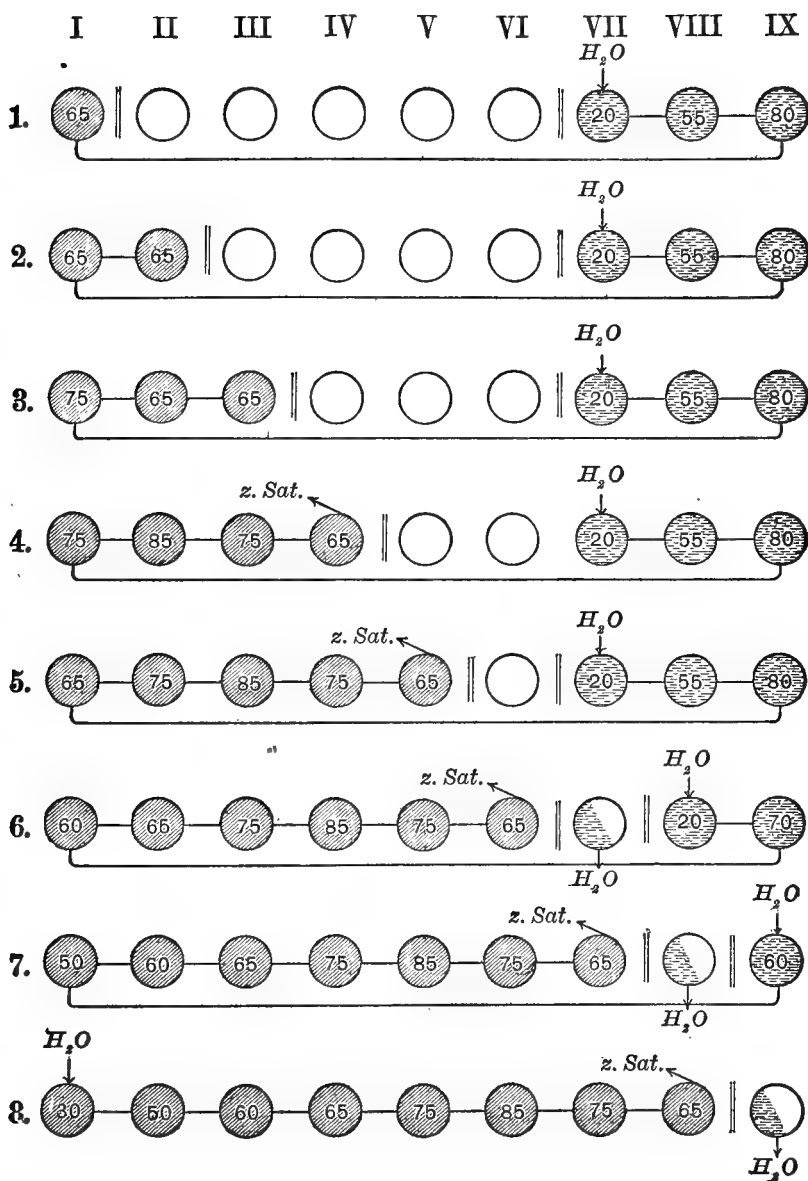


PLATE 8.

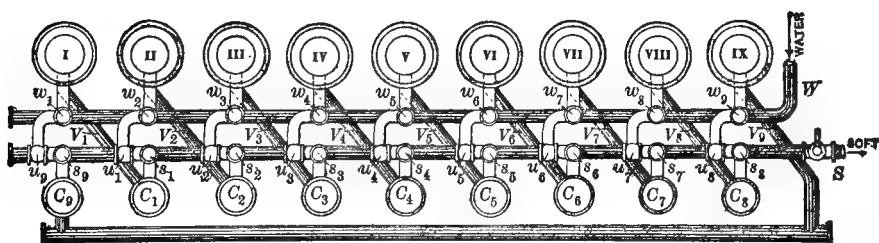


PLATE 9.

passes V, and ascends into diffuser I from below upward through the cuttings. So soon as the fluid has reached the walls of the man-hole the cover of the diffuser is closed and the water begins to run out of the air-cock, when this is closed.

Second stage.—While the water is entering I, II is being filled with cuttings. When this is done, the water which enters C₉, as previously described, passes over s₈, through u₈, over W from above into the vessel I, and streams through V₁, C₁, s₁, s₂, C₂, and V₂ into the vessel II from below.

Third stage.—The same process is repeated, whereby another vessel is employed.

With the fourth stage begins the departure of the sap. The fluid now takes from C₉ the following direction: Over s₉, through u₉, over w, through I, V, C, over s, through u, over w₂, through II, V₂, C₂, over s₂, through u₂, over w₃, through III, V₃, C₃, s₃, s₄, C₄, V₄, and ascends in IV through the fresh beet substance. As soon as the cover is closed and all air is expelled through an air-cock, the valves from C₈ should be changed. The sap now rising in C₃ goes over s₃, through u₃, over w₄, through IV, V₄, C₄, s₄, and leaves the battery at s to enter into the saturator.

The further stages, five, six, seven, and eight, are shown diagrammatically in the table.

With the ninth stage begins the regular work. From now on, of the nine vessels, eight are always working while one is emptied and filled with fresh cuttings. Each diffuser, before being emptied, is completely isolated, by closing the valves, from the rest of the battery. The operation of the valves must be in precisely the order indicated. Failure to do this will cause disturbance. For instance, the closing of the valves u and s to the right is of importance, as otherwise the water and sap will become mixed, whereby leaching will take place and evaporation rendered more difficult. Further, it should be taken as a general rule that the sap stream should enter every operating vessel from above, except in case of the vessel just filled, when the stream is reversed and ascends from below in order to prevent formation of foam and to drive out all air from between the cuttings.

The temperature must be right in each diffuser, or the sap, as well as the pulp, will be injured. As the sap circulation proceeds without interruption, the principal steam-valve remains always open, and the regulation of the temperature is controlled by the valves from the caloriserator.

We will now suppose that the sap has been all extracted from the beet cuttings and has passed over to the saturator as a dirty-looking fluid with a disagreeable taste and smell. In the diffusers remain the pulp, now of no more use in the sugar process, but of much value in other respects. A trap in the bottom of the diffuser opens and the pulp is thrown into a slide, where moderate pressure removes the water as it passes downward to the cellar, to be used subsequently for fodder, for which it is admirably adapted, especially if mixed with substances containing fat and nitrogen, as oil-cake, ground corn, etc. It is stored for use in ditches, after being mixed with chopped

straw, and is covered with straw and soil, being packed down as tight as possible. By being stored the pulp ferments and gains in digestive properties and flavor.

We now return to the sap, which has reached the saturator, a vessel made of block-tin, the use of which is the removal of foreign substances and the saturation of the sap. The saturator is half-filled with sap. Lime-milk is now introduced, as well as steam and carbonic dioxide. The steam must be so controlled that the temperature of the sap slowly rises, until at the close of the saturation it amounts to about 85° to 90° C.

The results of the treatment with lime and carbonic acid gas are as follows:

(1) The sap, previously dirty, dark, smelling of beets, more or less slimy, and slightly acid, becomes clear, light yellow, thin in consistency, alkaline, and emits an odor of ammonia.

(2) The sugar forms, with the lime, a saccharate, which, however, under the influence of the CO_2 is immediately resolved.

(3) The nitrogen-holding portion of the sap is resolved through the action of the lime.

(4) The nitrogen-free organic acids, as ascetic and oxalic, are precipitated as salts of lime.

(5) Coloring matters are partly thrown down and partly remain in the solution. Dextrine combines loosely with the lime.

(6) Magnesia, oxide of iron, and phosphoric acid are precipitated, and sulphuric acid is also separated, while all the other mineral substances remain in the solution.

By this process, of 100 parts of foreign matter 40 to 50 will be removed. The sap contains yet, however, many impurities, and the next step is to carry it through the filter-press, which removes the dirt in the form of a cake. This cake is used for manuring.

A still more important means of cleaning, and one which removes the last of the impurities from the sap, is the filtration through animal charcoal or spodium. This spodium is a charcoal made of bone, and is used in pieces as small as a chestnut, or smaller.

The filter battery, composed of several filters made of block-tin, from 18 to 30 feet high and from $1\frac{1}{2}$ to 3 feet in diameter, is shown in Plate 10.

These are filled with spodium and are packed to prevent cooling of the sap as it passes through. Over the battery are reservoirs for water and sap. The action of the spodium upon the sap is as follows: The sugar is taken up by the charcoal, but is only loosely held, and can be easily removed with water; saccharate of lime is rapidly seized upon and precipitated as hydrate of lime and free sugar; coloring matters are energetically absorbed, and can not be washed out.

The remaining organic non-sugar substances are absorbed, but are not combined with equal force. A part enter into a chemical combination, while another part is only loosely retained by the spodium, and may be again washed out.

The salts act respectively in accordance with their chemical nature.

In spite of many experiments, no good substitute has yet been found for spodium as a filter material. After being used it is washed out and then thrown into a furnace and all impurities burned out, when it is again ready for use.

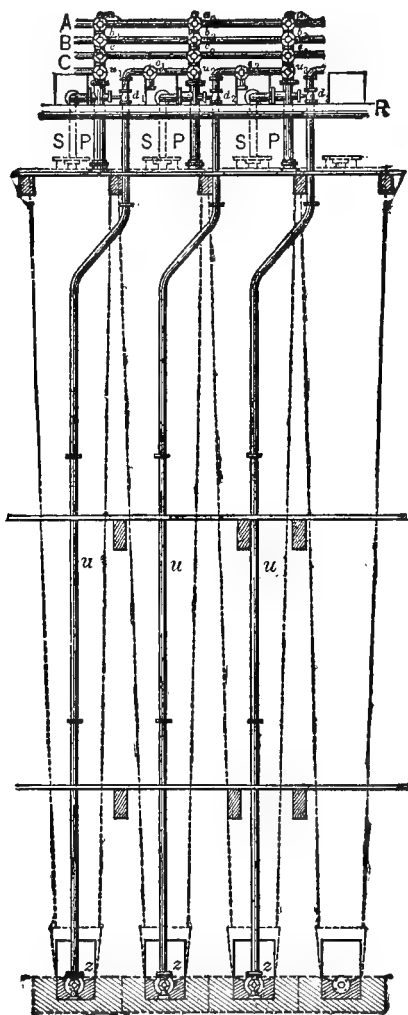


PLATE 10.

The sap must now be concentrated, and this is done by steaming and boiling until the right consistency is reached to favor crystallization. As a high temperature is objectionable, use is made of the well-known physical law that boiling takes place at a lower temperature in a vacuum, and the vacuum apparatus shown in Plate 11 is employed.

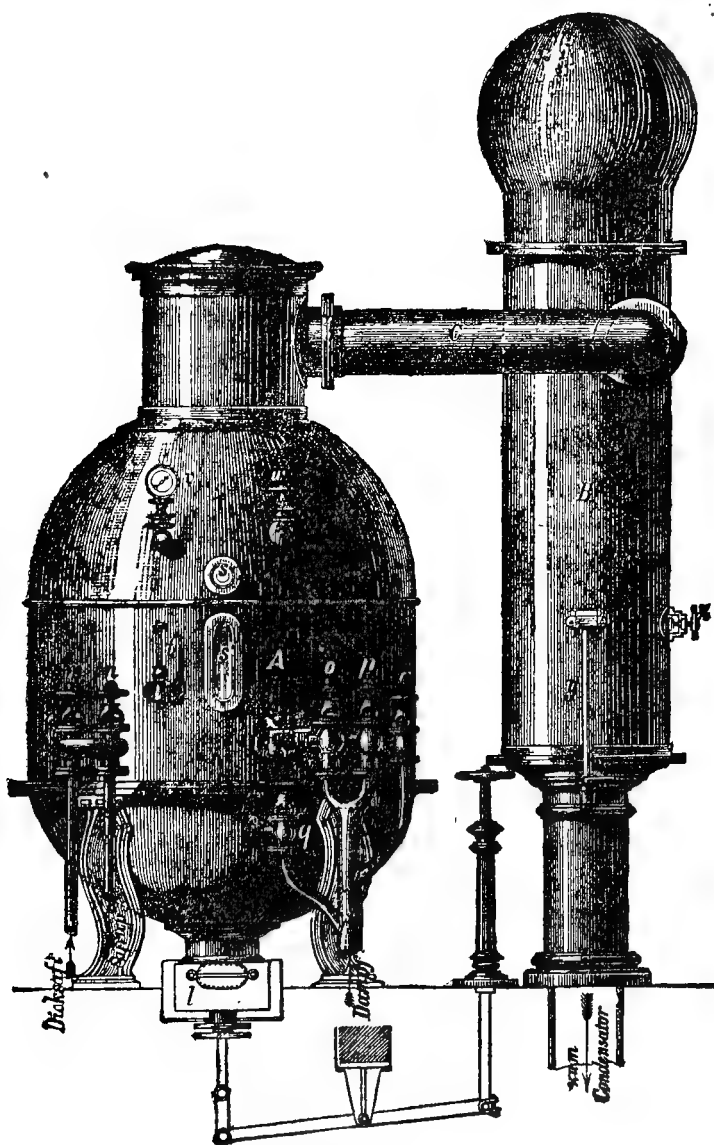


PLATE 13.

The material is now let off into cooling-pans, where crystallization begins, and from here the mass is poured into block-tin conical moulds, and finally comes out as the familiar sugar-loaf.

A second quality of sap is conveyed to the centrifugal machines, which revolve about a thousand times a minute, with the effect of causing the crystallization of a great ring of white sugar, while the balance is drawn off as molasses, no further crystallization being possible. These rings of sugar are crushed and packed in sacks for market, constituting the so-called "pilé."

I may now mention the existing

TAXES AND DUTIES ON SUGAR IN AUSTRIA.

According to the law of June 20, 1888, there must be paid a consumption tax on sugar, whether made out of raw material or the "reste" from sugar manufacture.

	Florins.
(1) Beet and all other sugars in every degree of purity, with the exception of sirup unfit for human use.....per 100 kilograms, net...	11
(2) Sugar of any other kind:	
As a solid.....	3
As a fluid.....	1

EXPORT INDEMNITY.

From August 1, 1888, an indemnity is granted on exports of sugar of the first class—

	Florins.
(a) For 100 kilograms, net, from 93° to 98° of polarization	1.50
(b) For 100 kilograms, net, with at least 99.5° of polarization.....	2.30

If this indemnity should amount in one year to more than 5,000,000 florins, the manufacturers are pledged to return the balance to the Government.

DUTY ON IMPORTED SUGAR.

	Florins.
(a) Raw sugar under Holland standard No. 19.....per 100 kilograms...	15
(b) Raw sugar under Holland standard and higher than No. 19.....	20
Refined sugar.....	20
Sugar solutions, starch sugar, grape sugar (glucose) as a solid.....	15
Sirup (starch sugar, grape sugar, as a liquid) and molasses*.....	6

* This sirup must not contain any crystallized sugar, and must not crystallize if heated. If boiled two minutes it must reduce Soldaini's solution.

Statistics of the sugar-beet industry in Austria-Hungary.

Years.	Number of factories working.	Amount of beets.		Export.		
		Notified.	Paid tax for.	Refined sugar.	Raw sugar.	Total in raw sugar.
		<i>Met. cent.</i>	<i>Met. cent.</i>	<i>Met. cent.</i>	<i>Met. cent.</i>	<i>Met. cent.</i>
1867-'68	151	12,165,753	10,854,380			
1868-'69	162	9,409,232	7,934,382	5,258	2,452	8,762
1869-'70	181	14,107,376	12,291,160	149,438	362,646	541,972
1870-'71	215	18,538,173	15,931,191	369,762	400,897	844,651
1871-'72	251	16,114,062	13,624,246	213,594	396,840	653,153
1872-'73	256	20,418,912	17,333,189	233,433	455,262	735,382
1873-'74	244	16,166,107	13,773,879	293,867	495,465	848,105
1874-'75	226	11,634,409	9,832,973	299,939	264,007	623,934
1875-'76	231	14,969,313	12,780,932	398,775	609,334	1,087,864
1876-'77	227	17,105,561	14,891,538	385,633	688,371	1,151,131
1877-'78	229	26,310,846	22,846,002	567,300	988,440	1,669,202
1878-'79	226	30,926,289	28,287,800	809,915	1,088,559	2,060,457
1879-'80	226	28,975,077	26,252,919	605,835	1,546,142	2,273,144
1880-'81	227	47,308,640	44,097,228	880,095	2,113,493	3,169,564
1881-'82	230	46,280,701	42,806,735	891,022	1,204,814	2,274,040
1882-'83	232	51,345,805	48,862,203	1,257,466	1,387,934	2,896,893
1883-'84	230	44,856,566	41,845,679	1,251,786	1,105,021	2,607,164
1884-'85	229	46,087,950	43,401,900	1,291,085	155,648	3,704,590
1885-'86	212	28,453,837	26,151,015	1,164,488	683,607	2,080,993
1886-'87	217	45,589,629	42,870,875	1,697,822	1,010,392	2,896,861
1887-'88	207	35,226,999	32,263,262	1,243,419	502,349	1,883,926

Years.	Receipts.			Total repaid for evaporated sugar.	Net amount of tax over duty.	Recovered by after payments.
	Tax on beets.	Duty.	Total.			
	<i>Florins.</i>	<i>Florins.</i>	<i>Florins.</i>	<i>Florins.</i>	<i>Florins.</i>	<i>Florins.</i>
1867-'68	7,352,266	16,010	7,368,276	1,805,117	5,563,159	
1868-'69	5,802,017	267,600	6,069,617	77,528	5,992,089	
1869-'70	8,987,911	23,886	9,011,797	4,742,147	4,269,650	
1870-'71	11,649,684	10,056	11,659,740	7,306,653	4,353,087	
1871-'72	9,962,730	14,482	9,997,212	5,817,097	4,160,115	
1872-'73	12,674,894	23,032	12,697,926	6,410,106	6,287,820	
1873-'74	10,072,149	23,400	10,095,558	7,152,491	2,943,067	
1874-'75	7,190,361	10,646	7,201,007	5,458,683	1,742,324	
1875-'76	9,330,081	7,354	9,446,744	9,472,991	—28,247	
1876-'77	10,870,823	5,364	10,876,187	10,479,973	396,214	
1877-'78	16,677,581	8,477	16,686,058	15,335,217	1,350,841	
1878-'79	20,050,094	6,761	20,656,855	18,960,724	1,696,131	
1879-'80	19,164,634	11,150	19,175,784	20,843,110	1,667,326	4,303,869
1880-'81	35,277,783	8,462	35,286,245	29,994,247	5,291,998	8,167,326
1881-'82	34,375,531	14,862	34,290,393	21,608,839	12,781,554	4,708,002
1882-'83	39,090,563	10,593	39,101,156	27,563,813	11,537,343	
1883-'84	33,476,543	8,782	33,485,325	24,833,009	8,652,111	
1884-'85	34,721,521	7,112	34,728,521	35,173,673	—445,041	1,810,546
1885-'86	20,920,812	7,085	20,927,897	19,865,085	1,062,812	12,045,041
1886-'87	34,296,700	6,155	34,302,855	29,098,681	5,204,174	10,937,188
1887-'88	25,810,610	5,947	25,816,557	19,979,946	5,836,611	6,963,389

THE SUGAR FACTORY.

The manufacture of sugar can only be carried on on a large scale. It is a great advantage for the manufacturer to own and conduct his own plantation. Water is a prime requisite, and an important matter, also, is the disposal of the water after it has been used, as it is then capable of destroying a stream for all further uses, and this would cause endless suits and annoyances. The water should be conveyed into ponds, where it may evaporate or sink into the ground, or, better, distributed over the fields. The factory should be so situated that coal can easily and cheaply be obtained and the goods profitably shipped to market. It is, however, more important that it be in the immediate neighborhood of the plantation. A middling-sized factory requires about three hundred workmen. As the factory only works about five months, it is necessary, in order to secure permanent help, to employ the laborers in the field also.

THE BUILDING.

While it is not my purpose to go into the architectural features, I desire to introduce here the accompanying admirable plan, not only as exhibiting a model factory building, but as showing the relative location of the apparatus as described in the foregoing pages. The building should be in the form of a cross with a great central rotunda.

Summary of sugar factories in Austria-Hungary.

Description.	Bohemia.	Moravia.	Silesia.	Lower Austria.	Galicia.	Hungary.	Total.
Sugar factories:							
Working.....	138	50	9	3	1	14	215
Not working.....	7					4	11
Refineries:							
Working.....	10	4	1				15
Not working.....							
Total.....	155	54	10	3	1	18	241
Sap extraction:							
By diffusion.....	138	50	9	3	1	14	215
By pressing.....							
Production:							
Only raw sugar.....	120	33	5	1		4	163
Raw sugar and white goods	20	17	3	2	1	8	51
Only white goods.....	8	4	1				13
Only pilé.....	1					2	3

JOHN B. HAWES,
Commercial Agent.

UNITED STATES COMMERCIAL AGENCY,
Reichenberg, November 8, 1889.

TRADE WITH CANADA.

STATEMENT OF HON. BENJAMIN BUTTERWORTH.

The Hon. BENJAMIN BUTTERWORTH, Representative from the State of Ohio, addressed the committee on the subject of trade with Canada. He said:

Mr. Chairman and gentlemen of the committee: Under the circumstances, pressed as you are for time, I feel that we can detain you but a few minutes. I desire, however, in addition to the statistics and figures I now submit, to hand you some other figures in support of the bill "To provide for adjustment of all controversies and to extend the trade and commerce of the United States, and to provide for full reciprocity between the United States and the Dominion of Canada."

The bill which I introduced some time ago (H. R. 678), and in advocacy of which I now appear before you, has for its object the establishment of unrestricted reciprocal trade between the United States and the Dominion of Canada, and at the same time to settle all disputes which have arisen between the two Governments growing out of the fisheries question. I allude to the fisheries on the east coast, and not to the troubles which have arisen in regard to the seal fisheries. It is proper to state in the first place that Canada has as full power and authority to consummate this arrangement as has the United States.

Mr. CARLISLE. It being a pure matter of legislation?

Mr. BUTTERWORTH. Yes, sir; a pure matter of legislation. The proposition is distinctly set forth in the bill itself, which, if you will pardon me I will read:

A BILL to provide for adjustment of all controversies and to extend the trade and commerce of the United States and to provide for full reciprocity between the United States and the Dominion of Canada.

Whereas certain controversies have arisen and are still pending between the Government of the United States and the Government of the Dominion of Canada, respecting commercial intercourse; and

Whereas by reason of the contiguity of the two countries and the similarity of the interests and occupations of the people thereof, it is desired by the United States to remove all existing controversies and all causes of controversy in the future, and to promote and encourage business and commercial intercourse between the people of both countries, and to promote harmony between the two Governments, and to enable the citizens of each to trade with the citizens of the other without unnecessary restrictions: Therefore,

Be it enacted, etc., That whenever, and as soon as the Government of the Dominion of Canada shall permit all articles of trade and commerce of whatever name or nature, whether the product of the soil or of the waters of the United States, all manufactured articles, live stock of all kinds, and its products, and all minerals, the produce of the mines of the United States, to enter the ports of the Dominion of Canada free of duty, then all articles manufactured in Canada, and all products of the soil and waters, and all minerals the produce of the mines of Canada, and all other articles of every name and description produced in said Dominion of Canada, shall be permitted to enter the ports of the United States free of duty: *Provided, however,* That the provisions of this act shall not apply to any product or article upon which an internal-revenue tax is imposed by the laws of the United States.

SEC. 2. That when it shall be certified to the President of the United States by the Government of the said Dominion of Canada, that by the authority of its Parliament it has authorized the admission into the ports of said Dominion of all articles of trade and commerce the growth, produce, or manufacture of the United States, free of duty, the President shall make proclamation thereof, and shall likewise proclaim that all articles the growth, produce, or manufacture of the said Dominion of Canada shall be admitted into all the ports of the United States free of duty, and such articles shall be so admitted into the ports of the United States free of duty so long as the said Dominion of Canada shall admit the products of the United States, as herein provided, into the ports of the Dominion free of duty.

SEC. 3. That the Secretary of the Treasury is hereby authorized, with the approval of the President of the United States, and in conjunction with the proper officials of

the Government of the Dominion of Canada, to make rules and regulations for the purpose of carrying into effect the provisions of this act, and to protect the said respective Governments against the importation of foreign goods or articles through either into the other without payment of duty; and the Secretary of the Treasury of the United States shall furnish to the customs officers of the United States all such rules and regulations for the purpose of guiding them in the discharge of their duties in the premises.

SEC. 4. That before making the proclamations or either of them authorized by this act the President shall be satisfied that all citizens and subjects of the United States may have and enjoy the right of commercial intercourse in all the ports, harbors, and places in Canada with the citizens and subjects of the Dominion, in as full and ample a manner in all respects as may be had or enjoyed by the latter in the ports, harbors, and places of the United States, with the citizens and subjects thereof.

IMPORTANCE OF CLOSER RELATIONS WITH CANADA.

Is what is proposed desirable? Would it be well to enlarge the trade and commerce of our country? In this connection it is pertinent to call attention to the fact that we witness to-day an exhibition (on the part of our Government) of the expenditure of large sums of money, and a display of national hospitality, which is indeed timely and worthy of us, to establish a trade with a people 3,000 miles away; a trade that is actually less than that we have with the Dominion of Canada. If it is desirable to establish fuller and freer commercial relations with the several states of South America, the West Indies, and Mexico, it is of far greater importance to establish similar trade relations with the Dominion of Canada. It is urged by some who do not, or at least affect not to, understand the proposition, and the influences that would result from its adoption, that to establish free trade relations with Canada, would hamper and restrict the opportunities of our manufacturers and producers. The statement is unwarranted.

Obviously, to establish the relation proposed by the bill, I have introduced, would be to multiply over and over again our facilities, and can anything be more illogical or absurd than to assert that to render more ample the facilities for doing what is desired is to abridge the opportunity for doing it. If this is so the rules of logic must be inverted, and we know of no process of reasoning from known facts to correct conclusions. It would seem more in accordance with common sense to say that the multiplication of facilities enlarges the opportunity. Canada is a vast store-house of supply, with natural wealth, boundless in quantity and almost infinite in variety, and is at our doors, and more, is essential to a fuller and better condition of general prosperity. It is at the same time a great market for the product of our mills, shops, and factories, and not only that, it is a part of our home market. It is, in fact, our home market, and is also one of the natural and obvious sources of supply.

TRADE WITH CANADA AND SOUTH AMERICA COMPARED.

It is quite proper in this connection, when speaking of Canada being our home market, to compare our trade with the 5,000,000 of our kinsmen on the north of us with the trade we have with the 51,000,000 of people south of the Rio Grande, and with whom we are endeavoring to establish unrestricted reciprocal trade. I have the figures here, if you please, carefully collected, and it is worthy of note that while we are straining every nerve to secure the least desirable, we have heretofore, and are still, refusing to make any effort to obtain the more desirable arrangement with our neighbors and kinsmen at home. But here is the showing:

In the year 1889 Canada purchased from the United States \$55,879,192.

South American states purchased in the same year as follows:

Argentine Republic	\$6,364,545
Bolivia	1,304
Brazil	8,127,883
Chili	2,069,138
Ecuador	1,052,772
British Guiana	1,469,039
Dutch Guiana	239,634
French Guiana	142,712
Peru	722,829
United States of Colombia	6,114,941
Uruguay	1,567,981
Venezuela	2,871,719
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	30,744,497

Mexico purchased from United States in same year (1887)	\$7,959,557
Central American states	2,935,447
British Honduras	354,932
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	11,249,936

In the same year we purchased from Mexico	14,719,840
Amount free of duty	9,928,122

Dutiable	4,781,718
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In 1887 the islands purchased as follows from the United States:

Cuba	\$10,546,411
Porto Rico	1,738,492
Hayti	3,230,128
San Domingo	1,032,865
British West Indies	6,647,204
Danish West Indies	613,626
Dutch West Indies	539,805
French West Indies	1,352,778
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	25,701,309

Recapitulation of purchases of foreign countries in 1887:

South American states	\$30,744,497
Mexico	7,959,557
Central American states	2,935,447
British Honduras	354,932
	<hr/>
	67,695,744

VALUE OF CANADA'S PURCHASES FROM THE UNITED STATES.

In the years of 1883, 1884, and 1885, Canada purchased more from us than all the other countries and islands on the western hemisphere, and during the existence of the reciprocity treaty, from 1855 to 1866, she bought from us more than she sold to us, the large sum of \$59,136,256; and from the year 1850 to 1889, inclusive, a period of forty years, there have been only seven years in which the balance of trade has been against us with that country. In thirty-three years it has been in our favor.

Canada is the only country on the western hemisphere which buys more from us than they sell to us, and in the aggregate, during 1887, the balance against us in all the above named countries and islands outside of Canada and including the Hawaiian Islands, amounted to \$112,684,635.

All the above countries and islands contain about 51,000,000 of inhabitants. Canada has only 5,000,000, and yet she buys from us within about 25 per cent. of as much as they all purchased. If we include only the South American and Central American States and Mexico, she purchases from us 25 per cent. more than all of them. Yet, we have appropriated thousands of dollars for the entertainment of the representatives of all these independent States, whom we have invited here to enter into reciprocal trade relations, when nearly everything except sugar, which we now purchase from them, is admitted free. Not only is this true, but upon a very large portion of the articles which we purchase from these countries, and admit free of duty, an export duty is imposed by the country selling them to us, and we offer no retaliatory legislation against it.

Is there any conceivable reason why we should not offer as broad and liberal trade measures to Canada, by concurrent legislation, as we are seeking to thrust upon all of South and Central America and Mexico by a most hospitable diplomacy.

From the year 1850 to 1889 the South American States bought from us goods of both our own and foreign production to the amount of \$598,489,899.

During the same period the United States bought from South America goods to the extent of \$1,701,058,329, or an excess of our imports over exports to these countries of \$1,202,568,450.

If we add to the South American trade that of Mexico, Central America, and the West Indies, the amount during this same period will show as follows:

Goods purchased from all these countries, from 1850 to 1889, inclusive.	\$3,756,458,687
Goods sold to them during the same period	1,603,468,118

Or an excess of imports over exports of	2,152,990,569
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During this same period Canada purchased from us goods to the amount of	1,405,752,215
While we purchased from them	1,153,634,303

Or an excess of our exports to that country over our imports from it of.	252,117,912
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THE BALANCE OF TRADE.

Here are 51,000,000 of people to the south of us with whom, for the last forty years, we have a balance of trade against us of \$2,152,990,569, and yet we are seeking by every device known to diplomacy, aided by the strong arm of the Treasury, to further extend our trade with them, regardless of any revenues this trade may bring to the Treasury. Here are 5,000,000 of people to the north of us who, for the last forty years, have a balance in their favor of \$252,117,912, and yet, instead of using national effort to extend and increase our trade with them, we are sending out investigating committees to see if some injury, real or imaginary, can not be hunted up or sought out, by virtue of which we shall be enabled to frame some bill of indictment against them. Can any fair, broad-minded, reasonable man tell us why this is so?

The United States is a great nation; Canada is a small nation so far as numbers are concerned. Geography and destiny have decreed that the two people shall be one. Nothing but parsimonious statesmanship will enable them to continue as two countries.

Let us show by our acts to these people that we are willing to deal fairly and liberally with them; at least, as fairly as we are striving to deal with all the people between us and the south pole. This will make them feel that it is desirable to live not only on good terms with us, but to come in and be a part of us. Starving or coercive measures will never accomplish this end. Such policy wholly ignores the operations of human nature.

MR. FLOWER. Right here let me ask you a question. Do these South American products, which come from these countries, compete with our American farmers in what they grow?

MR. BUTTERWORTH. Some do and some do not. I will get to the question of competition in a moment.

MR. FLOWER. Would not you get this? Our manufacturers send to Canada these \$51,000,000, and they send to these American States twenty odd millions of dollars. In one instance you are getting the benefit of the manufactures at a point south, and in another instance you are getting the benefit at a point north. How does that affect the farmer?

MR. BUTTERWORTH. It would have the same effect upon the farmer as the admission of Texas or Kansas into the Union.

MR. FLOWER. In opening 3,000,000 square acres of land with only one to the square mile put in competition with him.

MR. BUTTERWORTH. There is nothing in this bugbear of destructive competition on this continent. I speak of the country north of the Rio Grande, as my bill relates immediately to that. If there is anything in it so destructive, as some gentlemen seem to think, the system of economy which nature ordained, which is of divine origin, is not worthy of respect.

MR. CARLISLE. Suppose you annex Canada.

MR. BUTTERWORTH. Exactly. I am coming to that in a moment. In this statement here I show the condition of trade with the 51,000,000 of people to the south of us. Now, we all agree that it is desirable to extend our territory and multiply the facilities of our people, to fight the battle of life successfully and have the opportunity to do it, and that is what this bill proposes.

CONDITIONS WHEN A PROTECTIVE TARIFF HAS NO OFFICE.

Now, what are the objections? In the first place, it is well known to this committee that I am an earnest Republican, that I am a protectionist with somewhat ultra tendencies, and as such I lay down the proposition on which I stand, and on which I have stood since I have known anything of political economy, that in the presence of equal opportunity, equal conditions, a protective tariff has no proper or honest office to perform and never had, and the fathers of this Republic, and those who in an early day advocated protection, never believed it had and never so said.

As between Canada and the United States there is not a gentleman present who does not know that from every stand-point in the field of industrial competition we hold the coin of vantage. Now, what would result from this competitive trade? Across the border and near by you may obtain iron ore which you need in New England, and also coal which you need. In fact, there are various supplies of raw material just at hand, but across the line, that could be utilized in that great hive of industry, New England.

What is the objection to permitting you to exchange that which you want to sell for what they have and which you need? Why, it is said that Canada will come in competition with us in every field of industrial effort. So say some of the manufacturers. So say some of the farmers. Why, gentlemen, that can be no valid objection. If it is the object of Government merely to restrict competition, will you tell me

where you will begin and where stop? What a strange idea has grown up among certain gentlemen touching the power and duty of the Government in the matter of restricting competition, as if it was the office of legislation to limit or destroy competition, because, forsooth, it is found just across an imaginary line and without our own territory. The free-trader insists that there shall be unrestricted and unlimited competition without regard to its character or nature. The protectionist says: We consent to unlimited competition so long as it has the condition and quality of fairness. Those protectionists who maintain that it is the proper function of the protective policy to restrict, if not absolutely destroy, all that competition which we call foreign, are, in my judgment at least, very far from a right apprehension of the true spirit and philosophy of protection.

INJURIOUS EFFECTS OF A RESTRICTIVE POLICY.

If it is well, and in accordance with sound economic principles, to restrict or prohibit competition, without regard to its character and condition, and if such restriction results advantageously, probably some learned pundit will explain to me why we should not hasten to divide the United States into, say, eight or ten divisions, and let each one establish a protective tariff as against the others, and thus by narrowing competition and developing the resources of each division under that restricted competition grow rich. Nothing is further from the true spirit of the American policy than to abridge opportunity by limiting facilities. The real office of that policy is to make opportunity equal, and, as I have said before, make competition fair, just, and humane.

I do not mean by making opportunity equal that we should or could place all competition on an equal footing with reference to raw material, source of supply, equality of skill, ability among workmen, and the like; that would be impossible, and the attempt unjust and unwise; but to remove such inequalities as can be reached by legislation without founding or sustaining monopolies.

The influence of competition is the same, whether it be on one side of an imaginary line or the other, whether it be in Ohio or Ontario; but so long as the competitors enjoy equal opportunities nothing is more healthful, and no condition could be more in the interest of the mass of the people than that that competition should be unrestrained, whether it be in the matter of production or in the matter of the sale of that which is produced. Why, if I am wrong about this, it must follow logically that the true interest of New York and Pennsylvania and Ohio would be, since they possess abundant resources, coal, iron, and those materials needful for the uses and purposes of this existence, to draw a line around their territory and erect a tariff wall as against the other States of the Union and the rest of the world. Other sections could do the same with obvious advantage. If the wiping out of competition can bring prosperity to the people, and if this restrictive policy is sound, the admission of Texas into the Union, the acquisition of Florida and the Territory of Louisiana were grievous blunders on the part of our fathers.

BENEFITS THAT WOULD RESULT TO FARMERS.

It is suggested that the farmers of this country would find themselves in the vocative if the agricultural products of Canada were admitted to the United States. It is difficult to hear with patience such a statement. The farmers have for many years been participating in wronging themselves. The idea is, I suppose, that it is the duty of the Government to create a famine in order to supply a market; but aside from all that the experience of our own country abundantly proves that in the matter of competition we find our most healthful prosperity, not only so far as agriculture is concerned, but in every possible direction and department of industrial effort. Any one who will study with care the statistics of the development and growth of his country will see how absurd the suggestion of danger to the farmer is.

I have studied with care the objection that is now urged against unrestricted reciprocal trade between Canada and the United States as viewed from the stand-point of supposed dangers which would threaten agriculture and manufacturing interests. The same objections might have been urged years ago in the interest of the wheat-growers of the Genesee Valley. Their prosperity must have been destroyed when the valley of the Miami and the great valley of the Wabash and the still greater valley of the Mississippi sent their supplies of grain into the market. But is the Genesee Valley less prosperous or is the Ohio Valley less prosperous than before wheat was grown in the great valleys of the Wabash and the Mississippi? Not at all. The wheat-fields have moved farther west, and there has been an adaptation of means to ends and instrumentalities to the wants of the people. What is urged in regard to agriculture was seriously suggested as a fatal objection to unrestricted trade with Canada by the manufacturers when I first began to discuss this question.

INFLUENCE OF COMPETITION IN THE GROWTH OF MANUFACTURES.

I was at some pains to study the influence of the growth of competition between the sections of the United States so far as manufacturers are concerned. I found that Ohio and Illinois had scarcely entered the list as great manufacturing States (competitors of the East, if you please) before the war; but it may be said of those two comparatively young States that they suddenly bounded into the arena, and Ohio pushed to the front and soon became the third manufacturing State in the Union, and Illinois was close by her side. What was—what is the result? If there had been anything destructive in this competition, which seems to be so much feared by our manufacturing friends in Canada and the United States, New England would have become a desert and New York and Pennsylvania would have been full of empty shops and idle factories. Now, mark the fact. In 1880 those two States, Ohio and Illinois, poured into the reservoir of manufacture supplies more in value and quantity than were produced in 1850 by every State east of the Alleghenies and north of the Potomac; I mean all of New England, New York, Pennsylvania, New Jersey, Delaware, and Maryland.

I looked then to ascertain what the influence of this vast addition to the storehouse of supply from Ohio and Illinois had been upon the industries of the East. Was there any evidence of paralysis in New England, or in Pennsylvania or New York? Were their industries suffering? Not at all. I found the exact reverse to be true, and that each one of the States of the East was enjoying a greater degree of industrial prosperity than ever before. I am asked why is this so? How can it be so? I answer first, that the record discloses that it is so, and, second, that the demand has multiplied over and over again and the supply has kept pace with it. I do not deny that it is possible to overproduce, but it is true at the same time that with an abundant supply we use vastly more of everything, even of bread and meat; and it is also true that overproduction is vastly less dangerous and hurtful when it is the result of the joint efforts of the many than when it results from the efforts of the pampered few.

INCREASED FACILITIES WILL PROMOTE COMMERCE.

But touching overproduction and consumption, it will be observed that with increased facilities and consequent increased supply we use not only that which is necessary in life in larger measure, but we add to that those things which increase our comfort; and, again, we supplement both by seeking that which is ornamental; and whereas in the presence of restricted opportunity and limited supplies we seek merely what is necessary, in the presence of multiplied facilities and larger opportunity we go beyond that and seek all those things which tend to add to our comfort and increase our happiness, by obtaining the luxuries of life; I mean not those things which are evidences of mere extravagance, but that which tends to cultivate the ideal, the beautiful; that which pleases the eye and ear and tends to cultivate, refine, and ennoble mankind. Multiplied opportunities is what we desire in this life. I may repeat again: If there was anything so disastrous in the mere matter of competition New York would to-day stand as a witness of the fact, and a solemn warning of the dangers that result from the influence of competition. But what do we see? Why the industrial pursuits which were a source of immense revenue, which were at one time in that State its main stay, found her grandest opportunity and unexampled prosperity in the very competition deprecated by so many persons. When we pass the line of needed protection we enter the domain of odious subsidies, of bonuses, the influence of which would be partial and unjust, a forced tax on the many for the advantage of a few. This would be plunder, not protection.

Now, as my friend Mr. Carlisle has suggested, suppose Canada had been a part of the Federal Union, and she came near it, for had it not been for a little clause in the treaty of 1763 between England and France, by which certain religious privileges were secured to the French citizens of Canada, the Dominion to-day would have been a part of this Federal Union. And suppose it had been, will anybody pretend to say that we would have suffered by reason thereof, or that we would not have been richer, our opportunities larger by great odds, than we are to-day? If not, on what pretense did we acquire Louisiana and Florida and Texas, at the cost of blood and treasure? And what prompted the statesmen of our day to purchase Alaska? Certainly nobody would claim that we were suffering from competition north of the line which divides us from the Dominion if that northern section only formed a part of the Federal Union.

But it is said that Canada would derive advantages which Texas does not, because Texas contributes to the support of our Government while Canada does not. If that had anything to do with the question, which it has not, it would be sufficient to say that the Federal Government pays out for the benefit of Texas \$2 for every dime she raises from that State, and the same may be said of many of the States and

Territories. I am surprised to find that some persons are disturbed because Canada will derive some advantage from the proposed arrangement.

Mr. CARLISLE. If the trade between the United States and Canada is beneficial to the United States, why should we complain if it is also beneficial to Canada?

PARTISANSHIP VS. STATESMANSHIP.

Mr. BUTTERWORTH. We should not; but the trouble is, Mr. Carlisle, that partisan politics rather than statesmanship may guide in this matter. There are a few manufacturers, who would suppress all competition at home as well as abroad if they could, who are potential in certain Congressional districts along the border. These, joined with a handful of fishermen and farmers near the line, and holding in some measure the balance of power, could control the economic policy of a nation, and are potent to shape the destiny of sixty millions of people. We must cut loose from mere partisan politics and local selfishness in dealing with questions of this character, and appeal to broad statesmanship, which solves problems of state, not merely for the approaching fall election, but for the century, and for the paramount and lasting good of the whole people.

How little our people know of Canada and her exhaustless resources. There is not a river in Canada, nor a lake along our border, nor a mountain range, nor any natural highway of commerce that does not plead for unfettered commerce between the two nations. United as we are indissolubly by race, language, traditions, similarity of institutions; separated only by an arbitrary imaginary boundary line, irregular in its course; with Canadian territory running down 500 miles into the heart of the Republic, and the United States territory extending up on the east and west so as to almost inclose the main part of Canada; with our great lines of transcontinental commerce running through the Dominion, and in turn their lines of transcontinental commerce running through the United States; with the natural products of each country supplementing those of the other; with vast quantities of ores and fuel just across the border, which the furnaces and mills of New England require, and per contra, a demand in Canada for what New England produces. I assert without hesitation that the evidence at the command of the committee and the House can leave no doubt that the present controversy about the fisheries and hampering trade restrictions between the United States and the Dominion of Canada are the result of the efforts of a few individuals in one locality and the selfishness and avarice of a few individuals in another locality, all supplemented by ignorance on the part of the multitude of the real interests at stake. It is interesting to observe a Yankee commanding a fishing-smack manned almost exclusively by Nova Scotians but carrying the American flag, and crying out for the better protection of American (?) fishermen. And we are urged to "protect the fishing interest because our fisheries are the nursery of American (?) seamen." No greater folly has been committed against the rights of the American people than our persistent maintenance of a controversy about the fisheries. Every cod-fish ball or piece of salt mackerel has been doubled in the matter of cost to the consumer in this country on the plea that we were maintaining a nursery of American seamen; that American fishing interests would suffer in the presence of unrestricted reciprocal trade in that behalf between ourselves and Canada; and yet the fish we buy are caught in the main by Canadians or Nova Scotians, which is the same thing, in the employ of American capitalists.

PRODUCTS OF THE FOREST AND MINE.

The same ridiculous and absurd management has characterized our course in the matter of levying a duty upon logs and lumber to protect an American industry. Nothing can be more shocking to every just principle of protection than our course in regard to the forests. The idea of protection is to multiply and develop the industries protected, and yet every man must see that the more our forests are protected the sooner they perish and disappear from the face of the earth. There is an idea also that it is unpatriotic to buy coal which is dug from the bowels of the earth anywhere except within the United States, and all this pretense is said to be in the interest of American industry and American labor; and yet, if you will go down into the coal mines in some localities it will take a search warrant to find a man that can talk the English language or has any knowledge of or conscious sympathy with our constitutional Government. In one part of the country we will find Chinamen employed, in another part unnaturalized Poles and Huns and Sicilians, and all this on the false pretense that we are protecting American labor.

The same thing may be said in regard to our copper mines. To-day, or certainly until recently, our own citizens were compelled to pay more for *American copper* than the citizens of any other nation on the earth were asked to pay for copper taken from American mines; and we have upheld and continue to uphold that grasping monop-

oly, on the false assumption that in some way it inured to the advantage of the people at large; and this we did, although a rich abundance of ore, belonging possibly to the same lead, just across an imaginary line from the United States offered a supply that would have prevented extortion. The same thing has been true of nickel, and in a large measure true of sugar. The fact is that we overlook the larger interest at stake, which involves the rights and interests of sixty millions of people; for it must not be forgotten that where one single dollar is needlessly taken in the shape of taxes, no matter how or where, it becomes in a degree a drain, a constant drain, upon the pocket of every man in the country. The consumer is the man who pays the taxes, and John Smith, who gets \$1.50 a day, consumes as much of certain articles as John Brown, who may have an income of as many dollars an hour.

ABUSE OF THE PROTECTIVE SYSTEM.

I speak of these things, Mr. Chairman, because I believe that the restrictions that are put upon trade in certain directions have not had, nor were they in every case by those who advocated their imposition intended to have, in view the interests of all the people, unless by the people we mean the few favored individuals. He is an enemy of the protective system who would use it merely to arbitrarily suppress competition. Its aid was never invoked by the fathers for such a purpose, and such abuse of the principle will insure its speedy overthrow. I am justified in adopting this view and employing this language not only from facts that are obvious to all of us, but for the reason that this was the view of those whom we are accustomed to call the fathers, whose patriotism was not doubted, and whose political sagacity has not been seriously called into question. What is here proposed by the bill I have introduced found favor with such patriots as John Quincy Adams, Abraham Lincoln, Robert C. Winthrop, John J. Crittenden, Robert C. Schenck, Rufus Choate, and men of their day and generation. In 1848 a bill, in every respect on all fours with the one I have introduced, passed the House of Representatives, of which Robert C. Winthrop was Speaker, without a dissenting vote, so obvious were the advantages that would result from the adoption of the measure. That House was composed of 107 Democrats and 117 Whigs if my memory serves me correctly; however, the record will disclose. The bill was briefly discussed in the Senate, and there a question arose as to whether individual interests might not suffer if the multitude was blessed by the adoption of the measure, and the concern of some seemed to be for the few as against the many. However, before final action was taken in the Senate the session reached its close.

Very soon thereafter an arrangement less advantageous to the United States was made, and was known as the reciprocity measure of 1854, which continued in force until 1866. A great hue and cry has been raised against the operation of that treaty, it being asserted that the United States was the loser. The outcry had less of patriotism than selfishness in it. The record discloses how utterly unfounded it was. It was raised in the interest of selfishness and continued in the same interest. So far from the balance of trade being against us under that treaty, the balance-sheet shows that it was in our favor about \$60,000,000, and it would have been enlarged but for the unfortunate occurrence of the war. I submit that the patriotism of General Grant has not been called into question, and he proved himself not only a soldier, but a statesman. Aided by his able Secretary, Mr. Fish, he negotiated a treaty with the Dominion of Canada, the Hon. George Brown and Sir Edward Thornton acting for the Dominion, which had for its object all that is proposed in the bill you have under consideration. It evinced a spirit of true patriotism and broad statesmanship. It provided for opening up certain channels and arteries of trade, so that our commerce might be not only unfettered so far as law is concerned, but might have its natural highways, such as rivers, lakes, and canals improved in the interest of the people on both sides of the line. This treaty, which was indeed worthy of the great man who negotiated it, reached the Senate too late for action. But still it is proper to say that that action was delayed by those who represented individual interests in certain localities rather than the larger interests of the whole people.

OBJECTIONS TO RECIPROCITY CONSIDERED.

It will be urged, of course, and is, that the arrangement could not be practically carried out with Canada. That it in fact would open up a highway for English goods to the markets of the United States. This objection originates in ignorance, or else is not offered in sincerity. Gentlemen that know anything about it must admit that Canada must have revenue. Her tariff schedule is now about on the same plane as our own, and would certainly not be lowered. It is far more likely that ours will be lowered than that she will scale her tariff. With access to our markets, Canada would purchase of us what she now purchases in the main from the Old World; she would have every reason which self-interest and honorable conduct would prompt to

protect her revenues, and it would be a brave man who would run the gauntlet of the Canadian custom-houses and then the gauntlet of the American custom-houses to get any advantage that could be derived from the difference between the value of the articles in Canada and the United States. The bill relates solely to articles grown, manufactured, and produced in the United States and Canada, as the case may be.

There is positively no danger on the score suggested. It might not be amiss to call attention to the fact just here that the gentlemen who discovered such danger where there is none are utterly unable to find themselves apprehensive as to a similar result in the case of unrestricted reciprocity of trade between the States of South America, the West Indies, Mexico, and the United States. It is said, "If Canada wants to share the advantages of our commerce and trade, let her come into the Federal Union." Very well, she would do well to come, but we need not refuse present obvious advantages, because the Dominion is not so situated at this time as to avail herself of a larger advantage which she would find in becoming a part of the Federal Union. The idea of starving Canada, as some propose, into an assimilation with us is not the suggestion of statesmanship nor in harmony with the civilization of the age; nor is it calculated to induce the pleasant condition of things that the gentlemen desire.

DANGERS THAT THREATEN PROTECTION.

When we shall become one commercially, by reason of unrestricted trade and commerce, and our Canadian kinsmen shall pitch their tents with us, and thousands of our people, millions if it comes to that, shall find advantageous opportunities across the border, we will be practically one people for all the proper purposes of this life. And when the time shall come and an attempt be made to tear us asunder that attempt will be futile. I insist as a Republican and a protectionist, that if the narrow-gauge policy suggested by some distinguished gentlemen is adhered to, the protective wall all around the United States will be thrown down, except for purposes of revenue, and we will be brought to a realizing sense that the protective system is to impart the quality of fairness and humanity to competition, and not to destroy it in the interest of combined and aggregated wealth. Unfortunately, as the world goes, Congress is not likely to take an affirmative action on any given proposition until the wild clamor from the people in its favor fairly lifts members from their feet, and then the sound must be absolutely certain and clear before they will consent to act.

Gentlemen will discover before our party is many years older that we are fast running upon the rocks by continuing to abuse a policy wise in itself, but which may be so persecuted as to be condemned by three-fourths of the people who thoroughly understand it. I insist and shall continue to insist that the policy which has sole reference to certain conditions, which impart to the competition where those conditions exist the leaven of injustice, inequality, and inhumanity shall not be applied where those conditions are not found. Nor am I for one content to remain deaf and silent in the midst of this conflict, awaiting for favorable winds to blow me to a harbor of political rest, setting my sails after the current of the trade-winds has become obvious and their course and force manifest.

NO REASONS FOR RESTRICTING COMMERCE.

In conclusion, I submit that there is no reason known to sound, economic principles which should delay the passage of this bill or one similar to it in its provisions; that there is no sound, economic reason for abridging our trade with Canada, restricting our facilities, and thus narrowing the opportunities of our people. Whether or not in the presence of our ability to produce we have supplies beyond what is required has nothing to do with the case except to suggest the necessity of more room and broader opportunity as a result of multiplied facilities.

The United States has found its safety less in the devotion of its present population to our institutions than in its broad acres and the resulting freedom from attrition in the many conflicts of interest incident to this life. If unrestricted commerce is good for half the continent, it is good for all of it. I do not stop to consider the question as it relates to Mexico, and the South American States; those are questions apart. I may say, however, that Mexico could not enter into such an arrangement, for it would absolutely destroy her revenues; and this is the testimony of her representative men who are here to speak for her. Nor is that all, there is a difference of race, language, and institutions. However, when those questions come up, I am quite ready in the spirit of fairness to consider them. I hope this committee will report this bill before the House, with or without recommendation, as they may deem best. I have spoken with some plainness, because I have found nothing else will do. To stick in the bark of the question has no other result than to kill time and offer opportunity for rhetorical exercise, and I do not desire to do the one nor participate in the other.

ORES AND METALS.

[For additional Ores and Metals, see *ante* page 1.]

LAKE SUPERIOR ORES.

PHILADELPHIA, *December 28, 1889.*

DEAR SIR: Referring to the desire of some of your members for more exact facts regarding costs of mining ores in the Lake Superior district and their transportation to Eastern works, we inclose herewith statement of facts from our records for past seven years so far as same are complete. These figures make no allowance for the capital invested in the mining plant or for operating, involving an average of over \$1,500,000.

You will please note that the difference between the cost of labor at mine per ton of ore and the cost in cars is also largely labor in other forms but does not appear upon our rolls. The same may also be said of the cost of transportation, so that the aggregate cost delivered at furnaces, excepting the item of royalty and whatever returns there may be upon the capital employed in moving the ores from the mines in Michigan to the works in Pennsylvania, may be properly stated to be nearly all labor and justly entitled to be protected against the 30 to 50 cents per day Spanish labor and miner and the foreign transportation companies employed in delivering their product to our shores. These figures of cost are applicable to our own workings only and the differences in the annual mines costs are explained by changes in the rates paid labor, by the mining difficulties of the year, and the quantity of preparatory work, such as sinking shafts, drifting, etc. done, the benefit of which generally inures to following years.

Mining in this district may be classed as extra hazardous, so far particularly as the capital employed is concerned, and large sums must be constantly spent in exploring work, a very small percentage of which are ever productive, and in times of depression this kind of work languishes while the exhaustion of known mines is continually going on, and if it were not for the protection afforded by present duty in recent years of business depression this development would have entirely ceased, and our Lake Superior mines would not have reached their present magnitude with their large output, and the furnacemen to-day would have been unable to supply the country with the metals required and would have been forced to compete against each other for the available supply of ores in both native and foreign markets, with resulting very large increase in costs of all iron and steel work to the detriment of the country at large.

The imposition and continuance of protective duties on the product of our mines and manufactures of all kinds should be first done with view of fully protecting our American labor against the pauper labor of foreign countries, and of equal importance, for the certain development of our natural resources, inviting home competition and thus most certainly reducing the costs to the ultimate consumer, the people at large. We should on these grounds favor an increase where any changes are contemplated in present rates on any raw materials or manufactures that can be ultimately produced within our boundaries in quantity to supply the requirements of the nation.

Yours, very truly,

POWELL STACKHOUSE,
Vice-President Cambria Iron Company.

Hon. WILLIAM MCKINLEY, JR.,
Chairman Committee on Ways and Means.

Year.	Average No. of hands employed.	Average earnings per day of all employes, including boys and other than salaried officers.	Average No. of days' work required to produce 1 ton of ore.	Cost of direct labor per ton of ore.	Average cost of ore per ton f. o. b. cars, mines.	Average royalty (or value of ore in ground).	Average cost of transporting ore from mines in Michigan to works in Pennsylvania.	Total average cost delivered at smelting point.	Per cent. of duty on this cost.
1882					\$3.10	\$.49	\$5.23	\$3.82	Per ct. 9
1883	866	\$1.79	\$1.11	\$1.98	2.40	.46	4.42	7.28	10
1884	606	1.74	1.00	1.74	2.27	.48	3.91	6.66	11
1885	693	1.65	.92	1.49	2.10	.40	3.32	5.82	13
1886	811	1.86	.89	1.59	2.19	.38	3.88	6.45	12
1887	913	1.85	.90	1.67	2.20	.42	4.29	6.91	11
1888	831	1.75	1.04	1.81	2.74	.40	3.40	5.54	12
Average	986	1.77	.98	1.71	2.43	.43	6.93	6.93	11

PRODUCTION OF PIG-IRON.

The following tables, collected by manufacturers for the American Iron and Steel Association, show the production of pig-iron in the United States for the year 1889:

States.	Blast furnaces.				Production—tons of 2,000 lbs. (Including spiegeleisen.)		
	In blast June 30, 89.	December 31, 1889.			First half of 1889.	Second half of 1889.	Total for 1889.
		In.	Out.	Total.			
Maine	1	1	.....	1	2,700	2,500	5,200
Massachusetts	2	2	2	4	2,651	6,100	7,751
Connecticut	5	5	3	8	12,108	12,035	24,143
New York	14	18	21	39	144,613	152,634	297,247
New Jersey	7	11	10	18	67,749	57,944	125,693
Pennsylvania	123	151	77	228	2,013,804	2,167,438	4,181,242
Maryland	2	4	11	15	10,233	23,614	33,847
Virginia	13	15	17	32	112,328	139,028	251,356
North Carolina	1	1	1	2	922	1,976	2,898
Georgia	1	1	4	5	11,338	16,221	27,559
Alabama	29	33	12	45	364,346	427,079	791,425
Texas	1	.....	1	1	1,411	3,133	4,544
West Virginia	3	3	3	6	72,775	45,125	117,900
Kentucky	4	5	2	7	23,865	18,653	42,518
Tennessee	12	14	5	19	147,401	147,254	294,655
Ohio	40	49	25	74	595,561	620,011	1,215,572
Indiana	.....	1	1	2	7,806	2,033	9,839
Illinois	9	10	6	16	282,153	319,871	602,024
Michigan	9	10	16	26	100,363	113,993	214,356
Wisconsin	5	8	2	10	74,065	84,569	158,634
Missouri	4	4	4	8	42,795	43,395	86,190
Colorado	.....	1	1	2	.....	2,678	2,678
Oregon	1	.....	1	1	5,426	4,000	9,426
Washington	1	.....	1	1	5,571	4,860	10,371
Total, 1889	287	344	226	570	4,101,984	4,415,084	8,517,068
Total, 1888	290	332	257	589	3,382,503	3,886,004	7,268,507

PRODUCTION OF CHARCOAL PIG-IRON.

States.	Blast furnaces.				Production—tons of 2,000 lbs. (including spiegeleisen).		
	In blast June 30, '89.	December 31, 1889.			First half of 1889.	Second half of 1889.	Total for 1889.
		In.	Out.	Total.			
Maine.....	1	1	.....	1	2,700	2,500	5,200
Massachusetts.....	2	2	2	4	2,651	5,100	7,751
Connecticut.....	5	5	3	8	12,108	12,635	24,743
New York.....	3	3	7	10	11,637	7,447	19,084
Pennsylvania.....	5	5	11	16	4,902	11,049	15,951
Maryland.....	2	2	6	8	8,153	8,132	16,285
Virginia.....	4	4	15	19	2,323	6,644	8,967
North Carolina.....	1	1	1	2	922	1,976	2,898
Georgia.....	.....	1	2	3	400	1,873	2,273
Alabama.....	8	9	3	12	49,435	60,992	110,427
Texas.....	1	.....	1	1	1,411	3,133	4,544
Kentucky.....	2	2	1	3	1,846	4,040	6,786
Tennessee.....	5	4	4	8	26,972	23,252	50,224
Ohio.....	8	8	4	12	9,551	12,916	22,467
Michigan.....	9	10	15	25	100,363	113,993	214,356
Wisconsin.....	3	4	2	6	44,025	36,442	80,467
Missouri.....	2	2	1	3	16,384	16,296	32,680
Oregon.....	1	.....	1	1	5,426	4,000	9,426
Washington.....	1	.....	1	1	5,571	4,800	10,371
Total, 1889.....	63	63	80	143	306,780	337,520	644,300
Total, 1888.....	70	71	91	162	278,238	320,551	598,789

PRODUCTION OF BITUMINOUS COAL AND COKE PIG-IRON.

New York.....	-----	3	1	4	27,933	37,728	65,661
Pennsylvania.....	57	62	15	77	1,263,083	1,320,049	2,583,132
Maryland.....	-----	2	1	3	2,080	15,482	17,562
Virginia.....	9	11	2	13	110,005	132,384	242,389
Georgia.....	1	-----	2	2	10,938	14,348	25,286
Alabama.....	21	24	0	33	314,911	366,087	680,998
West Virginia.....	3	3	3	6	72,775	45,125	117,900
Kentucky.....	2	3	1	4	22,019	13,713	35,732
Tennessee.....	7	10	1	11	120,429	124,002	244,431
Ohio.....	32	41	21	62	586,010	607,095	1,193,105
Indiana.....	-----	1	1	2	7,806	2,033	9,839
Illinois.....	9	10	6	16	282,153	319,871	602,024
Michigan.....	-----	1	1	1	-----	-----	-----
Wisconsin.....	2	4	-----	4	30,040	48,127	78,167
Missouri.....	2	2	3	5	26,411	27,099	53,510
Colorado.....	-----	1	1	2	-----	2,678	2,678
Total, 1889.....	145	177	68	245	2,876,593	3,075,821	5,952,414
Total, 1888.....	128	156	82	238	2,148,817	2,595,172	4,743,989

PRODUCTION OF ANTHRACITE COAL AND ANTHRACITE AND COKE PIG-IRON.

New York.....	11	12	13	25	105,043	107,459	212,502
New Jersey.....	7	8	10	18	67,749	57,944	125,693
Pennsylvania.....	61	84	51	135	745,819	836,340	1,582,159
Maryland.....	-----	-----	4	4	-----	-----	-----
Total, 1889.....	79	104	78	182	918,611	1,001,743	1,920,354
Total, 1888.....	92	105	84	189	955,448	970,281	1,925,729

The quantity of spiegeleisen and ferromanganese made in the first half of 1889 was 34,760 net tons in the second half 52,052 tons; total 86,812 tons. In 1888, 54,769 tons.

The annexed table shows the production of pig-iron for the years 1886, 1887, 1888, and 1889:

[Tons of 2,000 pounds.]

States.	1886.	1887.	1888.	1889.
Maine	5,060	4,397	5,574	5,200
Massachusetts	8,124	11,114	13,248	7,751
Connecticut	19,390	21,741	21,644	24,143
New York	233,618	296,572	257,180	297,247
New Jersey	157,886	172,654	191,882	125,693
Pennsylvania	3,293,289	3,684,618	3,589,186	4,181,242
Maryland	30,502	37,427	17,606	33,847
Virginia	166,250	175,715	197,396	251,356
North Carolina	2,200	3,640	2,400	2,898
Georgia	46,490	40,947	39,397	27,559
Alabama	283,859	262,762	449,492	791,425
Texas	4,250	4,383	6,587	4,544
West Virginia	98,618	82,311	95,259	117,900
Kentucky	54,844	41,907	56,790	42,518
Tennessee	199,166	250,344	267,931	294,655
Ohio	908,094	975,539	1,103,818	1,215,572
Indiana	16,660	13,211	15,260	9,839
Illinois	501,795	565,453	579,307	602,024
Michigan	180,734	213,543	213,251	214,366
Wisconsin	65,933	133,508	116,037	158,634
Missouri	74,523	138,643	91,783	86,190
Colorado	10,461	25,291	20,877	2,678
Oregon			2,509	9,426
California	1,750			
Washington	2,842	1,586	4,093	10,371
Total	6,365,328	7,187,206	7,268,507	8,517,068

PRODUCTION IN 1889 ACCORDING TO FUEL USED.

Fuel used.	Blast furnaces.				Production. (Includes spiegeleisen.)		
	In blast June 30, '89.	December 31, 1889.			First half of 1889.	Second half of 1889.	Total for 1889.
		In.	Out.	Total.			
Anthracite	79	104	78	182	918,611	1,001,743	1,920,354
Charcoal	63	63	80	143	306,780	337,520	644,300
Bituminous	145	177	68	245	2,876,503	3,075,821	5,952,414
Total	287	344	226	570	4,101,984	4,415,084	8,517,068

The following table shows the production of Bessemer pig-iron in the several States named during the year 1889:

New York	76,947
New Jersey	24,004
Pennsylvania	2,216,948
Maryland	14,478
West Virginia	106,787
Tennessee	
Ohio	452,646
Illinois	544,965
Missouri	73,845
Wisconsin	17,697
Colorado	1,267
Total	3,529,584

PRICES OF BESSEMER STEEL RAILS.

The annexed table, taken from the Bulletin of the American Iron and Steel Association for February 26, shows the prices of Bessemer steel rails from 1867 to 1890. With the exception of the last column this table has been compiled from the annual statistical reports of the American Iron and Steel Association. The prices of British steel rails given in the last column are taken from 1867 to 1878 inclusive from a statement presented by Mr. H. V. Poor to the Committee on Ways and Means in February 1880; for 1879 the price is an average from Fossick's chart, an English statistical publication of high standing; and from 1880 to 1890 inclusive the prices have been averaged from weekly English quotations in the Iron Age. Mr. Poor's figures also represent average quotations.

Calendar years.	United States.			Average price of gold.	Price in gold f. o. b. at British ports.
	Production in gross tons.	Average price in currency.	Duty.		
1867	2, 277	\$166. 00	45 per cent. ad valorem.	138	\$65. 70
1868	6, 451	158. 50		140	61. 32
1869	8, 616	132. 25		136	54. 99
1870	30, 357	108. 75		115	50. 57
1871	34, 152	102. 50		112	54. 99
1872	83, 991	112. 00		112	67. 64
1873	115, 192	120. 50	\$28 per ton from January 1, 1871, to August 1, 1872; \$25.20 to March 3, 1875; \$28 from that date to July 1, 1883.	113	80. 05
1874	129, 414	94. 25		113	68. 75
1875	259, 699	68. 75		114	44. 28
1876	368, 269	59. 25		105	32. 12
1877	385, 865	45. 50		102	29. 20
1878	491, 427	42. 25		102	25. 55
1879	610, 682	48. 25		100	26. 88
1880	852, 196	67. 50		100	34. 42
1881	1, 187, 770	61. 13		100	30. 41
1882	1, 284, 067	48. 50		100	26. 27
1883	1, 148, 709	37. 75	\$17 per ton from July 1, 1883.	100	22. 72
1884	996, 983	30. 75		100	23. 19
1885	959, 471	28. 50		100	23. 11
1886	1, 574, 703	34. 50		100	18. 70
1887	2, 101, 904	37. 08		100	19. 70
1888	1, 386, 277	20. 83		100	19. 15
1889	1, 468, 066	29. 25		100	24. 57
1890 (price in February)		35. 00		100	35. 00

American prices are given in currency, gold being at a premium down to January, 1879.

[Bulletin Iron and Steel Association, March 5.]

IRON AND STEEL PRICES AND DUTIES.

Because there has been a boom in the iron and steel industries of most European countries during the past year, which has so advanced the prices of European iron and steel products that in many instances they have approximated the prices ruling in this country for like products, it has been assumed by some well-meaning protectionists that we no longer need the present scale of iron and steel duties, and that these duties, or at least some of them, may now be safely reduced. Free-trade newspapers, of course, echo this sentiment, which, if given the form and force of law, would bring the country nearer to free trade. When Congress begins the discussion of the tariff question about a month hence we expect to see Mr. Mills and his followers repeating what the free-trade newspapers are now saying. The few protectionists who have agreed with these newspapers will in the mean time have learned that there could be no more misleading reason assigned for a reduction of duties than that which is based on a temporary advance in foreign prices. Only a little reflection will be necessary to enable them to reach this conclusion.

It is well known to every student of markets instead of maxims that the normal range of prices of most manufactured products is much lower in Europe than in this country, and for the reason that the normal wages of labor are very much lower there than here—labor forming by far the principal element in the cost of production in all the manufacturing countries. An examination of the prices of iron and steel

in Great Britain, for instance, for a long series of years will show that the present prices of iron and steel in that country are far above the prices of recent years. Steel rails, for example, which have recently been sold in Great Britain for \$35 per ton, were sold in 1886 and 1887 in large quantities by the same manufacturers, and of the same quality, for exactly half the price recently charged, or for \$17.50 per ton. The exact price at which British steel rails were sold in these two years was 72 shillings per ton. In April, 1888, the price of British steel rails was only £3 17s. 6d. per ton, or about \$19, and in April, 1889, less than a year ago, after the boom commenced, the price had advanced to only £4 7s. 6d., or about \$21.25, per ton.

The boom is now breaking in Great Britain, and we will soon see much lower prices for steel rails and for all kinds of iron and steel over there than have recently prevailed. Continental markets will follow the British markets. Hence, if we would continue to protect our iron and steel industries against the competition of European manufacturers in periods when their own iron and steel industries are depressed, we must maintain duties which experience has proved to be necessary to accomplish this object. Again using steel rails as an illustration, we find that with the present duty of \$17 per ton we imported 41,581 gross tons in 1886, 137,588 tons in 1887, and 63,016 tons in 1888. In 1889 the imports were only nominal because of high prices abroad, and the whole duty of \$17 per ton was not needed. And so with pig-iron. While the present duty of \$6.72 per ton may have been higher than was needed in 1889, owing to the boom on the other side, it was not high enough in 1886, when we imported 361,768 gross tons of pig-iron, nor in 1887, when we imported 467,522 tons.

All protective duties should be adjusted to the lowest, and not to the highest, foreign prices with which our people must compete in our own markets. That is the leading purpose of the protective policy. In fixing duties in a new tariff bill it would obviously be dangerous to pay any attention to abnormally high prices abroad either for iron and steel or for any other products.

IRON PYRITES.

NEW YORK CITY, *January 24, 1890.*

The Chairman and Committee on Ways and Means :

DEAR SIRS: Referring to a letter from your clerk, Mr. John M. Carson, I beg to say that the mines which I represent are located near Charlesmont, Mass., about 5 miles from the railway. We have spent in cash on buildings and permanent improvements several hundred thousand dollars, and have paid for labor and supplies over \$1,000,000 since 1881. About one thousand people directly and indirectly derive their support from our industry. You will observe that our industry was established before the revision of the tariff in 1883, and at a time when crude brimstone, so called, was selling at about \$30 per ton. It is true that the sulphur in the copper pyrite ores comes here free of duty; the copper being the only dutiable article under the rule as I understand by which the material having the most value is assessed as dutiable regardless of the other constituents. There is no reason why the sulphur in copper pyrites should not pay the same duty as iron pyrites.

The injustice of allowing sulphur in copper pyrites to come in is more apparent when the fact is considered that these ores are primarily used for the manufacture of sulphuric acid and afterwards the cinder or residue is treated for the copper and silver which they contain, and are re-exported under the law, which allows this being done on a retention by the Government of 10 per cent. of the original duty. As these ores average about 5 per cent. and as the duty is $3\frac{1}{2}$ cents per pound on the copper contained, these ores pay but 35 cents per ton.

The recent discoveries in metallurgy have made it possible to extract profitably the silver contained in copper mattes which was previously unprofitable when in small quantities; this many times more than makes up the duty paid on each ton of copper pyrites.

The foreign competition in iron pyrites comes mainly from Spain and Portugal, from the enormous mines of Rio Tinto, Tharsisco, and San Domingo. These mines have been worked since the foundation of the City of Rome, the copper having been extracted therefrom by the Romans.

In recent years very large quantities of the copper pyrites of these mines have been taken out and treated for the copper they contain, at the same time while mining the copper ores it has been necessary to mine a large quantity of the sulphur ores which are practically bare of copper, that is, not containing sufficient copper to be profitably worked for that metal. These sulphur ores low in copper are called by the miners "mundic," to distinguish them from the copper-bearing ores; they are found lying alongside and closely intermixed in the same vein, it being practically impossible to mine one without the other.

The sulphur ores of these mines until 1860 were of no value, and up to the present

time the quantity of mundic ores mined has been largely in excess of the shipments, consequently there are to-day hundreds of thousands of tons of this mundic ore lying upon the surface at these mines, the costs of which have been borne entirely by the richer copper mineral, which has been treated for its copper contents; as a consequence the mundic ores have no value or cost, therefore all that is left over after the freight and transportation charges are paid is profit. The miners of the United States are forced to compete with this high-grade pyrites which has practically cost nothing, and the United States will become the dumping ground for these mundic ores if allowed to come in duty free.

At times when freight is very low this material can be brought from Spain to the United States at a rate of from \$1.25 to \$1.50 per ton of 2,240 pounds, and is often brought as ballast in large vessels. These mines are situated about 60 miles from tide-water, the large mining companies owning the railways and wharves at tide-water. In view of the foregoing it is evident that the duty of 75 cents per ton is far too little protection to the American miner.

The residue or cinder left after burning mundic ores low in copper called "blue billy," is used as an ore for the manufacture of iron. If, therefore, these Spanish ores are allowed to come in at the present duty, the residue, which is practically an iron ore, is duty free. This is another reason why the duty on iron pyrites should be increased to \$1.50 per ton.

The price of crude brimstone for 1880 averaged about \$30 per ton; last year it averaged about \$19. I mention this to show that pyrites were first used in the United States in 1879 as a raw material for the manufacture of sulphuric acid, since when it has increased to about 80,000 tons per year, replacing the equivalent in brimstone, and has also undoubtedly caused the decline in brimstone.

I therefore ask that the duty on iron pyrites be increased from 75 cents per ton to \$1.50 per ton, and that the sulphur in copper pyrites also pay a duty of the same rate in addition to its present copper duty, and that a duty of at least \$5 per ton be laid on crude brimstone, and that crude brimstone be defined as any article containing over 60 per cent. of sulphur.

Yours, very truly.

A. NOTE.—No signature was appended to the foregoing.

CHARCOAL IRON.

MILESBURGH IRON WORKS,
Milesburgh, Pa., January 21, 1890.

DEAR SIR: We inferred that the personal hearings afforded by your committee to the manufacturing interests were to be more general, and refrained adding to your cares by addressing you for the privilege of a special meeting, or attempt an explanation by letter. Now, however, being closed, excuse us, please, if we presume upon the acquaintance of the personal interviews had with you in former years your cheerful assistance to the charcoal people at that time encourage us now to hope that something can be done to correct the injustice then done, and which has since put quite a number of establishments to the wall, and this week the sheriff closes out our neighbors, the Messrs. Curtins & Co., established and in continual operation since 1810.

It is not necessary for me to bother you with statistics showing the much larger proportion of labor employed by our charcoal interests than in any other grade of iron, etc., as you are familiar with it, and refer to the labor only as the foundation stone.

We inclose herewith a copy of the two metal sections of the present tariff that affect the charcoal, for convenient comparison, and show at a glance how inconsistent. The Mills bill recognized this contradiction and injustice done by it and struck out the entire clause with the exception of the following, "Iron or steel, flat, with longitudinal ribs for the manufacturing of fencing, four-tenths of a cent per pound," and that was simple common sense and justice, when you examine the very next clause in the present law, and consider that the screw wire stricken out is afforded the modest protection of from 6 to 12 cents per pound, equal to from \$135 to \$270 per ton, in addition to the protection afforded nearly all of the screw men by their letters patent of the United States, and made almost entirely by machinery, boys and girls; rivets in about the same condition, and all have the additional protection of rust by salt-water air on importations; a considerable number of the screws made are produced from a cheap Dutch rod, afforded the makers by this clause No. 2 in copy inclosed, and who has heard of anything but an advance in screws (since the larger ones combined and washed out the small concerns a year or two since), the average standard size wholesale price to dealers, commission off, now 27½ cents per pound, amounting to about \$620 per ton; rods, \$60 or \$70; Dutch stock, \$45

or \$55, difference \$560 and \$595, not a bad profit for use of machinery, when the charcoal manufacturer is content with \$8 or \$10.

The Democrats are on record by their support of the Mills bill to correct the incongruity; they will and can not be consistent in their loud pretence of assisting labor and oppose it, certainly none of our friends will refuse this act of justice to so large a class of skilled workmen and labor of their own household depending upon it, and pretend to justify, or undertake the impossible effort to again explain away, on the general protection record of the party, when the Democrats, making no professions, freely accorded it to them.

We ask no increase of duties, and subject the party to no unpleasant position at this time of reduced surplus agitation, but do ask our friends to correct the alleged mistake that has already occasioned so much distress to home industry and labor (tried in the balance and never found wanting) for the benefit of foreign Dutch workmen, or admit the infamous and successful effort to deceive.

We would be pleased to have you explain the situation to your colleagues, many of whom I know do not understand these questions, having had no occasion to examine them or consider the injury sustained, and trusting that you may be able to relieve us of this burden, and that the opportunity may be afforded us to serve you, as has long been our desire and hope.

We remain, very truly, yours,

McCoy & Linn.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman of Committee on Ways and Means.

SCHEDULE C.—*Metals.*

No. 1. Bars, not less than 1 inch wide and three-eighths thick, eight-tenths of 1 cent per pound; rounds, not less than three-fourths inch in diameter, and squares, not less than three-fourths inch square, 1 cent per pound; flats, less than 1 inch wide, and three-eighths thick; rounds, less than three-fourths inch thick and not less than seven-sixteenths thick, and squares less than three-fourths inch square, 1.1 cents per pound; slabs, blooms, loops, or other form less finished than bars and more advanced than pig, except castings to be rated as bars and not to pay a less duty than 35 per cent. ad valorem, provided if charcoal be used as a fuel none of above to pay a less duty than \$22 per ton.

No. 2. Clause in Schedule C, metals, a few sections thereafter: Iron or steel rivets, screw, nail, or fence wire rods, round in coils or loops, not lighter than No. 5 wire-gauge valued, at 3½ cents or less per pound, six-tenths of 1 cent per pound, or iron or steel flats with longitudinal ribs for fencing, six-tenths of 1 cent per pound.

Note—what we complain of—the latter clause in bill admits the same quality of charcoal iron, protected in first clause by duty of \$22 per ton, at \$12 per ton, although more advanced in manufacture and costing more in labor and per cent. of loss to produce, ridiculous if by mistake as alleged, infamous if intentional.

Mr. Mills's bill of last session, however much we differ with him, was framed to do justice in this respect, and mentioned only in that clause "fence wire," if you will please refer to it.

WIRE RODS.

[See *ante*, page 103.]

VIEWS OF THE NEW HAVEN WIRE COMPANY.

NEW HAVEN, CONN., *February 19, 1890.*

GENTLEMEN: On behalf of The New Haven Wire Company, and of about twenty-five other wire mills similarly situated, I ask your attention to the duty upon wire rods.

In August, 1888, I had the honor to appear before the Committee on Finance, United States Senate, in favor of a reduction of this duty to four-tenths of a cent per pound. At that time Mr. Oliver, representing the Pittsburgh and Western Rod Mills, asked to have the law so changed that rods smaller than No. 5 should pay the specific duty of six-tenths then, as now, levied upon No. 5 and larger rods. This meant, as values then were, an advance of about 25 per cent. in the duty on the bulk of the importations, or, in other words, from 45 to about 55 per cent. I then stated that no such advance was needed by the American rod mills, who had already wrested the American market from the Eastern wire mills, and who were in a position to sell their wire rods and wire on the sea-board. My statement was based upon the well-known labor-cost of rolling rods upon the Garrett train, and also upon the fact that under the tariff as it had stood since 1883, the rod-rolling industry of this country had more than quadrupled its capacity.

The growth of that industry has been, indeed, phenomenal. In 1883, when the present tariff was framed, the annual production of wire rods in this country did not exceed 70,000 tons. When the Senate were considering this question five years later this capacity had increased to 250,000 tons. In less than two years more (and I adopt Mr. Oliver's figures on page 105 of his testimony before you) the capacity had grown to 518,000 tons. All this is accompanied by a steady decrease in the imports. In November, 1889, the importation of wire rods was but little over one-third of that of November, 1888, while the total for the calendar year of 1889 was barely two-thirds of that for 1888. An industry that is thus steadily driving out its foreign competitors, and is doubling its production every two years, does not seem to me to need any increase in duties for its protection.

It is worthy of note that this increase in the output of domestic rods continues steadily whether the general steel industries of the world prosper or not. When Mr. Oliver appeared before the Senate committee values of all iron and steel products were declining the world over. To-day they are advancing. Wire rods which then cost in Germany \$25 per ton are now \$40 per ton, and the American prices have also advanced. Now, as then, the American rod-roller fixes his price just below the foreign cost, and taxes the consumer all that the tariff will permit him to. And while it is true that the proposed change which makes the duties on all sizes specific instead of leaving the duty on rods smaller than No. 5 to be ad valorem, does not, on the basis of present values, result in an advance, as it would have done when first proposed two years ago, yet the time will undoubtedly come, and is not far away, when the values of wire rods and other steel products will so fall that the specific duty will reach a higher ad valorem than ever before. It has in days gone by reached 60 per cent.; it is now about 40 per cent. When it was fixed in 1883 it was about 35 per cent., and was determined on as a compromise, Congress then little dreaming that by the mere fall in prices it would reach an ad valorem rate nearly double within four years.

It should not be forgotten that as the tariff now stands, the provision allowing rods smaller than No. 5 to come in at 45 per cent. ad valorem has served as a check to the excessive advance in the ad valorem equivalent of the specific duty, as the bulk of the importations have come in at such times of low cost in No. 6, the cost of which is no greater than of No. 5. This duty of 45 per cent. has never been less than \$10 per ton, and it was probably at this time that, according to Mr. Oliver (page 104), the rod-rollers "had practically no protection." And yet, the increase in the capacity and output of the rod mills was as regular and as steady and as great during that period of low prices as when values were higher. So that, whether times be good or bad, and prices be high or low, and the present tariff "practically protects" or not, the rod-roller prospers. An industry of which this can be said seems to me to have secured such complete mastery of the home market as to have no need for further legislative favors, especially when such favors are at the expense of Eastern wire mills who employ a greater number of men than all the rod mills in the country, and have a capacity for drawing nearly half the wire used in the country.

The suggestion that rods smaller than No. 6 should be classified as wire means that the duty on such rods is to be more than doubled. The smallest size of wire rod which has been, to my knowledge, imported was No. 8, and the cost of this size was only one-tenth of a cent per pound over No. 6. Such an added cost does not demand a doubling of the duty, nor is a duty of 80 per cent., which is sure before long to reach (by the fall of prices) over 100 per cent., to be justified. No argument in favor of this discrimination appears in the testimony before your committee. It is doubtful if any argument could be made. The mere statement of the case should show the unwisdom of any such proposition. To any one conversant with the trade, the difference between wire rods and wire is fully as great as that between the processes by which they are made or the uses to which they are put. When the processes of manufacture are different and the results are different, there is no reason why the duties should be the same.

So far as the duties on wire are concerned, the wire mill for which I more particularly speak, has only this to say: We are directly on the sea-board, where we are subject to the full force of foreign competition. We are not protected in the slightest from such competition by any inland freight charges, but we have nothing to fear from such competition, or from any competition that is not re-inforced by some tariff provision. By so much as you reduce the duty on our raw material—wire rods—by a like proportion can you reduce the duty on wire. Whenever you give us free wire rods, you can have free wire. Take your hands off, and allow us the full advantage of our sea-board location, and we shall ask no further legislative favors.

All of which is respectfully submitted.

SAMUEL A. GALPIN,
Receiver of the New Haven Wire Company.

THE COMMITTEE ON WAYS AND MEANS.

NICKEL.

STATEMENT OF S. J. RICHIE.

Mr. Chairman and gentlemen of the committee, the Canadian Copper Company and the Anglo-American Iron Company are two corporations organized under the laws of Ohio and doing business in the Province of Ontario, Canada. By special act of the Dominion parliament, these companies have been clothed with every right, power, and privilege which they could have or enjoy if they were Canadian instead of American corporations. These companies have purchased and own large tracts of lands in Canada. They have erected mining plants and put up and are running smelting furnaces, in which they are reducing nickel and copper ores and shipping the product to Great Britain and Germany. The ores which these companies are treating are nearly all in the form of pyrites, and contain nickel, copper, sulphur, and iron. In smelting, the nickel and copper are saved in the form of mattes and the sulphur and iron are wasted.

Within the last year, nickel has come to assume a very important place in metallurgy as an alloy with steel. These results have been obtained in Great Britain, in France, and in Germany. In France the cartridge shells are made of an alloy of equal parts of nickel and copper. In Great Britain large guns for the navy are being made of an alloy of nickel and steel. This has also been done in an experimental way in Germany, but heretofore and before the discovery of the nickel deposits in Canada, the supply of nickel was so small and the price so high, that it would have been impossible to have supplied any considerable want, even had its utility been known.

The Iron and Steel Institute of Great Britain is composed of the most prominent manufacturers of steel, both in Great Britain and upon the continent, and it has at its meetings many American manufacturers. The discussions at its annual meetings represent the best talent and skill in everything pertaining to iron and steel that is to be had in the world, and its conclusions are the highest authority to which we can appeal. About one year ago this institute appointed one of their most competent members, the manager of the Steel Company of Scotland, to make an extensive series of experiments with this alloy. This he did, and reported the results of his efforts to the meeting of the institute held in London on the 8th of May last. This report has attracted the attention of steel manufacturers all over the world. No results approaching the high elastic limit and breaking strain of those reported from this alloy had ever before been seen. I myself saw a piece of this steel, made by the house of William Jessops & Sons, of Sheffield, which contained about 6 per cent. of nickel and which was 1 inch square, that sustained a weight of 103 tons and which also showed a high elastic limit. These results were so wonderful that parties in Europe who manufacture guns and armor-plates for the three principal governments have offered to contract for our company's entire production for a period of ten years.

The proportions of copper and nickel in the ores belonging to our companies are just about those used by the French Government in the manufacture of cartridge shells. The proportion of iron and nickel are about what are used in nickel steel, which it is proposed to use in the manufacture of guns and armor-plates. As stated above, we are now smelting large quantities of these ores in Canada and shipping the product to Europe, and it is there being used in the manufacture of heavy guns.

Our company, although an Ohio corporation, has for all purposes in Canada been made by the Canadian parliament a Canadian company. The Dominion Government remits the duty on the American machinery which we send in to work these mines; it also remits the duty on the coke which we use for fuel. It also offers quite a large bonus per ton for the manufacture of iron and steel from this material; but the natural gas in the neighborhood of Findlay, Ohio, is so admirably adapted to the manufacture and treatment of these ores, and especially of our mattes, that we are seriously contemplating bringing all our ores to that place to be smelted. But we can only do this on condition that our own Government shall admit them all free of duty, every part and constituent of them. Every stockholder in these companies is a citizen of the State of Ohio. Every dollar invested in them is Ohio capital, and in making this request of your committee we only ask that you treat your own citizens and your own capital as fairly and as liberally as the Canadian Government has treated foreigners, who are American citizens.

To transfer our smelting works to this side, say to Findlay, would require the erection of a very extensive plant, the expenditure of a large amount of capital, and the

employment of a great number of men, and, unless these ores are admitted free, all this expenditure of capital and employment of men must be done in Canada, and the product go to foreign governments. The Government of the United States would undoubtedly be a large purchaser and consumer of this material if it were produced in this country; if it is not produced in this country, it will only be consumed by foreign governments.

Besides the mines in Canada, there is only one other nickel mine of any importance in the world, and that one is located upon the island of New Caledonia and belongs to the Rothschilds. It probably has not one-fifth part of the producing capacity of the Canadian mines. Last summer I made a tour of all the principal iron and steel works of Great Britain and the continent, and at several very large establishments we had the offer of converting their entire establishments into the manufacture of nickel steel, if we would enter into a contract to furnish them material. The Secretary of the Navy had sent a man with me to examine into this whole subject, and we had promised the Secretary that we should make no contracts with any foreign government, until he should have time to examine into the value of this alloy for the use of the Navy, and obtain the necessary authority from Congress to act. To keep this promise we have refused the offers above named. We desire to deal with our own Government, and to manufacture all this material in our own country and to sell it in our own country, but we do not want to be heavily fined for bringing raw material into the country of a kind that we have not got and can not produce. This Government is about to expend many millions of dollars in the construction and the building up of a powerful navy, and it would seem not unreasonable to expect that it would offer some special inducements to any company which could furnish it with the best material in the world, and from the only source of supply in the world. This our companies are ready and anxious to do, and they only ask that they shall not be taxed for the privilege of doing it, or, in other words, that you shall treat us as fairly as every foreign government offers to do.

As I have said before, these ores contain copper, nickel, iron, and sulphur. We ask of your committee that you admit all these free from Canada. You now derive no revenue worth mentioning from them, and in admitting them free you give the broadest possible interpretation to the doctrine of protection. You protect labor by making an additional demand for it; you protect capital by giving employment for it at home instead of driving it out of the country to seek permanent investments. You reciprocate to Canada the good will and liberality she has shown to your citizens and to your capital in advance. Nearly all the mines in Canada, and 80 per cent. of her lumber interests are owned by Americans, and their products are in every sense of the word the product of American capital and American labor. We are paying more for labor, freights, machinery, and provisions of every kind, at our mines in Canada than we could purchase the same for in the State of Ohio.

Gentlemen, the action of this Congress will determine whether the companies with which I am associated shall expend a very large amount of money in the erection of extensive manufacturing plants and employ a large number of men in our own country or whether we shall do all this in a foreign country. We ask of you to be allowed to bring our raw material here, free of duty, so that we can do it all at home.

I should have probably added that we have smelted a large amount of ores into mattes at the mines in Canada; they are now being shipped to England and Germany to be refined. We ask that we may refine them here. The mattes are composed of the same materials of which the ores are composed, viz, sulphur, copper, iron, and nickel. I will within a few days, furnish the committee with the reports of the British Institute upon this nickel steel. But I might add that results have been obtained since the publication of this report last May, even more important than those made public up to that time.

The house of William Jessops & Sons is one of the oldest and best steel manufacturers in Great Britain. Its manager told me that if he had the nickel he could make guns and armor-plates far superior to anything of this kind now in existence, and I am quite prepared to believe him, from the material and tests which he showed me at their works in Sheffield.

Mr. CARLISLE. You are engaged in smelting these ores in Canada at this time?

Mr. RITCHIE. Yes, sir.

Mr. CARLISLE. What quantity do you smelt?

Mr. RITCHIE. We are just now only smelting about 250 tons a day, but within the next few months we will smelt within 1,000 and 1,500 a day.

Mr. CARLISLE. In what form do you leave it?

Mr. RITCHIE. In the form of mattes.

Mr. CARLISLE. Do the mattes contain all these ores?

Mr. RITCHIE. They are converted from five or six tons into one.

Mr. CARLISLE. And you send them to Europe to be refined?

Mr. RITCHIE. Yes, sir; they are refined at Swansea, Hamburg, Germany, and Vienna, Austria.

Mr. CARLISLE. What would be the duty on that matte if sent in here?

Mr. RITCHIE. Fifteen cents a pound on the nickel; $2\frac{1}{2}$ cents a pound for copper, and 75 cents a ton for iron.

Mr. CARLISLE. If it is sent here the custom-house officers will be compelled to analyze it and impose a certain duty on the nickel and copper contents, and so on?

Mr. RITCHIE. Yes, sir.

Mr. CARLISLE. Have you ever sent any into this country?

Mr. RITCHIE. Yes, sir; thousands of tons, but we can not afford to pay such an enormous duty. We send it to every other country.

Mr. FLOWER. How much does it run in iron?

Mr. RITCHIE. About 40 per cent.

Mr. FLOWER. Have you the data by which you can tell how much duty we collect from iron ore received from Canada?

Mr. RITCHIE. I do not believe it is 25,000 tons.

Mr. FLOWER. Was it not 60,000 tons?

Mr. RITCHIE. We do not bring any such amount; 20,000 tons is as much as we brought, I think.

Mr. FLOWER. Was it not up as high as 60,000 tons once?

Mr. RITCHIE. Oh, no.

Mr. FLOWER. I am pretty familiar with these iron mines of Canada, all that have yet been discovered. Where is this; in the province of Ontario?

Mr. RITCHIE. Yes, sir.

Mr. FLOWER. Whereabouts?

Mr. RITCHIE. Here is a map which will show you. There are the mines, and there is a road which I put in there. Right here at this point, you see, are the copper mines.

Mr. FLOWER. From Lake Ontario to where?

Mr. RITCHIE. There is Toronto. Here is where the copper and nickel mines are located. What I want to do is to bring it down to Finley. Here is Algoma. Now I and a few friends built that road extending up there [illustrating on map]. We have been offered a very large bonus by the Dominion Government to put up these works in Canada. We could get a million and a half or two million dollars.

Mr. CARLISLE. You mean refining works?

Mr. RITCHIE. Yes, sir; Toronto offered to put them all up for us.

Mr. FLOWER. Suppose you had placed in the tariff bill a provision admitting all Canadian ores free?

Mr. RITCHIE. You have either got to give us all the constituent elements of ores or they have all got to be shut out.

Mr. FLOWER. I am quite familiar with that, having lost some money in trying to find some ore there, and the trouble is that their ore is not in competition with ours. For instance, you have a good mine, and say it is a 6, 8, 30, or 40 foot vein; you may go down 20 feet and it will run 4 per cent. of sulphur, and it will run so that you can not bring that ore to America. I have had the best experts from the West and East looking over mines, and they would say, "It is a good mine," but when you begin to get "down into the mine" you find your mistake. There are only two or three great fields of iron ore along that coast, and they are on this side the Minnesota, the Geogebic range of Michigan, etc., and when you go outside of these you do not get good ore. If you had a general clause that would admit all ores from Canada free—

Mr. RITCHIE. There is no other way of dealing with this question?

Mr. FLOWER. I do not know that I can speak in regard to Nova Scotia, because I do not know what is there; I do not know whether they have good mines there.

Mr. RITCHIE. Yes, sir.

Mr. FLOWER. Iron mines?

Mr. RITCHIE. Yes, sir.

Mr. FLOWER. Are they good?

Mr. RITCHIE. They are quite good.

Mr. FLOWER. Say the ore from Ontario was free, you would not get much, because I tell you I have been down in them, and the more you go down the more they prove worthless, and you can not get American capital to work them.

Mr. RITCHIE. The product of these nickel mines is exported all over Europe. There is hardly a point in Europe to which this ore has not been sent. Four-fifths of the nickel of this world is from that point.

The CHAIRMAN. How much is the product of the United States?

Mr. RITCHIE. None at all. The only nickel refining that is done is done at Philadelphia, and the refiner, Mr. Wharton, has 500 or 600 tons on the docks now, which is all from our mines. I was not aware that our company furnished the nickel for the mint for the last two years until I found out the status of the case at Mr. Wharton's factory.

The CHAIRMAN. Bought of your company?

Mr. RITCHIE. Yes, sir. The great outlet for nickel is in the manufacture of guns. Here is the report of the British Iron and Steel Institute.

Mr. CARLISLE. In regard to that subject, Mr. Ritchie, of the manufacture of guns, of course if the Government of the United States wanted to import these matters for the purpose of being used in the manufacture of guns and armor plate they would be admitted free under the present law.

Mr. RITCHIE. Yes sir; but we do not want to spend three or four millions in a plant over in Canada, because I should prefer to put it in our own country.

Mr. CARLISLE. You want this question settled altogether before you go to work?

Mr. RITCHIE. We have an offer standing open, and we can not hold this matter open very long.

Mr. FLOWER. I do not know that we could make it legal to admit ores from Ontario.

Mr. CARLISLE. It would be a singular sort of provision. Suppose Canada should pass a law to admit ore from one State in the United States. I suppose you might do it, but it would be a rather singular provision.

Mr. FLOWER. I do not know anything about Nova Scotia, but in this province of Ontario the people who have put money in there have not got it out.

Mr. RITCHIE. Canada is not asking for this. She wants all this material manufactured there. She wants all the companies to do their manufacturing there. Of course I do not represent Canada, but I should think this would be seriously antagonized by the Canadian people.

The CHAIRMAN. What do you think in regard to their being in favor of annexation?

Mr. RITCHIE. You can find them in favor of almost any sentiment, if you fish for it. I think if you take the proper course and not make the mistake of continually antagonizing and annoying them, if you make them feel it is to their interest to come and be with us, that they would come.

Mr. PAYNE. How is the Butterworth bill in regard to reciprocity regarded?

Mr. RITCHIE. I can answer that question very easily. The opposition in the Canadian Parliament, probably seventy men out of two hundred and eleven, have adopted Mr. Butterworth's bill as their platform. Seventy votes will be cast to-morrow for that. That constitutes the opposition. There is not a single one of the opposition against Mr. Butterworth's bill, and every man who is in favor of the annexation of Canada will tell you that that is the proper way to bring it about.

Mr. FLOWER. Do you not believe this protection tariff we have here keeps them poor over there?

Mr. RITCHIE. I think it would be better for both of us——

Mr. FLOWER. I did not ask you that. Do you not believe it keeps them poor over there?

Mr. RITCHIE. I can hardly say that, because Canada has grown to be a nation from the abrogation of the treaty of 1854; but her great growth has been really within the last nine years. Any one who is acquainted at all with Canada knows there has been a marked change within the last eight or nine years.

Mr. CARLISLE. How long an acquaintance have you had with Canada?

Mr. RITCHIE. For the last eight years, and I think I know every public man almost in Canada.

Mr. CARLISLE. Have you ever resided there?

Mr. RITCHIE. No, sir. I am not connected by any relationship there and have no connection otherwise than this commerce. I am quite well acquainted with Sir John and most of the public men of Canada.

The CHAIRMAN. You are a resident of Ohio?

Mr. RITCHIE. Yes, sir; and I expect to remain so.

Mr. CARLISLE. What do you know, if anything, of the extent of the American interests in Canada?

Mr. RITCHIE. If you say imports from that market, I should say the lumber interest. The largest portion we do is lumber. I should say that 80 per cent. of the lumber interest belongs to American lumbermen, and nearly the entire mineral interests of Canada belong to Americans, and the whole management of the Canadian Pacific Railroad is under the control of Americans. Mr. Van Horn is an American, and every one of his staff officers are also Americans.

Mr. GEAR. I know him very well.

Mr. RITCHIE. His vice president is an American, his general freight agent is an American, and the whole management absolutely, directors and everything else, are Americans.

Mr. GEAR. He took his managers, etc., from this country?

Mr. CARLISLE. In speaking of the minerals of the state, what do you mean?

Mr. RITCHIE. I included iron ore. Mr. Flower is well aware of that, that the iron ore belongs wholly to Americans.

Mr. CARLISLE. How about coal?

Mr. RITCHIE. The coal interest belongs principally in Boston. The anthracite coal is furnished to California and the coast. We, of course, would not pay a duty on that. There are extensive beds of anthracite in the Rocky Mountains. The fishing interest is entirely their own, but the lumber, coal, and iron interests belong to Americans.

Mr. FLOWER. Would the government give free coal if we give free iron?

Mr. RITCHIE. Yes, sir; Sir John told me he would. Still, I do not ask this, because in this matter here they want that manufacture in their own country and they are exceedingly jealous about it, and are antagonistic to any proposition to take it out of their country; in other words, to spend \$2 in Canada and \$10 in the United States.

Mr. FLOWER. And that is why they are willing to pay a bonus on this?

Mr. RITCHIE. They are willing to give us \$2, and I think at one time it was \$3; but whether they will give more than that, I do not know.

Mr. GEAR. Bonus for what?

Mr. RITCHIE. For manufacturing pig iron.

Mr. DINGLEY. That is the reason they put an export duty on logs, to prevent their coming here to be manufactured.

Mr. RITCHIE. I am glad you spoke of that. They have an export duty on logs; but it was put on at the urgent and persistent request of the lumbermen themselves, and was greatly opposed by the government, and the government was exceedingly reluctant to put it on.

Mr. DINGLEY. You mean the Canadian lumbermen?

Mr. RITCHIE. I mean the Canadian lumbermen asked the government for this export duty in order that this industry might not be carried into the United States.

Mr. DINGLEY. To prevent logs being manufactured in this country?

Mr. RITCHIE. Yes, sir; and after it was done they saw their mistake, and now they are asking the government to take it off; and you may rest assured the government will take it off.

Mr. DINGLEY. The export duty has been increased to \$3?

Mr. RITCHIE. No, sir; the increase has been taken off.

Mr. DINGLEY. Temporarily, it is \$2 now.

Mr. CARLISLE. You say there is an export duty on logs?

Mr. DINGLEY. Canada imposed a duty of \$2 on logs to prevent their being taken across the lakes and furnished for manufacture in this country.

Mr. RITCHIE. All I have to say on this question is that I know that export duty will be taken off.

Mr. GEAR. Is not the export duty, under power from parliament, discretionary with the privy council of the government?

Mr. RITCHIE. I understand that the privy council can remit the duty.

Mr. GEAR. Can they not put it up?

Mr. RITCHIE. No, sir. They can not put up the duty, but I think they can take off everything.

Mr. DINGLEY. Did they not increase the duty on logs?

Mr. RITCHIE. Because they had discretion from their parliament.

Mr. GEAR. Getting the power from parliament, the amount is discretionary with them. They might put it up to three or five if they choose.

Mr. RITCHIE. I want to say that I speak of my own knowledge and not from hearsay when I say that the duty imposed on logs was at the urgent request of the lumbermen themselves.

Mr. GEAR. Of course they must get authority from parliament for levying a duty?

Mr. RITCHIE. Certainly.

Mr. GEAR. The amount is left discretionary with the privy council. It is now \$2 and the council can make it \$4 if they think it is advisable. I want to know what power they have.

Mr. RITCHIE. The power is discretionary as with everything.

Mr. DINGLEY. I think the duty was first \$2, then \$3, and now it has come back to \$2 again.

Mr. FLOWER. I understand they run the government with a smaller committee than we have here.

Mr. RITCHIE. I will not say positively in regard to their putting a duty on anything. I think I had better make a correction here. I am not positive that they have not a discretionary limit, and I want to correct myself; for after thinking it over, I think that \$3 is now the limit they can go; so I wish to correct my former statement.

Mr. FLOWER. You are familiar with the building of railroads; has the privy council power to say to you that they can give \$25,000 a mile bonus?

Mr. RITCHIE. Of course the English form of government is exactly the same as that of Canada. If a proposition comes up and they have not the necessary votes to carry it out, then they have to resign and go out of the door. If they failed in a proposition they would have to resign.

Mr. CARLISLE. If you think of any further reflections on this subject, we will be pleased to have them from you in a written form.

Mr. GEAR. And I will be glad to know how far this discretion extends.

Mr. RITCHIE. I want to correct myself, for my recollection now is quite distinct that \$3 is the limit that they can go. I wish to correct that.

Mr. DINGLEY. That is absolutely prohibitory.

Mr. RITCHIE. No, sir.

Mr. DINGLEY. Well, it is substantially so. They put this import duty on logs.

Mr. RITCHIE. Yes; they do not on lumber.

STATEMENT OF JOSEPH WHARTON, OF PHILADELPHIA.

PHILADELPHIA, February 1, 1890.

To the Committee on Ways and Means:

My attention has been called to the statements made by S. J. Ritchie, of Ohio, concerning the production of nickel matte at an establishment in which he is interested, situated at Sudbury, in Canada. The first point attracting my attention is his statement that great improvements have been made within the last year in the metallurgy of nickel in certain parts of Europe, showing that the addition of nickel to steel produces great improvements in the quality of the steel. This is not a new observation, experiments having been made with such alloys from time to time during a number of years, and in different parts of the world, including the United States.

The effect produced by the nickel upon steel, though apparently beneficial, and likely to be importantly so, has not yet been sufficiently investigated to justify all that has been claimed for nickel as a component of metal for uses in which something superior to steel is desired. The Bethlehem Iron Company has lately produced articles of pure steel showing tensile strength and elasticity closely approximating those found by James Riley, to whom Mr. Ritchie alludes, in steel alloyed with nickel. It is probable that some real advantage will be found to accrue from the addition of nickel to steel for such purposes as guns and armor plates, but the extent of that improvement is as yet an open question.

Next Mr. Ritchie says that besides the mines in Canada, there is only one other nickel mine of any importance in the world, and that it is located upon the Island of New Caledonia, and belongs to the Rothschilds, it having not one-fifth the producing capacity of the Canadian mines. This statement shows that Mr. Ritchie is not sufficiently informed upon the subject. In New Caledonia there is not merely one mine, as Mr. Ritchie states, but an extensive range or group of mines, the extent of which has never yet been fully developed but which is undoubtedly very great, having hitherto produced vastly more nickel than the mines in which Mr. Ritchie is interested.

That group of mines belongs not to the Rothschilds alone, but to a company in which some of the Rothschilds are stockholders. My own mine in Pennsylvania had, until the discovery of the mines in New Caledonia, probably produced more nickel than any other in the world, but is now quite eclipsed in magnitude by those of New Caledonia, and by those of Canada. It still, however, is regularly producing nickel, and has, I believe up to this time, produced more than double the amount of nickel that has been produced by the Canadian mines in which Mr. Ritchie is interested.

There are numerous other nickel deposits in many parts of the world, the latest reported discovery being in the Ural Mountains, and probably of very great magnitude. In this country mines of nickel are reported to exist in Nevada, Oregon, California, New Mexico, Colorado, North Carolina, and many other places, none of which have hitherto become productive, except perhaps one in Nevada. It is probable that deposits of great importance may yet be discovered in this country, and it is not, in my judgment, good policy to discourage the search for and development of such mines.

Mr. Ritchie says that his company has sent thousands of tons (presumably meaning matte) into this country, but he says "we can not afford to pay such an enormous duty." The entire quantity of nickel matte hitherto sent into this country by Mr. Ritchie's company is 300 tons, which was purchased by me and the duty upon which was paid not by Mr. Ritchie, but by me. His company also sent a considerable quantity of raw ore to this country several years ago, upon the nickel in which I am informed no duty was paid, they having been able to convince the customs department that the ore was copper ore containing no other dutiable substance than copper.

Mr. Ritchie says in answer to a question by the chairman: how much is the product (of nickel) of the United States? "None at all. The only nickel refining that is done in this country is done at Philadelphia, and the refiner, Mr. Joseph Wharton, has 500 or 600 tons on the docks now which is all from our mine. I was not aware

that our company furnished the nickel for the mint for the last two years until I found out the status of the case at Mr. Wharton's factory."

Mr. Ritchie's statement is not true except that the only nickel refining in the United States is done by me—not at Philadelphia, however, but at Camden, N. J. The nickel there produced has been altogether from my own mine in Pennsylvania, except perhaps 1 per cent., which was made from matte derived from the Canadian mines. Very little, if any, of the nickel furnished to the mint came from the Canadian mines, since the material derived from there was mingled with a much greater quantity of the matte from my own mines in Pennsylvania. The 500 or 600 tons on the docks which Mr. Ritchie speaks of are 500 tons of matte which was lately lying at Sudbury, bought by me from his company, but of which 100 tons, being a part of the 300 tons above mentioned, has since been brought to my refining works at Camden, N. J.

Mr. Ritchie says that the great outlet for nickel is in the manufacture of guns. It may become so in the future, but up to the present time no nickel has been used in the manufacture of guns except by way of experiment, and the same remark applies to armor plates.

Mr. Ritchie speaks of spending three or four millions of dollars upon a plant, presumably for nickel refining, over in Canada—a very absurd statement since no such sum of money could be required by any one understanding the problem of refining nickel. It is singular, seeing the very low esteem in which Mr. Ritchie affects to hold me and my establishment, that his company should have been endeavoring, as they lately have been, to induce the manager of my nickel works to go to them.

Mr. Ritchie says that his company belongs altogether to this country, since the stockholders are citizens of the United States. It has never been held that when a citizen of the United States embarks in an enterprise in a foreign country he should therefore be entitled to claim exceptional privileges from the Government of this country in the way of having the products of that country favored beyond similar products of other countries in the matter of import duty. It is not improbable that I may purchase mines of nickel in Canada and thus become a producer in Canada of nickel ore or nickel matte, but I do not imagine that I should be entitled to bring into this country free of duty the nickel ore or nickel matte so produced.

The general policy of this country being so established as to give advantage in the way of protective import duty to all articles manufactured in the United States, that general policy should in my judgment apply to nickel in any form produced in Canada, or elsewhere out of this country. The correct policy, in my judgment, to encourage the refining of nickel in the United States is not to allow the materials to enter this country free of duty, but to impose moderate duties upon nickel in ore as in matte, and then to allow a rebate of the entire amount of duty upon nickel produced from such foreign material when that nickel comes to be exported.

My views upon the tariff duties that should be imposed upon nickel in all forms having been lately expressed in a letter to the Secretary of the Treasury, Mr. Windom (of which letter a copy has been furnished the Committee on Ways and Means), I refer to that letter rather than repeat its contents here, but will say in brief that I think the duty upon refined nickel should remain at 15 cents per pound, and the duty on nickel in matte should be reduced from the present absurd rate of 15 cents per pound to 5 cents a pound, and the duty on nickel in ore should be reduced from the still more absurd rate of 15 cents a pound to 2 cents a pound. I refer to that letter also for well considered views concerning the rates of duty upon cobalt oxide and upon German silver scrap; to all of which I respectfully ask the attention of the Committee on Ways and Means.

I should wish that letter to be appended to this statement, so as to be considered a part of it, in order that in any printed correction of statements concerning import duties all that I have submitted concerning nickel may appear together.

IRON ORE.

In relation to Canadian iron ore, two of the largest steel-making establishments in the United States, in both of which I am a stockholder, have expended great care and large sums of money in endeavors to find and develop good mines of iron ore in Canada, but without success. I am of opinion that no iron ore deposits of Canada as yet examined compare in magnitude and value to those of our own country, nor do I see any good reason why the iron ores of Canada should be treated differently in regard to import duty from the iron ores of any other foreign country.

Also, I find in the truculent behavior of Canada to this country, from which she obtains gratis inestimable advantages to her railroads and business, no inducement to grant to her or to her products any exceptional privileges.

ADDITIONAL STATEMENT OF S. J. RITCHIE.

WASHINGTON, D. C., March 7, 1890.

GENTLEMEN: I have to-day for the first time seen or heard of the communication of Joseph Wharton addressed to you under date of February 1, in which he undertakes to deal with a statement made by myself some days previous with regard to the admission from Canada of certain ores free of duty.

Mr. Wharton first takes issue with me in the statements I made before the committee that definite ascertained results had been obtained by the alloy of nickel with steel. Mr. Wharton's naked statement to this effect against the published reports of the Iron and Steel Institute of Great Britain, acknowledged by every one having knowledge of metals—except Mr. Wharton, who, of course, knows no authority as high as himself—to be the highest authority in the world, will probably receive from the committee the consideration and weight to which it is entitled. I did say that there was only one other mine of any magnitude known to exist in the world beside those in which I was interested. We have only been in operation one year producing mattes, and yet in that time we have produced more nickel than Mr. Wharton has produced in the thirty-odd years in which he has been engaged in the business. If we are to believe Mr. Wharton's statement, nickel mines are very generally scattered all over the country. An offer was made to him last spring, when this same subject was before the Senate Finance Committee, of \$10,000 to locate any large deposit of nickel ore any place in the United States. That offer is good to-day. That offer was not confined to a single deposit, but will be paid for as many separate deposits as he is able to show. Here is a chance for Mr. Wharton to make his statement good and to profit by doing so. If Mr. Wharton knows of one pound of nickel that has been produced from any new find in the Ural Mountains he is the only man who does know it.

Mr. Wharton seeks to confuse the committee by perverting my statement about the shipment of ores to be understood as the shipment of mattes. This he does deliberately, and he allows his malice to come to the surface by saying that no duty was paid upon the nickel, we having been able to convince the customs officers that the ore contained copper and no other dutiable substance. Our company had no knowledge that the ores contained nickel. We did not sell them for nickel ores. Mr. Wharton did know it, and profited by his knowledge. He gave me a statement of how much nickel there was in them after he had extracted it and sold it but I have yet to learn that he ever offered to pay the Government any duty upon this material. We paid the Government nothing, for we knew nothing of its existence and got nothing for it. However, it would have been a small matter at any rate, and only shows the animus of the man in his desperate efforts to mislead the committee.

Last summer I several times met the officers of the New Caledonia Company in Paris, and they gave me the statement accompanying their exhibit at the exhibition, a translation of which I hereto append. I trust it will be sufficient answer to Mr. Wharton's statements about that company. It is true that our company has sent very little matte into this country and that Mr. Wharton has bought principally what has been sent. Mr. Wharton wanted to make a contract for a number of years with our company and to have exclusive control of the American markets. I need not state here the objectionable terms of this proposition. Suffice it to say they were of a nature which we could not accept.

Mr. Wharton has again and again proposed to us that if we would furnish him material at his own prices he would come before your committee and those of the Senate and ask that our material should be put upon the free list, and has told us that if we would not come to this agreement he would ask Congress to raise the duty, and declared over and over that he had the ability to accomplish this result. His present effort shows how well he is attempting to carry out that threat. Mr. Wharton again seeks to deceive the committee by speaking of the 500 tons of matte "lately" lying at Sudbury, as if it had been removed. It still lies there, as he told us, to await the action of Congress, so that it might come in free of duty. Mr. Wharton characterizes my statement that an expenditure of \$2,000,000 or \$3,000,000 for a plant sufficient to treat the product of our mines as absurd. In reply I would say that he asked us \$300,000 for his old plant, which, according to his own statement, has a capacity of only about 175 tons annually. As we will be producing more than ten times that amount, it does not require a very extensive knowledge of arithmetic to figure out how much ten times three hundred thousand would be.

With regard to the statement that I have tried to hire his manager away from him, I can only say that neither directly nor indirectly have I ever spoken to him on the subject; and we do not want to hire him. We know Mr. Wharton's mode of separation and could write it all down here if it were important; but it is not adapted to our wants.

Mr. Wharton declares that Canadian ores should not be admitted free of duty. It

may seem strange to the committee that in addition to the propositions made to us as above stated he should himself boast of being the pioneer champion of unrestricted free trade with Canada, and has given me pamphlets written by himself which I will do him the justice of saying were about the ablest presentation of the case I have ever seen. He has also written letters to Major Butterworth and sent them by me to him strongly indorsing his bill for unrestricted trade with Canada. Mr. Wharton's conclusions and convictions seem to have an elasticity which marvelously adapt them to a harmony with his personal interests. It can hardly be said that his present position compared to his former one is a case of Philip drunk to Philip sober, but if the order of Philip's conditions were reversed the similarity would be quite apparent.

Now, gentlemen, Mr. Wharton has been engaged in the nickel business in a small way for probably more than thirty years. During all that time all the legislation in Congress on this subject has been for his sole and personal benefit. Out of this small affair he has made a fortune, selling his material at times as high as \$3.50 per pound. He now finds his mine exhausted and an old plant upon his hands and he wants somebody to buy it, and I leave you gentlemen to pass upon the merits of his effort to bring you to his aid in his endeavor to coerce our company to make terms with him on the basis and for the consideration of his influence with you.

Very truly yours,

S. J. RITCHIE.

The COMMITTEE ON WAYS AND MEANS.

UNIVERSAL EXHIBITION OF 1889, GROUP V, CLASS 41.

Le Nickel Limited Company. Capital 12,720,000 francs. Offices: 13 rue Lafayette, Paris.

Exhibits.—The society "Le Nickel" exhibits in the Champ de Mars and on the Esplanade des Invalides (Pavilion Colonial) the products—

First, from its mines: Nickel ore, cobalt ore.

Second, from its works: Crude nickel, nickel matte, oxides of nickel, refined nickel, cobalt matte, oxides of cobalt.

Origin of the company.—"Le Nickel" is a French company with its headquarters at Paris. It was formed in 1880 by a fusion of three groups:

- (1) The owners of a considerable number of mines situated in New Caledonia.
- (2) The Noumea Foundry Company.
- (3) A French refining company.

Production and consumption.—At the start all the ores taken from the mines of the new company were sent by sea to Noumea, where they were made into crude nickel, and this was sent by sea either to Septemes (near Marseilles), to be refined, or to London for sale. The consumption of nickel was at that period little developed in Europe, estimated at 400 tons per year. This was furnished by a very small number of English and German refiners from almost exclusively Swedish, Norwegian, and Hungarian ores.

The poverty of these ores (2 to 4 per cent.) and the expensive processes of refining (wet way) which their nature obliged (arsenical, antimony, sulphurical) held the refined nickel at the high price of from 12 to 15 francs the kilogramme.

America obtained from its mines in Pennsylvania the fifty or sixty tons it required yearly. The formation of "Le Nickel" Company has completely altered this situation.

The ores of New Caledonia are silicates which contain neither sulphur, nor arsenic, nor antimony, nor copper, nor cobalt. They contain 8, 10, 12 per cent. and even more. They are easily transformed by the dry way into crude nickel in blast furnaces, or into matte in the cupola, according to the demands of commerce. The crude and the mattes contain from 50 to 60 per cent. of nickel.

The extent and richness of the ore-beds of New Caledonia, the facility of working them, the simplicity of the refining processes, have permitted "Le Nickel" Company to gradually lower the price and to encourage by its cheapness the employment of nickel in a large number of industries.

Price of nickel.—From 12 francs the kilogramme the price of refined nickel has come down to 10, 9, 8, 6, and finally 5.50—the current price. All the efforts of the company tend to lower still further the price to encourage the development of the uses of nickel.

Use of nickel.—Switzerland, Belgium, Servia, Germany, the United States of America, and Brazil have issued moneys made of nickel and copper alloys.

France, followed by other European states, makes the cases used for small caliber bullets of a metal composed equally of nickel and copper.

Finally, the remarkable results obtained lately in France, England, and Germany,

by alloying nickel with steel, assure to nickel an extremely important place in metallurgy.

Actual operations of "Le Nickel."—While lowering the price of nickel, the company "Le Nickel" have at the same time developed its production. The personnel employed by the company consists in New Caledonia of 1000 workmen and foremen; in Europe, 350 workmen and foremen. The tramways finished and building, which connect the mines and carry the ores to the seaside reach the length of 50 kilometers. The cable-ways which carry the ores down the mountains reach 12 kilometers. A steamer belonging to the company puts the working centers in communication with the capital of the colony.

During the year 1888 the company exported from New Caledonia to Europe 10,000 tons of nickel and cobalt ores. It will export 20,000 tons in 1889, and arrangements have been made so that in 1890 the exportation will reach 30,000 tons. The company "Le Nickel" is to-day owner of six works occupied exclusively in the production of crude metal and mattes, refining nickel, and making oxides of cobalt. Two works are in New Caledonia; four works are in Europe. The nickel refining works at Havre are the most important in the world. The engines of these works together represent 300 horse-power.

The monthly production can be 500 tons of crudes and mattes, 200 tons of refined nickel.

The nickel industry is to-day French.—The European and American mines can not be worked in the same economical conditions as those of New Caledonia. They have nearly stopped working. The nickel used in the whole world—in Europe, America, India, China, Japan—comes to-day from the mines of the French colony, New Caledonia, and is refined by far the greater part in the works of the French company "Le Nickel."

Prizes awarded.—The prizes awarded to the founders of the company for their operations, transferred to the company, and to the company since its formation, are the following: Two gold medals, Paris Exposition, 1878; one diploma of honor, Industrial Exhibition, Marseilles, 1879; one diploma of honor, Scientific and Industrial Exhibition, Paris, 1879; one diploma of honor, collective exhibit, same exhibition. Out of competition exhibition, Central Union, Paris, 1880; first prize, Melbourne Exhibition, 1880-'81; one gold medal, Amsterdam Exhibition, 1883; one diploma of honor, Antwerp Exhibition, 1885.

COPPER.

STATEMENT OF ROBERT M. THOMPSON.

Mr. ROBERT M. THOMPSON, president of the Orford Copper Company, Constable Hook, N. J., on New York Harbor, appeared before the committee. He said:

Mr. Chairman and gentlemen of the committee, our works are engaged in refining ores and mattes of copper, drawing its supplies in part from small mines from nearly every State in the United States and in part from large mines in Montana and Arizona. The large mines are now erecting refining works for the purpose of treating their own products, and when said works are completed the product received from the small mines will not be sufficient in themselves to enable us to maintain the output of copper from our works, at the present rate of about 20,000,000 pounds per annum, and in consequence the cost of treating the ores from the small mines must be largely increased unless we are enabled to draw supplies of ore from foreign sources, say Australia, Canada, Venezuela, and the Canadian Northwest. In all the places named there are large deposits of copper, the ores from which would be shipped to our works to treat, and we could treat them, taking them in competition with the English smelters, if we were not prevented from so doing by the necessity of paying duties on the ore, thus employing a large amount of capital while carrying the copper to the refined stage, and then upon re-exportation of the copper receiving a drawback which in practice amounts to only 85 per cent. of the duties paid. This tax of 15 per cent. on the duties paid amounts in the case of mattes to about \$10 per ton of fine copper, which is more than the profit that would be expected by us from treating ores.

Under the present conditions we can compete with the English smelter by working at cost. If this hindrance is removed we can continue to fill our works with ores drawn from these sources that will not in any way compete with American producers, and at the same time will be enabled to treat ores from the smaller American mines at the low cost necessary to enable them to live in competition with the great mines of Montana and Michigan.

We therefore ask that a bill as follows be introduced and passed:

"Be it enacted, etc., That copper in ores, mattes, regulus, cements, and bars may be imported for refining free of duty upon the execution of a bond to export within six months an amount of unmanufactured refined copper equal to that in said ores, mattes," etc.

Mr. PAYNE. How many men do you employ?

Mr. THOMPSON. We employ three hundred men. The New Jersey works employ one hundred and fifty more. Our men are experts. We pay about \$180,000 a year in wages.

Mr. PAYNE. What is the average wages?

Mr. THOMPSON. Something over \$2 a day.

Mr. McMILLAN. I understand you to say that if you had free ore you could compete successfully with England and destroy her in the markets of the world.

Mr. THOMPSON. I would not undertake to destroy her, but I will take my chances with her.

Mr. McMILLAN. And pay American wages?

Mr. THOMPSON. Yes, sir.

Mr. McMILLAN. The only thing that stands in your way is the duty on ores?

Mr. THOMPSON. Yes, sir. Under no conditions could any part of the copper imported into this country be retained here.

Mr. MITCHELL. Would you consume any part of the product when you refined this ore?

Mr. THOMPSON. No part of it. At present America is the greatest exporter of copper in the world. She exports 40 per cent. of her product. At present the foreign consumer pays more for copper than the American consumer, as there has been an enormous demand for wire for electrical conductivity.

Mr. McMILLAN. If I understand you correctly, the ores of Canada are shipped through this country because of the tax?

Mr. THOMPSON. We stop all we can.

Mr. McMILLAN. Was your concern connected with the trust to control the market?

Mr. THOMPSON. We were not associated with it until the last forty-eight hours before it went to pieces, when we made a contract with it.

Mr. FLOWER. Where do you get ores from?

Mr. THOMPSON. We get a very large part from Montana and Arizona. We get ore from the province of Quebec, from the States of Maine, Vermont, New Hampshire, Massachusetts, Connecticut, New York, New Jersey, Kentucky, Virginia, Florida, and from all the territories. I believe we get it from every State in the Union except two.

Mr. FLOWER. Do you know anything about the product of the Calumet and Hecla mines?

Mr. THOMPSON. The ore from the Calumet and Hecla is found scattered through a soft rock. It contains about 5 per cent. of copper, but by a cheap process it is concentrated to about 75 to 80 copper and this product is refined by fire, producing the standard copper of the world.

Mr. FLOWER. They told me in Butte, Mont., that they produced one half of the copper of the United States.

Mr. THOMPSON. That is a little high.

In the cities of Newark, Bayonne, and Elizabeth, all in the State of New Jersey, about 1,200 men are employed in smelting and refining copper and lead, and about \$750,000 per annum is paid out as wages, and an equal or somewhat larger sum for coal, coke, fire-brick, and general supplies. This considerable industry has been supported in the past by supplies coming in part from small mines scattered all over the country, the copper, in fact, coming at least in small quantities from every State in the Union except Louisiana and Florida, and in part from large mines situated in Montana and Arizona. The owners of the mines in Montana are at present building works for the treatment of their products. Part of these works will be situated in Montana, and part of them will be erected in England for the treatment of so much of their copper as is to be exported. In consequence the eastern works will be short of supplies and the cost of treatment of the supplies received from the smaller mines must in consequence be largely increased unless the works can obtain supplies from other sources. Such sources exist in Canada, in the Canadian Northwest, Venezuela, Newfoundland, and Mexico, and I submit that it must be a desirable thing to admit such ores to be treated in this country not only because of the direct employment of the labor at the works named, but also the indirect advantage derived by the owners and laborers of the small mines whose interests should certainly be as carefully guarded as those of the great mines of Montana.

As suggested in my oral statement, it is in the power of Congress to admit the importation of these ores under such regulations as will prevent their competing in the American market with American ores, and yet give us the advantage of their being treated in this country.

Under the existing drawback laws exceptional ores can be and are now brought in for treatment. For instance, large quantities of ores where sulphur is associated with the copper are brought into the country for the manufacture of sulphuric acid, and the copper after being refined here is exported. But in the business of importing copper ores or copper products, the amount of capital tied up in the Treasury becomes so excessive as to be in fact prohibitory. For instance, there is at Sudbury, in the province of Ontario, a large mine carrying copper and nickel, the product of which could be largely brought into the United States for refining, but under existing laws it would be necessary to deposit at least \$250,000 in the Treasury in order to cover the importations necessary to keep works owned by the company which I represent running, and the annual loss on the amount of duty retained by the Government, including loss of interest on the capital tied up, would be about \$150,000 a year. This would clearly be a heavy, in fact prohibitory, tax laid upon a useful industry. It would not benefit other American producers in the slightest degree, and I beg that your committee will give this matter serious attention and in some way give effect to the prayer of your petitioner for permission to import ores for refining free of duty, such safeguards being taken as are necessary to secure the exportation of the copper, etc., in a refined but unmanufactured state.

STATEMENT OF GEORGE M. PHELPS.

Mr. GEORGE M. PHELPS, of 150 Broadway, New York, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I am here to present a petition in behalf of the National Electric Light Association for the abolition of the duty on copper in its several forms. I do not propose to take up much of your time in the matter. The question seems to us a rather simple one, and we have expressed in manuscript our opinion of the matter. I will now read what I have prepared:

The honorable Committee on Ways and Means, House of Representatives:

The subscribers were appointed a committee to petition your honorable body for the abolition of duty on copper ingot, plate, bars, rod, and wire. We represent the National Electric Light Association a body composed of representatives of electric light-

ing companies throughout the United States, and also of manufacturers of and dealers in electric lighting apparatus and supplies.

The resolution appointing this committee was passed without a dissenting voice. We, therefore, have the honor to present this petition, earnestly requesting that the action asked be taken as a measure which will be approved by the great body of users and manufacturers of copper.

CHARLES A. BROWN.
GEORGE M. PHELPS.
J. F. MORRISON.

NEW YORK, January 14, 1890.

DEAR SIR: I herewith hand you an extract from the official record of the proceedings of this association during its last convention, held at Niagara Falls, N. Y., August 6, 7, and 8, 1889.

The resolution therein named was adopted Wednesday forenoon, August 7, 1889.

Very respectfully, yours,

ALLAN V. GARRATT,
Secretary and Treasurer of the National Electric Light Association.

GEORGE M. PHELPS, Esq.,
150 Broadway, New York City.

Extract from the official record of the proceedings of the National Electric Light Association, at its tenth convention, held at Niagara Falls, N. Y., August 6, 7, and 8, 1889.

WEDNESDAY FORENOON, August 7.

Mr. CHARLES A. BROWN, of Chicago, Ill. May I offer the following resolution: That a committee of three be appointed by the president and instructed to prepare and present to the proper committee of Congress a petition on behalf of the National Electric Light Association for the abolition of customs duty on copper ingot, wire, plates, sheets, bars and rods.

Mr. GEORGE M. PHELPS, of New York. I second Mr. Brown's resolution and move its adoption.

The president put the question and declared it adopted, and appointed on the committee Mr. Charles A. Brown, of Chicago, Mr. George M. Phelps, of New York, and Mr. J. F. Morrison, of Baltimore.

Attest to the correctness of the above quotation,

ALLAN V. GARRATT,
Secretary and Treasurer of The National Electric Light Association.

Witness:

FRANK C. WESSELLS.

MEMORANDUM ACCOMPANYING PETITION OF THE NATIONAL ELECTRIC LIGHT ASSOCIATION TO THE COMMITTEE ON WAYS AND MEANS, HOUSE OF REPRESENTATIVES, FOR THE ABOLITION OF THE CUSTOMS DUTY ON COPPER INGOT, PLATE, BARS, ROD, AND WIRE.

The National Electric Light Association consists of corporations, firms, and individuals owning and operating stations and plants for the distribution of light and power by electricity.

At the time of the last convention of the association, August 6, 1889, the capital then invested in the industries above named was estimated, from statistics collected by the secretary of the association, to be no less than \$275,000,000. That sum represented mainly electrical apparatus and electric conductors for the supply of 235,000 arc lamps and 2,700,000 incandescent lamps, in all which apparatus and conductors copper is an indispensable and chief material. In the total cost of electric plant for light and power distribution it is estimated by competent experts that from one-fourth to one-third is expended for copper.

The foregoing figures and statements sufficiently indicate the magnitude of the interest of electric light and power companies in the price of copper.

In the opinion of the petitioners the proposed abolition of the copper tariff does not touch the question of protection to American industry. The duty on copper appears

to be wholly superfluous as a protection to American producers of that metal. The United States not only produces more copper than it consumes, and consequently exports that metal, but it possesses the richest and most easily worked copper mines in the world, and its mining companies produce the metal and put it in the market at a lower cost than is possible to the Spanish or Chilian miners. Obviously the American producers of copper require no duty to protect their domestic market; and their exports of copper furnish sufficient evidence of their ability to meet competition in foreign markets.

The existing duty is of no appreciable value to the National Treasury, because copper is not imported in any considerable quantity. As a source of national revenue the copper tariff is practically useless, and the returns from it could not be increased materially, under the conditions of production throughout the world, by any modification of the rate of duty, if the Government needed increased revenue, which it confessedly does not.

It would appear, therefore, that the duty on copper can only be efficient in enabling the mining companies and dealers in copper to establish and maintain excessive prices through combination for that purpose. It is believed that the United States duty of 4 cents per pound was a considerable factor in the operations of the syndicate established in France in the autumn of 1887, and which syndicate, aided by its agreements and contracts with copper mining companies in this country, succeeded in controlling the copper production and markets of the world for more than a year, doubling for a considerable period in London and New York the price existing just previous to the beginning of its operations. This was effected, moreover, in the face of an abundant supply of the metal. For some months after the breakdown of the French speculation, the American companies maintained the price in this country considerably in excess of that of European markets.

Touching the relation of the duty on copper to combinations for maintaining excessive prices, the following quotation is subjoined:

[Extracts from editorial in New York Tribune, May 15, 1889.]

* * * * *

"The mine owners have publicly stated that they are able to produce more than all the copper this country consumes, and a large part of it at a cost not exceeding 6 cents per pound, and that they propose to the French bankers who hold an enormous unsold stock, to fix the selling price at about 13 cents per pound—more than double the cost. Nothing need be said about the right of the producer to get a profit of more than 100 per cent. on his copper, provided he is not a beneficiary of a national policy intended to protect and encourage American production. But the mine owners are beneficiaries of that policy, and owe to the public a certain consideration and service in return. If they enter into a combination for the benefit of foreign speculators and bankers against the interests of American producers, the duty on copper may not last long.

* * * * *

"There will in all probability be a revision of the tariff next winter. The party in power being anxious to defend all industries that need and merit defense, will for that very reason be more strongly pressed to cut off duties where no defense appears to be needed, or where it seems to be not deserved. Combinations of speculators to corner the markets of the world are not highly popular, and will not appear to members of Congress to merit particularly favorable consideration. Under such circumstances, the demand for a removal of all duties on copper ore, pig and bars, will be difficult to resist. It is safe to say that, had the Mills bill proposed no change more unpopular or unobjectionable than that its public support would have been incomparably greater."

In short, and to recapitulate, in the opinion of the National Electric Light Association the duty on copper, being useless for revenue and unnecessary for protection, should not be suffered to remain on the statute books of the United States, since its only remaining function is to serve as an ally to the promoters of combinations for putting up prices, a process to which the Government should not lend its assistance.

VIEWS OF THE ARMINIUS COPPER COMPANY.

NEW YORK, February 13, 1890.

GENTLEMEN: As owners of the Arminius Copper Mines—miners and shippers of ores called pyrites, which are sold for the sulphur contents alone—we have been located in Louisa County, Va., on the line of the Chesapeake and Ohio Railway, 56 miles from Richmond, Va., since the early part of the year 1883.

Deeply interested as we are in any legislation which aims at our welfare, we respectfully represent to your honorable committee the following facts:

We have expended about \$750,000 in the development of our mines, in the permanent improvements thereon, and in labor since our occupancy of the property. We have nearly or quite six hundred people directly dependent upon the success of our enterprise for their support, and we are gradually adding to our investment and to the labor forces employed, establishing a settled and prosperous community of land owners, where formerly there was a waste of mineral lands. During the time stated we have paid out to the various railway lines, and to vessels, as freights on our mine ores at least \$250,000; our annual shipments at the present time are above 40,000 tons, and our freight account exceeds \$100,000 yearly.

Our mine products are marketed in the principal cities along the Atlantic coast and inland, reached by rail, which trade we have built up as an entirely new industry since 1883, supplying to our customers products of the soil in place of the article called brimstone, which is generally imported from Sicily, in the Mediterranean Sea.

The imports of this foreign brimstone will be seen by the following table:

Imports of brimstone into the United States.

	Tons.	Average value.
1883.....	96,629	\$26.00
1884.....	94,929	24.00
1885.....	99,378	23.50
1886.....	98,590	20.50
1887.....	89,419	19.00
1888.....	128,265	19.00
1889.....	117,000	19.50

We respectfully represent that the values here given, as average selling prices along the Atlantic sea-board, have been gradually reduced by the efforts of the three pyrites mines of the country, the products of which have been introduced at great expense to the owners, while the community has been benefited to the extent of millions of dollars in their purchases of raw products which go to make up fertilizers, refined oil, crude chemicals, etc.

This is plainly shown by the statement that we have been selling the same amount of sulphur which is contained in a ton of brimstone for about half the prices quoted above, which concessions we have made to induce manufacturers to change their plants to use ores, and also for the purpose of more quickly developing our mines up to a point where they would be stable, remunerative investments. We have as yet had no profits whatever from our enterprise, as the initial years of development render that impossible, although we have struggled along with a gradually increasing trade, relying upon the protection which was accorded to us in the action of your committee in the year 1883, which so fairly discriminated in our favor as mine owners as against foreign low-grade copper products and ores then attempted to be introduced.

We understand that the same parties are now demanding the abolition of all duties on ores classed as pyrites, and that certain of the chemical manufacturers represented by Mr. Thomas McDougal, of Cincinnati, Ohio, have added their petitions to those of the representatives of foreign mines.

We have been, and are now, supplying all the clients of Mr. McDougal with pyrites ores to the extent of about 100 tons daily, and we protest that such action must have been taken after offers from foreign mines for their ores containing copper, iron, gold, and silver, at prices which would destroy our business, and yet enable the foreign mines to make large profits.

We protest that as Americans enjoying the exceeding low values in ores mined in this country, the clients of Mr. McDougal have no right to favor the introduction into this land of ores containing copper, iron, gold, and silver—in which metals they probably would have no interest but for the small profit they would be able to make by purchase of the sulphur which those ores contain. We now sell the sul-

phur in our ores to those parties, delivered at their works, for the price of \$10 per 100 units of sulphur, as compared to \$21 per 100 units of sulphur in brimstone. We protest that no American manufacturers have a right to assist foreign owners of mines in securing the repeal of the duties on these pyrites ores with their copper, iron, gold, and silver, to save the small difference in prices of the sulphur—a difference which will bankrupt all the small mines in this country.

There are millions of tons of waste, low-grade ores, lying at the mines in Spain and Portugal, repeatedly offered at the price of 10 to 50 cents per ton where they lie, therefore considered of no value as compared to the enormous tonnage of ores which are mined by them in regular business for copper, etc.

We respectfully call your attention to the latter clause in this very strong article, and we elaborate it with further data, which the seven years of experience has given, as follows:

By analysis the average ores from Spain contain:

Sulphur 46 per cent., value.....	\$4. 60
Iron, after extraction of sulphur, 1,500 pounds, value.....	3. 00
Copper, 3 per cent., value	5. 00
Gold and silver.....	1. 00

Total values in a ton of Spanish ore..... 13. 60

If no duties are paid on this ton of ore the actual cost of same delivered at any port on the Atlantic coast, would be, maximum..... 3. 60

Giving actual net value of one ton Spanish ore..... 10. 00

We earnestly protest against the admission of these ores duty free, there being no reason why they can not assist in paying their portion of our revenues out of the large values they possess, and which our own ores do not possess, and according to the clear argument presented by Mr. Douglas the benefits to any industry in this country will be so infinitesimal that no real valid argument can be used for legislation which will bankrupt all American pyrites mines.

Inasmuch as these foreign ores are so valuable for the copper, iron, and sulphur contents, and without the sale of the latter (and the removal of duties) it would not be profitable to bring these ores into our country, we respectfully recommend that in your revised schedule such ores be taxed at the rate of \$5 per ton for the sulphur contents.

The residues of these foreign ores, after the extraction of the copper, sulphur, gold, and silver, consists of iron in the best possible state for treatment, being 57 to 62 per cent. iron, and this product is now selling in New York for \$4.50 to \$6 per ton of 2,240 pounds, according to situation of works. It is, therefore, plain to see that the iron or the sulphur is of sufficient value to warrant the bringing in of millions of tons of Spanish and other foreign ores. There is at present an importation of about 100,000 tons of these ores, as against only 75,000 tons mined by the three American companies.

We have been informed that Schedule C, as compiled by your committee, does not cover the points which we deem absolutely essential to save us from destruction if the floods of foreign ores are allowed to come in duty free, and in our judgment the amendment which has been proposed to your committee will meet the necessities of the case. We reproduce it here and personally request that it be added to the schedule:

“Iron ore, including manganiferous iron ore, also the dross or residuum from burnt pyrites, 75 cents per ton. Sulphur ore, as pyrites or sulphuret of iron in its natural state, \$1.50 per ton, provided, that ores containing more than 1 per centum of copper shall pay in addition thereto 1½ cents per pound for the copper contained therein.”

Praying for your earnest and favorable consideration of the vital matters, to us, herein stated.

We are, very respectfully,

JOS. HESTER.
ALEX. GINTERMAN.
W. H. ADAMS.

THE COMMITTEE ON WAYS AND MEANS.

ADDITIONAL STATEMENT OF ROBERT M. THOMPSON.

FEBRUARY 18, 1890.

Mr. Robert M. Thompson, of the Orford Copper Company, of New York, Mr. G. W. Cooley, of the New Jersey Extraction Works, and Mr. Ed. Balbach, of Ed. Balbach & Son, appeared before the committee in regard to copper and lead ores.

ROBERT M. THOMPSON, of the Orford Copper Company, of New York, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I trespassed upon your time a few days ago urging you to consider a proposition for permitting ores and metal in crude form to be brought into the country in bond to be refined and re-exported. Afterwards the proposition as it was submitted to your committee was exposed to the criticism of officials in the Treasury Department, and various objections were raised to the proposition; some of them having force and proper to be considered and some probably not having so much force. The question to us who were engaged in this manufacture being one of great importance, we took council together, and, as far as in us lay, we met every objection that had been raised, and we tried to devise a proposition which we could submit to your committee which, if incorporated in the tariff law, will permit our doing what we wish to do, that is, to bring in metal in crude form and use it in connection with our home ores and mattes, re-exporting the metal under such safeguards and conditions as will prevent any possibility of any foreign metal being introduced and used in this country.

Mr. MILLS. Why do you not take the American metal and use it?

Mr. THOMPSON. Because the producers of the American material, whose mines, nearly all situated in the Rocky Mountain district north and south, are at present engaged in erecting works for the treatment of their own material, so that an industry that has grown up about the waters of New York Harbor, and which at present employs fifteen hundred people directly and probably three thousand indirectly, is going to be wiped out of existence.

Mr. MILLS. What metal do you treat?

Mr. THOMPSON. In my works we treat copper. There are other gentlemen here representing works that treat copper and lead.

Mr. MILLS. Will this not affect the price of American copper and lead?

Mr. THOMPSON. No, except to this extent: a certain proportion of the copper we treat comes from small mines in Maine, Vermont, North Carolina, and Texas, and all over the country. Now we are treating ores very cheaply because we are treating a large volume of material. We receive copper from the great mines of Montana, and we put out 25,000,000 pounds of copper per annum, and by working in that large way we are enabled to treat the ores very cheaply. When this supply of ore from the Montana mines is withdrawn from us and we are reduced to the treatment of 4,000,000 or 5,000,000 pounds a year, which is all we could hope to get from the smaller mines, we must necessarily very largely increase the cost of treatment with the possible effect of closing up these small mines. Now we say that if you permit us to bring in ore from South America, Cuba, Canada, Newfoundland, and Spain, we can go ahead and treat this ore and export the copper from New York to all parts of the world and also continue to treat the ore from the small mines in America.

To show you that we represent an important industry, that we are not coming here to trouble you about little things, although we believe it is understood that this committee proposes to treat every American industry alike, whether they are small or large, but to show you that we represent an important industry, I estimate after careful comparison with my friends that this group of works which cluster around New York Harbor have an annual output equal in value to \$15,000,000, and of that amount not over \$1,000,000 can be taken as representing profit or royalty to anybody, so that \$14,000,000 represents crystallized labor. Taking the figure of \$500 as the average wages of labor—and that is a high average, because the census figures give it at \$340—but taking the average of \$500, that supports on the average a group of five, which makes 140,000 citizens of the United States in a sense dependent upon the output of these works. Of course the mining, transportation, etc., will continue whether our works run or not, but the closing of these works would shut off from employment 1,500 men directly employed in the works and 1,500 more employed in the production of coal, coke, and brick, and things of that kind, and thus about 15,000 people would lose their present means of support. At Portland, Me., where the works are supplied from Maine mines, they have almost stopped for lack of sufficient supply, but they will continue to run if they get ores from Canada and Newfoundland.

Mr. DINGLEY. What kind of ore do they treat at Portland?

Mr. THOMPSON. Copper ore and also lead. They are making white lead there at present. They have a process by which they expect to treat lead and zinc. In fact they have brought ores all the way from Leadville for treatment there. They have

very large deposits of ores across the line in Canada, and with their railroad facilities will assuredly bring their works to a healthy condition, and make it a great industry if they are given the facilities we ask for. I do not wish to occupy much of your time, and so I will not dwell particularly on this point, but I will meet the principal difficulties that were interposed in regard to the original proposition. The first proposition as made to you was that we should be allowed to introduce ore upon giving a bond that within a reasonable time we should smelt and refine the ore and re-export the metal.

Mr. MILLS. Why do you not put it on the market here?

Mr. THOMPSON. I am arguing now to a committee I believe to be committed to the doctrine of protection.

Mr. MILLS. Decidedly; but you are asking for free trade for your work and protection for other work—you want ore free.

Mr. THOMPSON. I do not propose to touch the protective doctrine. I do not propose to come in competition with the men producing copper here. I want to have my works for the time being put in the same position in which Congress has already put certain classes of manufactures designed for the production of articles in which alcohols enter, in effect to make them bonded warehouses and to treat foreign ores therein.

Mr. MILLS. Now, as a matter of fact, if you desire to get copper ore free would you not have to abandon the American mines?

Mr. THOMPSON. I can not obtain ore from the American mines.

Mr. MILLS. Why?

Mr. THOMPSON. Because the American mines are putting up their own works to refine the ores.

Mr. MILLS. Can not you get the copper metal to export?

Mr. THOMPSON. No, sir; that copper is treated at their own works; their product will be ingot copper, and my work ceases when I make copper ingot. My production and the production of the gentlemen I represent here comes now almost exclusively from mines west of the Missouri River. Now there is a great line of works extending all along the line of the Missouri River, and they stop the supply of lead and copper coming to the East, and there are large works in course of erection at the Falls of the Missouri River in Montana, which, in the course of the next twelve months, will treat the Montana ores. So that on the sea coast we have got to be limited to the small supplies from the Eastern States, which represent, as far as we are concerned, a small fraction of what we can produce, and we will have to go out of business unless we get relief in this form.

Mr. MILLS. From what you say this business is a monopoly as far as the American production is concerned.

Mr. THOMPSON. Yes, sir.

Mr. MILLS. If you are permitted to bring your ores and work them up here and throw the product upon the American market, will it go to some extent to reduce that monopoly and control it?

Mr. THOMPSON. Yes.

Mr. MILLS. Do you think it would be a good thing to leave the owner free to treat it and put it on the market and let the people have the benefit of it? I want to get a statement of the fact. I want to help you, but I want to help the other people too.

Mr. THOMPSON. So far as the question of interfering with the sale of American copper is concerned of course, if we bring in foreign copper and sell it, it would take the place of the American product.

Mr. DINGLEY. He just proceeds on the assumption of the Mills bill, which kept ores on the dutiable list instead of on the free list.

Mr. MILLS. The Mills bill was made for some of the weak people, who believe they could not get along without this.

Mr. McMILLIN. Before you leave that point I want to ask this: If it is not the tendency to transfer to the interior that class of works for treating raw material now existing along the coast?

Mr. THOMPSON. Yes, sir.

Mr. McMILLIN. And without you can get either this relief or a relief that comes from free ores you will inevitably go out of business.

Mr. THOMPSON. We will.

Mr. McMILLIN. If you continue business in the manner you suggest, will not the effect be that you put your copper back on the markets of the world outside of the United States at a lower rate than copper is sold at by the works of the United States?

Mr. THOMPSON. That would depend upon the fluctuation of the market; to-day we would not.

Mr. McMILLIN. But as a general proposition that would be so?

Mr. THOMPSON. No, sir; three years ago that would be true, but for the last three years the foreigner has been paying more for copper than the American.

Mr. McMILLIN. That is the reason of the organization.

Mr. THOMPSON. The last organization was made for the purpose of making the American producers pay less and the foreigner pay more.

Mr. GEAR. Is it not a fact, also, that the general tendency of manufacture on the coast and in the Eastern States is towards the West, where the fuel is cheaper, where they have natural gas to be used, and where they have a market for their large production so as to save the transportation both ways?

Mr. THOMPSON. That is true as far as the market of the United States is concerned. Of course, that is not true as far as the market of the world is concerned.

Mr. GEAR. I am speaking of the Eastern market.

Mr. THOMPSON. As far as the consumption of copper is concerned, five years ago 90 per cent. of the copper consumed by the United States was consumed east of the Hudson River. To-day 60 per cent. of the copper is consumed east of the Hudson River.

Mr. GEAR. That is true of the general manufactures, not of a special thing, such as copper.

Mr. THOMPSON. That tendency is so, but, of course, we have a large plant, and are so situated that we have a large number of operatives with families dependent upon the continuation of manufactures like our own. Now, to meet these objections that have been urged—

Mr. DINGLEY. I suppose also the reason why these ores are treated at an establishment in the far West rather than sent to the East is because it is more economical and saves transportation, therefore it is the result, not of legislation, but the result of—

Mr. THOMPSON. It is the result of natural trade causes.

Mr. GEAR. In other words, they concentrate 6 or 7 tons of ore and 1 ton of base bullion.

Mr. THOMPSON. It is a fact that this is done to save transportation, but the practical question as far as we are concerned is that this destroys us unless Congress permits us to work foreign ores.

Mr. DINGLEY. Does that interfere with domestic economy. You propose to continue the industry in this manner by means of drawbacks, so you add that foreign trade to the country.

Mr. THOMPSON. Yes; and our industry will consume 60,000 tons of coal and coke per annum. This is only one instance of what these manufacturers will continue to use in their works, if permitted to use foreign ores.

Mr. GEAR. I was not in here when you commenced. What ores do you expect to work?

Mr. THOMPSON. We are treating copper and argentiferous lead ores. I have drawn my statement in the form of a bill, conforming as nearly as possible to existing laws, but in some cases if I had written the law anew I might have changed it to make some points more clear.

Mr. McMILLIN. Before you go rightly into that, this would require the establishment of Government warehouses and Government storing houses.

Mr. THOMPSON. Yes, sir.

Mr. McMILLIN. That would be placed in the custody of Government officials.

Mr. THOMPSON. Yes, sir.

Mr. McMILLIN. Would they be paid out of the Treasury of the United States?

Mr. THOMPSON. No, sir; they would be paid by the manufacturers.

Mr. BRECKINRIDGE. You do not mean to say that the Government shall build the warehouses?

Mr. THOMPSON. No. The proposed bill is as follows: The works of manufacturers at any port of entry engaged in smelting or refining metals may be designated as bonded warehouses, under such regulations as the Secretary of the Treasury may prescribe, providing that such manufacturers shall first give satisfactory bonds to the collector of the port.

Metals in any crude form requiring smelting or refining to make them readily available in the arts, imported into the United States to be smelted or refined, and intended to be exported in a refined but unmanufactured state, shall, under such rules as the Secretary of the Treasury may prescribe, and under direction of the proper officer, be removed in original packages, or in bulk, from the ship or other vehicle on which it has been imported or from the bonded warehouse in which the same may be, into the bonded warehouse in which such smelting and refining may be carried on, for the purpose of being smelted and refined without payment of duties thereon, and may then be smelted and refined together with other metals of home or foreign production: Provided, That each day a quantity of refined metal equal to the amount of imported metal refined that day shall be set aside, and such metal so set aside shall not be taken from said works except for exportation, under the direction of the proper officer having charge thereof, as aforesaid, whose certificate, describing the articles by their marks, or otherwise, the quantity, the date of importation, and name of vessel or other vehicle by which it was imported, with such additional particulars as may from

time to time be required, shall be received by the collector of customs as sufficient evidence of the exportation of the metal, or it may be removed under such regulations as the Secretary of the Treasury may prescribe to any other bonded warehouse, or upon entry for and payment of duties, for domestic consumption. All labor performed and services rendered under such regulations shall be under the supervision of an officer of the customs, and at the expense of the manufacturer.

Mr. GEAR. In other words, by your proposition you make your mill a bonded warehouse.

Mr. THOMPSON. Yes, and the only novelty of our proposition, the only difference between the execution of this plan and the case of the manufacturers of articles containing alcohol, is that we permit the mixing of foreign and home ores, which we have got to do to get a flux. The important provision is that at the end of each day a quantity of refined metal equal to the amount of imported metals refined that day shall be set aside. The metals are momentarily mixed in the furnace and they are separated at once when produced. We have stated it thus specifically because we got together as practical business men and tried in what part of the bill we could find a fault. We examined every way in which there could be a fraud, worked and provided against it; but I do not say that more astute men than ourselves might not find faults in it.

Mr. GEAR. What is the capacity of your mills?

Mr. THOMPSON. About 25,000,000 pounds of copper per annum and a large quantity of gold and silver.

Mr. GEAR. How much a day?

Mr. THOMPSON. About 80,000 pounds. Of course copper is a small item as compared with iron, but the values run large.

Mr. DINGLEY. The principle which you propose here is one that has been established and carried out by the Government for a great many years on a great many articles, materials for manufactures which are imported with a rebate of duty.

Mr. THOMPSON. We are at present manufacturing under the drawback law, but there are two great difficulties in applying the drawback principle. For instance, in order to carry on the class of work I am contemplating at my works, if I import enough ore from the Sudbury mines of Canada to run our works I would have to deposit \$250,000 with the Treasurer of the United States in payment of duties, and the losses from the drawback of 10 per cent., which would be deducted, with additional interest on my capital, custom-house expenses, etc., would aggregate at least \$150,000 per annum. Of course that is absolutely prohibitory, as we do not expect to make \$150,000, or half of it, out of the whole business. That business just at our frontier is being driven to Germany, when the owners of that mine are all Americans and are willing to put the industry in our hands. We were the first people to use their ore when they began their work, and we did their experimenting for them, and if we could get that industry in New York it would enable us to employ a great many more men than we now do.

Mr. GEAR. If that copper is used here, then you pay the duty?

Mr. THOMPSON. Yes, but as a matter of fact we now export 40 per cent. of the copper produced in this country, and there is no possibility of using foreign copper on which a duty has been paid. A large amount of home copper is, for trade reasons, exported in an unrefined state because the owners of one or two large mines have certain trade connections here and they refuse to allow their mattes to be refined here, even at the same cost, but send them abroad for trade reasons.

Mr. DINGLEY. Here is a calculation in regard to drawbacks on exported merchandise:

"SEC. 50. That on all articles exported, manufactured from materials upon which duty has been paid, and entitled to drawbacks under any provision of law, there shall be allowed a drawback equal to the duty paid on such materials without retention of any part thereof; but such drawback shall be paid only to the manufacturer or actual owner of such merchandise, and in cases only where the identity of the article exported, with the imported materials upon which the drawback is claimed, shall be established under regulations to be prescribed by the Secretary of the Treasury."

Mr. THOMPSON. There are two principal distinctions between us there. First, we would have to deposit with the United States Treasurer \$250,000, which would be dead capital.

Mr. DINGLEY. That is the regulation of the Secretary of the Treasury. Suppose you have a provision that you should have to give bond?

Mr. THOMPSON. That was the original proposition, and we were met there by the statement of the Treasury Department that the United States has often in the past found bonds rather an uncertain security; they can not always be collected. The attempt of the Department is to get something absolute, either payment of money or a supervision by their officials, to meet that. We said we will make our works a bonded warehouse. The second difference is that the last paragraph there re-

quires you shall export identically the same metal you import, and does not permit us to mix it; we have got to treat that material alone. Now, almost all the copper ores of the United States that come to us are sulphides and have a preliminary treatment in the West. They are separated from the earthy matter and come to us in the form of mattes which may carry 30 to 50 per cent. of copper, and we have to treat that. In Australia and in New Quebrada, Venezuela, there are large deposits of carbonate and oxide ores free of sulphur, and it is so situated that it can be brought here with phenomenal cheapness. We can bring ore from Australia as ballast for wool ships at \$2.50 a ton. These ores, mixed with the sulphide ores, effect a great cheapening in the cost. Now, I think the question was asked by one of the gentlemen here, why we did not use American ores. Very frequently the railroad companies will make the freight rate from the far West to Liverpool as cheap as to us, and I have known many instances where the freight was less to Liverpool than to our works. The consequence was that our rival at Liverpool had a distinct advantage in price on the American production.

Mr. GEAR. Does the interstate commerce law help in that case?

Mr. THOMPSON. No, sir; because it is a question of ocean transportation. At present their trade does not run that way. Now, when ores are brought from Newfoundland a steamer taking these ores must go to Newfoundland empty, and if she returns to England the ore must pay the entire freight both ways, which would probably require a freight of 12 shillings. That same steamer can bring ore here, discharge her cargo of ore, and load with wheat and go back to England and can afford to bring it at a dollar a ton.

Mr. GEAR. The difference is, you want to export the value of the metal, not the metal itself.

Mr. THOMPSON. We want to export the equivalent of the metal. To my original proposition the Treasury Department objected that we would bring here 25,000,000 to 40,000,000 pounds of copper and cover this by exporting copper that would be exported anyway, the effect being to bring in the ores free of duty. That is a perfectly fair and just criticism; to meet it we provide that we must export the product of the smelting works that treat the ore, and that product is taken out from day to day as refined and set aside, so that to all intents and purposes it is the same metal.

Mr. CARLISLE. You could not buy the product of anybody else and meet your bond?

Mr. THOMPSON. No, sir. When they raised the question they said, "You might bring in here ore which had some peculiar quality which had a great reputation for its copper, and you might put that on the market and thereby work hardship to those who produce the same quality here," but to this we answer we will mix with the American ores and so make a uniform product.

Mr. BRECKINRIDGE. The tax on your material is a specific tax.

Mr. THOMPSON. The tax is a specific tax.

Mr. BRECKINRIDGE. Therefore it is not necessary to determine the value.

Mr. THOMPSON. No, sir. If we bring in so many pounds of copper we have to export so many pounds of copper, and one cancels the other.

Mr. BRECKINRIDGE. This ore would have to be assayed, I suppose, or rather it is assayed.

Mr. THOMPSON. It is assayed at present. We are bringing it in under the drawback law to-day, so you see we are coming to you with a practical business proposition. It is not a thing that may be, but it is a thing that will be. We are bringing ore to-day and staggering under the load that is put upon us, and we are doing it simply to keep hold of the foreign ores and to continue our business. We bring the ore in and the Government sends a sampler and we have to pay on the value as determined by him. At times that exposes us to great danger, for the Government never underassays, but frequently overassays. The New Jersey Extraction Works in the course of the last year lost some \$7,000 by the Government forcing them to pay for copper which never existed.

Mr. GEAR. Is it sampled by the Government as in silver ore, where you take a sample, they take a sample, and a third party is chosen?

Mr. THOMPSON. The Government samples itself. It allows nobody else to have anything to do with it. It draws its sample and has it assayed by its own chemist.

Mr. DINGLEY. Your plan seems to be carried out practically in building materials for ships. Under section 2510 of the Revised Statutes, for eighteen years the material for the construction of ships has been imported free in bonds; that is, those who construct the vessels give bonds for payment of duty. They do not pay the money, but they simply give a bond for it and the ship-yard is made in fact a bonded warehouse.

Mr. THOMPSON. I know that is the case.

Mr. DINGLEY. They have tried that for eighteen years and there has been no fraud.

Mr. THOMPSON. In looking for the existence of fraud it seems to me we should always look at the object which would induce men to commit the fraud. In such a case as ours there would be no inducement for any person to put himself in the position of a criminal. I am selling to-day right along fully one-third of our product from home ores for foreign consumption, and I do that because it pays.

MICA.

STATEMENT OF JAMES M. GERE.

Mr. JAMES M. GERE, of Syracuse, N. Y., addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I appear before the committee by request in regard to the matter of mica, stove mica. Mica, as you are aware, is upon the free list at the present time, and I think there has never been any duty. There is none at present, at any rate. For the past twenty years it appears that mica has been mostly produced in this country from North Carolina and New Hampshire. I assume, really, that perhaps three fourths of the amount used in the United States has been produced in North Carolina.

Mr. MCKENNA. You say you appear by request; will you state at whose request?

Mr. GERE. I appear at the request of Mr. H. G. Ewart, of North Carolina.

Mr. GEAR. Are you interested in mica mining yourself?

Mr. GERE. I have been interested, and I have mined mica in the State of North Carolina, although I am myself from Syracuse, N. Y. The situation in North Carolina is a little peculiar. Some large mines are working there; but it is found scattered all over the country it is a common thing, and a large number of people are interested in the production of mica in the western part of North Carolina. I assume that the average product for fifteen years in North Carolina (until within the past four or five years) has been \$100,000 a year. In 1882, 1883, and 1884 I judge the counties of Mitchell and Yancey alone produced about \$200,000 worth. About this time (1882) mica began to be imported from India. In 1882 I learn the amount was a little over \$900 in value; in 1883 it was \$9,000 and something, and up to 1887 it had risen to \$63,000 in value. In 1889 it was \$91,000 in value. I take this from the reports. The product in the United States has gone off. In 1882 it was \$250,000 in value, the total production of the United States. In 1883 it was \$285,000 in value. In 1884 it was \$163,000 in value. In 1885 it was \$161,000 in value. The importation from India had become large at that time, and it jumped right down. In 1886 it was \$70,000; but in 1887 it had risen to \$142,000. I have not the statistics for 1888 and 1889, but I assume, from a personal knowledge of the situation and the business there, that these two counties of Mitchell and Yancey, which in 1883 and 1884 produced \$200,000, in 1888 I venture to say the production was inside of \$20,000, and in 1885 I doubt whether it was \$10,000.

As mica is wholly a production of labor this bears very disastrously upon the people in this mica-producing region. Of course they have to compete with this India labor that costs from 5 to 15 cents a day, and in regard to transportation being made by returning vessels from Calcutta, and mica having so large a value to the ton, the freight is hardly an appreciable value; and in fact, I think it would be safe to say mica can be delivered by ship from Calcutta to New York for less money actually than from these mines in North Carolina, notwithstanding the difference in distance. You will see by the figures that the business of producing mica in North Carolina has been depressed during that time, and the prices of mica at which it was sold on the markets to the consumers has been reduced fully 40 per cent. The effect of that upon a large number of people is of more importance to them than the mere money value of the product would seem to indicate. Coincident with the time between the large increase of importations and the lessening of production, the prices in North Carolina have attracted a good deal of attention on account of the apparent dependence of one upon the other. It is a sentiment that is growing very strongly with the people there that they should be protected against the mica production by such very cheap labor. Of course North Carolina and New Hampshire labor can hardly compete with the labor at 5 and 15 cents a day. They ask for a specific duty upon mica. They ask for a moderate duty; they ask for a duty of 50 cents a pound on all mica and mica waste, and they are especially asking that it shall be specific for the reason that mica comes in such condition that it is almost impossible to value it at the point of importation, and for that reason an ad valorem duty would be a source of very great trouble even in the hands of an expert.

Mr. BRECKINRIDGE. Do you buy mica in North Carolina?

Mr. GERE. I mine mica and buy the products of the mines.

Mr. BRECKINRIDGE. What do you pay for mica from there?

Mr. GERE. You ask me a question of the widest range of anything I can imagine,

Mr. BRECKINRIDGE. What is the lowest you pay for merchantable mica and what is the highest you pay, for you say you pay varying prices?

Mr. GERE. If you will allow me I will explain it a little. Now, mica under these circumstances would be liable to be imported in its rough state, in the condition in which it is brought from the mines. Now, I will say right here a ton of mica in that condition is liable to be worth \$10, and it is liable to be worth \$2,000, and nobody but an expert can judge within a thousand per cent. of its value. Further than that, even an expert, if it is in that condition (unless it is split and he examines the texture of the mica clear through) can not tell what it is within a thousand per cent. This is mica in its rough state. It will take a good deal of time to explain just how it is.

Mr. BRECKINRIDGE. Do you buy it altogether in this rough state?

Mr. GERE. No, sir; we also buy it in its prepared state and we pay all the way from 15 cents to \$3 a pound for it, which is determined by the size of the sheets. The same is true in regard to selling it in the markets, and the same is true in regard to the stove manufacturers. We buy it as so many square inches in the aggregate. If it is smaller sheets it will sell for a smaller price than where the sheets are large. For instance, mica is selling now at from 25 to 70 cents a pound up to \$4 and \$5 a pound, according to the size of the sheets. There is no other difference except the size of the sheets.

Mr. BRECKINRIDGE. What is the price per pound for the greater part of the mica? There are a few sheets that sell for as much as \$3 or \$4 a pound.

Mr. GERE. A great deal sells for \$3 a pound.

Mr. BRECKINRIDGE. Take the bulk of mica used in the industries, stoves, and all that. What is the price for the greater part of that per pound?

Mr. GERE. When we start out, say, with 2 by 2 inches—

Mr. BRECKINRIDGE. I am speaking of that size which is most commonly used, not of the exceptional ones; but take the general run. I want some average idea.

Mr. GERE. The size 2 by 2 inches is a very common size used in stoves. It runs from that up to about 4 by 6, and all the way between. A pound of mica in a piece 2 by 2 square would sell in the market to-day for about 30 cents a pound.

Mr. BRECKINRIDGE. Is that in a condition for use?

Mr. GERE. Yes, sir; in a condition ready for the stove. A package of 4 by 6 would sell for about \$3.50. All the way between, 3 by 4, for instance, will sell for about \$1.33.

Mr. McMILLIN (holding up a piece of mica). That is about 3 by 4?

Mr. GERE. Yes, sir.

Mr. McMILLIN. What would that sell at?

Mr. GERE. About \$1.33 a pound.

Mr. BAYNE. What do you pay, or what is your average price, with a view of getting at what per cent. the duty would be—the duty you propose is \$1 a ton?

Mr. GERE. Yes sir.

Mr. BAYNE. What do you pay a ton for that commodity?

Mr. GERE. I have paid about \$2,000 a ton for it in this condition. It was split so as to show the texture and to show what the quality is relatively, and the value can be determined by an expert; but it is not trimmed to ship. It was roughly trimmed, and I would state that when we come to cut that it would cut about 50 per cent. of its weight. In that condition we pay just about \$2,000 a ton (exhibiting sample).

Mr. BRECKINRIDGE. You put them into two grades? In the rough condition just as it comes from the mines; in the condition in which it is imported what do you pay?

Mr. GERE. I do not mean to be understood that it is imported in that condition.

Mr. BRECKINRIDGE. I understood you to say that is the form in which it is imported.

Mr. GERE. I meant to say that under an ad valorem duty it would be very likely to be imported in that way, because it would be to their advantage. If I was an importer I would import it that way.

Mr. BRECKINRIDGE. And if it is in an uncut and unfinished state what you do pay for it in North Carolina?

Mr. GERE. I could not answer you any more definitely than the figures I gave you.

Mr. BRECKINRIDGE. You spoke of one especial lot and you have given that price. Now, I want to know what the average price is for the uncut and unprepared mica just as it is mined and taken out.

Mr. GERE. I will explain that to you by giving a fact or two. I have been running mines myself and I have had mica that was very deceiving as to its quality; and when that mica was cut I did not get \$6 out of it.

Mr. BRECKINRIDGE. So you have said; but I do not care about a single instance. That is a portion which you state to be worthless and the other you stated was a superior lot. Now, I want to know what is the average price you pay in North Carolina, taking the risk and taking it as you find it. You have got something like an expression in regard to the cost of it.

Mr. GERE. We do not have an expression in regard to the cost until it is split.

Mr. BRECKINRIDGE. Have you before it is split?

Mr. GERE. No, sir. I make it a point that I would not risk anything in regard to it before it is split.

Mr. BRECKINRIDGE. What do you give on an average for it in the condition in which you do buy it?

Mr. GERE. Oh, perhaps \$1,000 a ton.

Mr. BRECKINRIDGE. You think that is about the average price you give for it?

Mr. GERE. I would not give my judgment as to any average price, as it is so absolutely uncertain.

Mr. BRECKINRIDGE. You state you did not buy it until that uncertainty was removed by being split?

Mr. GERE. Certainly.

Mr. BRECKINRIDGE. Well, in this condition of uncertainty, what do you pay then?

Mr. GERE. I will say that no one but an expert can come within a thousand times of its value.

Mr. BRECKINRIDGE. Do you think \$1,000 would be an average price at which you would buy it; if not give us an average. Do you pay as much as \$1,000 on the average?

Mr. GERE. At the present time I think it is about \$2,000; but that is a mere matter of judgment. I am not trying to evade any questions, but there is no way in which I can answer that question.

Mr. BRECKINRIDGE. What amount is put in one of these ordinary latrobe stoves; what is the size and weight of it?

Mr. GERE. Right here, if you will allow me, I will state, mica prepared for and just calculated to fit the stove known as Jewett's fancy base-burner No. 61—

Mr. BRECKINRIDGE. What is the weight?

Mr. GERE. 2.015 of an ounce, that parcel.

Mr. GEAR. What is the value of that?

Mr. GERE. It is worth 9½ cents, that parcel. That is the price at which I would sell to Mr. Jewett to-day.

Mr. BRECKINRIDGE. I did not hear the price.

Mr. GERE. I say the parcel is adapted for Jewett's fancy base-burner No. 61, and is worth 9½ cents for that parcel.

Mr. BRECKINRIDGE. How much a pound?

Mr. GERE. Eighty to 90 cents. You observe the different sizes.

Mr. McMILLIN. Then the rate of duty you propose on this would be about 60 per cent. of its value.

Mr. GERE. It would be a little upwards of 50 per cent. Of course this is a little heavier than when it is put in the stove.

Mr. BAYNE. What size do you use in stoves?

Mr. GERE. We use everything from the smallest to the largest. There is nothing large here. Of recent years the stove makers have got in the habit of using smaller sizes of mica than years ago. Years ago they took 3 by 5 up to 4 by 6, and in that case instead of it being worth 9½ cents it would be worth 50 or 60 cents.

Mr. BAYNE. Is it not the trouble in this country you can not get clean sheets of large size?

Mr. GERE. No, sir.

Mr. BAYNE. Are our mines equal to producing large, clean sheets of mica?

Mr. GERE. Yes, sir.

Mr. BAYNE. Is the supply abundant?

Mr. GERE. Yes, sir. It is found all over the country. It is often found in the West.

Mr. BAYNE. I know it is found in a great many places, but the question is whether the sheets are equal to those found in foreign countries?

Mr. GERE. My impression is they are superior.

Mr. BRECKINRIDGE. The gentlemen who represent the other side of this mica question, the stove founders and the electric companies, want to have to-day week fixed so that they can gather their people from Michigan and elsewhere, when they can appear before the committee.

The CHAIRMAN. Can not they be heard this week?

Mr. BRECKINRIDGE. It would take some time to get their forces together.

The CHAIRMAN. It has been the same thing. We have been asked to postpone hearings, but by reason of stating that they would have to be here at a certain time we have been able to bring them here.

Mr. BRECKINRIDGE. I only represent what Mr. Munsell, of New York, said to me. He told me he had to leave for New York, and that they would not like to undertake to get their people here, as some live in Detroit, and places at that distance.

Mr. LA FOLLETTE. It is only a matter of a telegram to them, and in twenty-four hours they could get here; and it seems to me, Mr. Chairman, this matter can be protracted by these means through the entire session.

Mr. BRECKINRIDGE. I just submit to the committee the facts.

Mr. BAYNE. I move they be heard Thursday, and if they are not ready to be heard then they can send in a written communication.

Mr. BRECKINRIDGE. Allow me to hand you this communication which belongs to you, with the request that it be inserted in the testimony.

STATEMENT OF HON. H. G. EWART.

Hon. H. G. EWART, a Representative from the Ninth North Carolina district, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, for a long time it was popularly supposed that the staple productions of North Carolina was tar and turpentine. It is no longer the case. Not only are we rapidly becoming a great manufacturing State, but we are developing our mineral interests to a wonderful extent. Perhaps outside of our coal, gold, and iron deposits, the next most valuable mineral is mica. This mineral is found in paying quantities only in three counties in the State, Mitchell, Yancey, and Macon, all of which are in my Congressional district. Until within a few years past 75 per cent. of the marketable mica used in this country was mined from quarries or mines in North Carolina and New Hampshire. These mines afforded remunerative wages to hundreds of laboring men, and the product was sold at fair and reasonable prices. But these mines are no longer worked. Importers of India mica have a complete monopoly and have almost entirely displaced our product. In 1873 the importations of mica amounted to only \$316. It is estimated that for the year ending 1890 the importations will exceed \$500,000. At the North Carolina mines when they were operated wages from \$1 to \$1.25 per day were paid laborers. At the mica mines at Behar in India the wages consist of 80 pounds of rice and a piece of cloth, the whole valued at 50 cents per month. Is it any wonder that the foreign article has displaced our product? It may be said that the matter of transportation should be considered. But that is a matter of small consequence, as I venture the assertion that freight rates from Calcutta, India, to New York, are less than from Bakersville, N. C., to New York. Mica carried as ballast makes the freight rate a very low one.

Mica is now on the free list, and as a natural consequence American mines are closed down, and a foreign and inferior product used in our markets. To a very great extent mica is a luxury, used as it is principally for insulation in electric machines and illuminating purposes for stove doors. It exists in the United States in sufficient quantities to furnish an abundant supply of superior quality, and there is no reason why it should not be protected as other industries are. An ad valorem duty as fixed by the Senate bill of the Fiftieth Congress affords no protection to the mica miner. We ask for a specific duty. That and that alone will place mica miners in North Carolina and New Hampshire upon equal footing with the India miners who profiting by the labor of their half naked and starved Bheels now control the mica markets of the United States.

Mr. BAYNE. How much duty do you ask for?

Mr. EWART. I have introduced a bill asking for a specific duty of 50 cents a pound. Since the introduction of that bill I have conferred with perhaps one of the largest mica miners in western North Carolina, and he is also engaged extensively in mica mining in New Hampshire; and I question whether that is a sufficient amount of duty to protect them.

Mr. BAYNE. Some of this mica is very valuable per pound, and other is not so valuable.

Mr. EWART. There is quite a difference in the price. That matter I suppose has been explained to the committee by Colonel Gere and others.

Mr. LA FOLLETTE. What wages do you pay in North Carolina?

Mr. EWART. One dollar and twenty-five cents per day.

Mr. LA FOLLETTE. For the miners?

Mr. EWART. Yes, sir; and the laborers in the mines.

Mr. LA FOLLETTE. Is the mining done by expert miners?

Mr. EWART. No, sir; the labor is taken entirely from the agricultural class of the country.

Mr. LA FOLLETTE. The labor which is classed as ordinary labor is the labor you use in your mines?

Mr. EWART. Yes, sir; that is the simple mining department. Of course it requires some skilled labor in trimming and cutting the mica, and packing it, etc.

Mr. LA FOLLETTE. What wages do skilled workmen get for that?

Mr. EWART. I suppose about \$1.50 per day.

Mr. GERE. In the mines we run the labor was \$1.25 a day, and it is now about 75 cents.

Mr. RANDALL. I should say in New Hampshire we pay about \$1.50 or \$2 a day.

Mr. GERE. It takes a skilled hand for the final handling, and that labor is worth \$1 to \$1.25. I am paying at present \$1 to \$1.25 for that.

Mr. EWART. I think at the mica mines in Yancey County they pay \$1.50 a day.

ADDITIONAL STATEMENT OF JAMES M. GERE.

I referred to the fact that while mica was in its rough state it was impossible to fix a value on it, and I want to demonstrate how this is. The large block of mica is split up into pieces like this, and that is an infinite part of that block [illustrating with a block of mica]. Right on this edge here the actual surface of the block of mica is where it is separated from the rock which contains it. That surface extends all over it. Further than that, the piece of mica is valued at what is sound in it. You will observe there is a little mark right there. When it is split like that so you can see through it, you look for these cracks in order to determine its soundness. If I cut that across there that piece of mica would fall apart. It is just like that surface, and it would fall apart as far as that crack extends into the mica. In the block of mica before this surface is removed you can not see the texture like that, and it may be liable not to have any cracks, in which case it would be so much more valuable. I should cut this this way, and all this portion here would be waste [illustrating].

There is a very excellent piece of mica, only it has that one crack in it. Right there is another piece, but you will observe that there is a good deal more of the same thing in it. You only get a piece like that [marking it off with his finger] because there is a larger number of cracks, and mica is always liable to have them. I have seen sometimes a block of mica which looked first class, but when it came to be split into pieces like that it was worthless on account of the cracks.

Mr. MCKENNA. You do not mean the pieces are liable to have cracks like that?

Mr. GERE. I mean when it is in the block you do not know anything about it. There is no one, not even an expert, who can judge at all in regard to it or what sized pieces it will make.

Mr. GEAR. You can make no allowance for wastage.

Mr. GERE. My statement was it is impossible to determine the value of the block as it comes from the mine. Not even an expert can judge of it in this condition because these cracks are liable to run through it. I simply state this as a reason for my statement that I could not determine the value of mica until it was split.

For the last twenty years mica has been produced in this country mainly from North Carolina and New Hampshire, of which I estimate three-fourths has been produced in North Carolina.

For ten years, extending down to and including 1884, I estimate the average annual production of North Carolina at \$200,000 in value, mainly from the counties of Mitchell, Yancey, and Macon, with lesser amounts from other counties in the same section of the State.

Some large mines have been worked, but mica is also found scattered all through the country, so that it is a common thing for the country people to go out and prospect and dig for mica as being the most general and ready way to get something that they can sell for money.

In this way it has become a matter of general interest to the people of that section. In the years 1883 and 1884 I estimate that the counties of Mitchell and Yancey alone produced fully \$200,000 worth of mica in each year.

About this time mica began to be imported from India. For 1882 a little over \$700 in value. For the year ending June 30, 1883, the amount was \$9,884 in value, for 1887 it was \$63,480, for 1889 it was \$91,826.

The production for the United States is given at, 1882, \$250,000 in value; 1883, \$285,000; 1884, \$364,000; 1885, \$161,000; 1886, \$70,000; 1887, \$142,250. I have not the statistics for 1888 and 1889 for the whole country, but I estimate the amount for Mitchell and Yancey for 1888 at not to exceed \$20,000, and for 1889 at not to exceed \$10,000. Same counties gave \$200,000 in 1883 and 1884 each year.

As mica for market is wholly the product of labor and as mica from India is produced by labor that can be had at from 5 to 15 cents per day, it competes disastrously with mica produced by North Carolina and New Hampshire labor. It being brought from Calcutta to New York in returning ships and having so large a value for a ton of weight the cost for freight is hardly an appreciable percentage of its value, and I question whether mica from Calcutta can not be laid down in New York fully as cheaply as regards cost for freight as can mica from the mines in North Carolina.

In consequence of this state of things the mica market for the past five years has been very much depressed and constantly growing worse. During that time mica has lessened in value fully 40 per cent. and has been of slow sale.

This state of things is working a great hardship to the people of the mica-producing district, especially of North Carolina.

Mica being a cash product and within the reach of so large a portion of the people, it was doing much to give them ready money with which to develop that section, and in this way had become of more importance to them than the mere amount of the money value would seem to indicate.

The coincidence in point of time of the large increase of importation of mica from India with the large lessening of production and of price in this country, and the apparent dependence of the one upon the other as of cause and effect has attracted a good deal of attention, and a strong feeling has grown up among them that they should be protected from the present disastrous competition with the cheap labor of India and Canada.

They ask for a specific duty instead of ad valorem for the reason that mica would be likely to be brought in its rough state as it is taken from the mines, in which condition it is practically impossible to determine its value. It can be determined only by and expert and then only approximately and with an amount of labor that will essentially change its condition. To do it at all it must needs be split thoroughly so as to show its grain and condition clear through, must be sorted carefully and can then be judged of only approximately. No definite rules can be laid down by which to value it and the valuation in that condition being solely and only a matter of judgment would be subject to the grossest abuses. With anything less than a preparation and examination like this given it and with the best of intentions, even an expert would be liable to be in error 1,000 per cent. as to its value. A ton of mica in the condition in which it comes from the mine is liable to be worthless than \$10, and it may be worth \$2,000, and even an expert could not tell even approximately until it was split and sorted. When prepared for market a ton may be worth \$6,000, or even more, but its value could not be known while in the rough state.

It is proposed that upon all mica of not to exceed 12 square inches in a single piece there shall be a specific duty of 50 cents per pound and for all mica larger than 12 square inches in a single piece a duty of \$1 per pound. This would give to importers the opportunity to bring it in a condition prepared for market, and would be certain, simple, safe, and moderate, and would give producers a protection against excessively cheap mica that is now so disastrous.

In regard to whether this would enhance the cost of material for stoves to a burdensome degree, I show a sample of mica ready prepared to put in a stove, which we will examine and discuss a little.

An ounce of mica when ready to put into a stove presents a surface of from 160 to 240 inches, more or less, according to the care with which it is split.

The parcel shown presents 364 square inches and weighs 2.15 ounces. It can easily be split so as to weigh 1½ ounces and still present the same surface. This parcel shown is designed for a particular stove and is just a full set of mica for Jewett's Fancy Base Burner No. 61, of Buffalo, fitted and ready to put in the stove. It is split a very little thicker than would be likely to be put into a stove for the reason that if thinner it would be more liable to be broken by being handled in an unprotected condition as it is. As to the cost of mica for a stove we will refer to particular stoves. For the ordinary best parlor stoves, made by the Michigan Stove Company, of Detroit, or the Detroit Stove Works, of the same place, or Sherman S. Jewett & Co., of Buffalo, all first-class manufacturers, each stove will take from 1 to 2½ ounces of mica. For instance, Jewett's Fancy Base Burner No. 41, will take 266 square inches of mica, or a little more than an ounce; his No. 51, which sells for \$40, will take about 316 inches of mica, or from 1½ ounces to 1¾ ounces; his No. 61, the largest size, will take 364 square inches, or about 2 ounces; his Mikado, largest and his most expensive parlor stove, will take 394 square inches. The Michigan Stove Company makes one stove that will take a little more mica, but averaging a smaller size for each piece, the cost of the mica for the stove, in the aggregate, will be less.

At the rate of duty proposed the mica for the stoves heretofore mentioned would all, or nearly all, come under the schedule at 50 cents per pound, and the duty upon the mica for a stove that sells for \$40 would be from 4 to 5 cents.

The above sum would be the enhanced cost of the mica for a stove, provided the price of the mica was increased by an amount equal to the duty, which is not true as to mica any more than as to the average of other protected articles produced in this country. As a matter of fact the smaller sizes of mica, as shown in the accompanying parcel, would still be sold for not to exceed 50 cents per pound, notwithstanding the duty, and produced in our own country. With iron and manufactured stoves protected this amount of duty upon foreign mica can hardly be burdensome, while it would be an immense relief to the miner for his finished product.

WASHINGTON, D. C., January 16, 1890.

WILLIAM MCKINLEY, Jr.,

Chairman of the Committee on Ways and Means :

In regard to prices that are paid for mica from the mines of North Carolina, I desire to say that a ton of good merchantable mica, of average sizes and proportions, cut and ready for market at the mines, would bring from \$4,000 to \$4,500, according to the proportions of the several sizes; that the same quality of mica in the condition known as "cut and trimmed" a ton would bring \$2,000 or \$1 per pound; that to prepare it for market it is first cut to the form and sizes required. This process will reduce it in weight one-half, which will bring the cost per pound up to \$2. To this must be added 15 cents per pound for cutting and 5 cents for transportation, making an aggregate of \$2.20 per pound or \$1,400 per ton.

Mica in its rough state and before it is split is of indeterminate value. For this reason a specific duty of 50 cents per pound for stove sizes, which would be less than 25 per cent. for mica prepared for market, would be preferred to an ad valorem duty of 35 per cent. with the chance of its being applied to mica in its rough state and of indeterminate value.

Respectfully,

JAMES M. GERE.

STATEMENT OF CHARLES L. RANDALL.

Mr. CHARLES L. RANDALL, of Boston, addressed the committee. He said :

Mr. Chairman and gentlemen, I represent the mica interests of the United States. I have a petition to the committee which I will read. [Reading:]

The Senate and House of Representatives of the United States :

GENTLEMEN: The undersigned, your petitioners, represent and say, that they are a corporation duly incorporated under the laws of the State of New Hampshire; that their principal business is the mining of mica and selling the same in the markets of the world. They further aver, that up to two years since the plant and industry they represent (embracing some 600 acres of mica lands, together with mining machinery, buildings, tools, etc., and situated in the town and county of Grafton, N. H.) had been worked by the undersigned and their immediate predecessors (some of which latter are now stockholders in said corporation) for a period of sixty consecutive years or more. Your petitioners further say, that in consequence of the opening up of mica mines in Asia, Canada, and other foreign countries, and the large importations into this country free of duty for the last few years of mica, (the amount of which importations are estimated to be 75 per cent. of the merchantable mica used in the United States), and that by reason of the aforesaid, the business of your petitioners has become unprofitable, inasmuch as your petitioners can not successfully compete with foreign mica, admitted free of duty, and imported principally from Asia, where the laborers receive from 50 cents to \$1 per month for their labor, and your petitioners pay from \$1.25 to \$2 per day for their help. And your petitioners further say, that they have sustained great hardship, loss of money, and injury to their previously established business, and by the lying idle of their large plant incident thereto, all of which they stand ready to prove to your honorable body; and in justice to the undersigned and to all parties interested in the protection of home industries, your petitioners pray you to establish a specific duty of \$1 per pound on all mica imported into the United States, and for such other remedial legislation and relief as may be necessary in the premises.

And, as in duty bound, your petitioners will ever pray.

Respectfully submitted.

The RUGGLES AND RANDALL MICA COMPANY,
By CHARLES L. RANDALL,
President.

GRAFTON, N. H., December 24, 1889.

We, the undersigned, having an interest in the mica business in the United States, herewith join in the foregoing petition, praying that a duty may be placed on imported mica.

H. RANDALL,
Boston, Mass. (Mines, Grafton, N. H.)
CHAS. C. FOSTER,
Boston. (Mines in Jackson County, N. C.)
ROBT. WEBB,
Boston. (Webb Mica Mine, Walworth, N. H.)
SAMUEL H. RANDALL,
Mines in Springfield and Grafton, N. H.
GEO. H. RANDALL,
Grafton, N. H.

Mr. RANDALL (continuing). The largest mica mine, situated in Groton, 20 miles from ours, is called the Palermo Mine. It has been worked for some years. Mr. Breed hands me the following letter to present for him to the committee. [Reading:]

NEW YORK, January 9, 1890.

DEAR SIR: It is a well known fact, with which you are perfectly familiar, that the mining of mica in the United States has nearly ceased, on account of the inability of American miners to compete successfully with the foreign article produced by cheap labor abroad.

It is absolutely necessary that a high protective tariff shall be placed upon foreign mica, in order to allow the mica-mining industries of this country to be revived and profitably carried on.

We advocate such a tariff, and hope you will be successful in promoting a result so desirable.

Very respectfully,

PALERMO MICA COMPANY.
GEO. F. BREED,
President.

Mr. CHARLES L. RANDALL,
President Ruggles & Randall Mica Company, Washington, D. C.

Mr. RANDALL (continuing). Seventy-five years ago, gentlemen, the Indians used to throw wood onto a ledge and set it on fire, and when the rock was heated, throw on water, thereby causing contraction and expansion, and they produced mica in that primitive way and with those primitive methods. Then followed an industry which was built up in our family for the last sixty or seventy years, during which time we have added, year after year, to our plant and to our territory as stated in this petition. Mica had been imported in an irregular way from Canada and from Asia before, but not to the colossal extent that has characterized the importations for the last two years. As stated in the petition, 75 per cent. of the mica used in this country is brought in from foreign countries where labor is cheap.

Now, with reference to the question of supplying the wants of this country. That matter must come up, for I understand that there is a petition from the stove manufacturers against a duty on mica, and so the ability of this country to produce mica must come into the discussion. Mr. F. W. Clark, connected with the Department of the Interior, says on page 907 of the report of the U. S. Geological Survey, published at the Government Printing Office in 1885:

"In New Hampshire, along a belt of country southwestward of the White Mountains, mica mining is quite an old and well established industry. The 'mica belt' first becomes conspicuous in the town of Rumney; and actual workings have been carried on in Orange, Groton, Grafton, Springfield, Alexandria, New Hampton, Wilnot, Marlborough, Acworth, and Alstead. Throughout this region the granite veins are most conspicuous objects, and often they may be seen from miles away cropping out along the barren hill-sides. The most important mines are in Groton, Grafton, and Alstead, and large quantities of mica are annually taken out and sent to market. In Alstead, work has been carried on interruptedly for more than forty years, and the locality has yielded sheets of mica nearly 4 feet across."

That helps to corroborate my statement in regard to the time that this mine has been worked through three generations. Up to two years ago they inundated America with the foreign mica, and I am here to ask this committee that, in its wisdom, and in all justice, it will aid us by a protective tariff.

Mr. BURROWS. What rate of duty do you ask on mica?

Mr. RANDALL. One dollar a pound.

Mr. FLOWER. What does mica sell for?

Mr. RANDALL. It runs from 20 to 23½ cents, depending upon size.

Mr. BURROWS. How much does labor enter into the cost of mica?

Mr. RANDALL. Seventy-five per cent. of the expense is incurred for manual labor.

Mr. FLOWER. And you want \$1 a pound?

Mr. RANDALL. Yes; I want the duty prohibitory if I could get it.

Mr. GEAR. What size do you usually get the mica?

Mr. RANDALL. We get it of all sizes. It comes in conglomerate masses all the way from 6 inches to 2 feet thick. The American mica is just as good as the foreign mica. Some say that it does not split so well as the foreign mica. Now, here is a piece [producing it], and I will show you that it does split, and that the cleavage is as good as the cleavage of the foreign mica.

[Mr. Randall split with a pen-knife a piece of American mica, and, having done the same with a piece of foreign mica, asked the committee if there was any difference in the splitting.]

Mr. GEAR. Is that [pointing to a specimen] the average thickness?

Mr. RANDALL. It is generally subdivided, because it is used principally by stove-dealers.

Mr. GEAR. What superficial area of mica would weigh a pound?

Mr. RANDALL. This piece [exhibiting a small leaf] is 3 by 5 inches, and probably from seventy to one hundred pieces of this kind would make a pound.

Mr. FLOWER. Is there any combination among mica men in this country?

Mr. RANDALL. No, sir; none whatever. Here [exhibiting specimen] is mica from India, and here [exhibiting another specimen] is mica from New Hampshire. Each of these specimens is transparent. In India a man's wages would be 50 cents a month, while here it would be \$2 a day. Here [exhibiting specimen] is mica that was in the great fire in Boston in 1872. Mica is impervious to the action of heat and cold. There is no better mica in the world than is produced in New Hampshire and North Carolina, but we can not compete with Indian labor.

STATEMENT OF GEORGE H. RANDALL.

GEORGE H. RANDALL, of Grafton, N. H., next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I have been engaged in the mining of mica directly at the mines for nineteen years. In the place where I have given the most attention to mining, there have been probably in the last six or seven years twenty places opened surrounding us. There is one place at work which is to-day the largest producer of mica in the country. The proprietor of this told me within a week that he will be obliged to suspend his works.

The CHAIRMAN. Where is this?

Mr. RANDALL. This is at Groton, the Palmer Manufacturing Company. They employ fifty men and twelve girls. The girls are employed in cleaning the mica. I think there are about eighty all told. At our place they have entirely suspended, and they have been for the last three years, hoping, as we hope, that the mica industry would become better, but instead of that the prices have gone down until we can not afford, with the price of labor, to work. A gentleman who represents a large concern, and is a personal friend of mine, told me that if we were protected by a duty he could increase his works to five hundred men; but the market now has declined on account of the importation of foreign mica. In this small package [showing package], which I weighed on the Government scales in this building, there are thirty sheets which cover 240 square inches. We can not sell this to-day for 40 cents a pound—that is, 2½ cents for thirty sheets. I have had the pleasure of doing some business with the gentleman who last spoke, and I never heard until the question came up here in regard to the cleavage of American mica before. This piece I hold in my hand was taken out in New Hampshire. This mica is perfect and susceptible of being cleaned, and Professor Hitchcock, who examined the sheets, said that they make 30,000 laminae to 1 inch thick. This has been done, and he asserts that under the microscope these laminae are perfectly defined. The trouble is, we have been all the time reducing the price and new mines have been opened.

Within a short time I have had presented for my inspection mica from Siberia, which if it is allowed to come in free of duty will be taken out of the mines there by political prisoners. They have opened these mines in Siberia and the Ural Mountains, and if it is allowed to come in here free, then good-by to the industry I have been engaged in; good-by to all my toil and labor in building these tunnels, running them under the mountain with 128 feet of rock over my head at one end and 85 feet at the other. I have put \$60,000 in there, and to-day I can not produce that mica and make a single penny even if I sell it at the commercial value, because these stove men, this National Stove Association, have reduced the sizes so as to take up the smaller sizes, and the electric people get the most of their mica from abroad. Now, they are protected upon all their manufactured articles. The stove man is protected. We ask as miners to be protected. Around my little home there are about two hundred men that should be employed to-day, and not one is employed. We have school-houses there. The people live in one-story houses, as they are poor people. The same thing is true at Groton; and I believe that we should have a duty and be protected from labor abroad as well as in Canada. Now I have been informed that the Thompson-Houston Company have lately bought a mine in Canada. Whether it is true or not I do not know. A gentleman is here who can answer for them. I understand that they made some arrangement or bought a mine there.

Mr. BURROWS. What duty do you ask?

Mr. RANDALL. We ask that you fix a duty of \$1 a pound. Below 3 by 4 we make it 50 cents, and above that \$1 a pound. Gas-stoves and oil-stoves consume a large amount of mica. You can readily see, gentlemen, how many pieces these would make

here, say there are 30 pieces to 1 ounce. Sixteen times 30 would be 480, and when it is cut again it would make 960 pieces, and on that we have been offered the liberal price of 20 cents a pound. The electric people use a piece that is long and narrow. Now, say there are from 130 pieces to 260 in a pound of the sizes they use. I will state this, that I understand from talking with a gentleman connected with the Geological Survey, who has visited these mica mines there and in Canada, that they could all be at work in thirty days producing mica if we knew we would be sustained in our advocacy and had a promise of a duty; that we could go to work and employ five hundred men in these works in New Hampshire in producing this mica.

Mr. LA FOLLETTE. Is there a difference in regard to cleavage?

Mr. RANDALL. I never heard of it until I heard it here, and I have been in the business for twenty-seven years. Just as we get machinery in which cost \$10,000 the market declined so we could not compete. We can not mine mica at 20 cents a pound and sell it. Mica is sold by the pound, not by the ton.

Mr. BURROWS. Is the supply sufficient for the home market?

Mr. RANDALL. I know there is in the places I have visited and I have been informed by Colonel Gere there is a supply South. Colonel Gere has been engaged in mining in the South, and he is here representing the North Carolina interests.

STATEMENT OF HON. O. C. MOORE.

HOUSE OF REPRESENTATIVES,
Washington, D. C., January 29, 1890.

DEAR SIR: I desire to call your attention, and that of your committee, to the consideration of the mica industry in New Hampshire. This industry has been organized since 1800, and has had a moderate degree of prosperity until a year and a half ago. Mica is now imported in large quantities from India, where it is produced at less than one-tenth of the cost of labor in this country. None is mined in New Hampshire now, and a whole community is thrown out of employment. It is the same in other parts of the country. A reasonable duty is desired. Some duty is absolutely essential to a renewal of this industry.

Permit me also to direct attention to the condition of the manufacture of wood writing desks and fancy wood boxes. This is a considerable industry in New Hampshire. At the present time it is seriously affected by German importations, notwithstanding the duty of 35 per cent. A reasonable increase would avert a disaster to this industry.

I beg also to direct your attention to the disability under which the natural mineral water industry of this country is carried on. Canada exacts a duty of 20 per cent., while we admit these waters free. A duty of 20 per cent. would seem to be simple justice.

Very respectfully,

O. C. MOORE.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

STATEMENT OF FRANK H. CLARK.

Mr. FRANK H. CLARK, of Washington, representing the Thompson-Houston Electric Company, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I represent the Thompson-Houston Electric Company of Massachusetts. We are the largest users of mica in this country, and they ask you not to impose a tax on mica, as it will result in imposing a tax on one of the greatest industries in this country. The domestic mica is unsuitable for our purpose on account of its hardness, which affects its being split to the necessary fineness. The necessities of our use cover mica of about .05 of an inch in thickness. We are at present using about \$2,000 a week. We shall undoubtedly use this year in the neighborhood of \$100,000 per annum. If the committee desires to ask any technical questions Mr. Webster is here, who is our purchasing agent. He is thoroughly familiar with the details of the importation of mica and its various qualities.

STATEMENT OF H. T. RICHARDSON.

Mr. H. T. RICHARDSON, of 234 Wall street, New York, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I represent a majority of the large stove manufacturers of the country, and here is their petition relative to putting a tax on mica:

To the Senate and House of Representatives:

We respectfully petition your honorable bodies to retain the article mica on the free list, where it has been for the last six years, on the ground that the imposition of a duty would be a burden upon the manufacturing interests using this article.

[Here follow numerous signatures.]

The CHAIRMAN. Just leave that with the stenographer.

Mr. RICHARDSON. It is a small industry, but at the same time it enters largely into the manufacture of stoves.

The CHAIRMAN. Might I ask you if the headings of these petitions are all the same?

Mr. RICHARDSON. Yes, sir.

The CHAIRMAN. Then I suppose one heading will do, and the names be simply attached.

Mr. RICHARDSON. Yes, sir.

The CHAIRMAN. I simply state that, so that we will not encumber the record.

Mr. RICHARDSON. The stove manufacturers are all using small mica. There are about five or six mica mines in this country, four in North Carolina and two in New Hampshire. About four years ago the manufacturers were using large size of mica, and there was a great scarcity of it, and the price was very high. They were compelled, on account of the price, to alter a majority of the patterns and use very small mica, since which time there has been no trouble in getting all the mica we wanted of domestic product, which is only the first quality of clear mica. This new demand which has existed within the last two or three years has been especially for the electric lights, and it has been difficult to mine mica of sufficient size to answer that purpose. The total product of mica in the United States of America in the mines of North Carolina and New Hampshire is only about \$150,000 per annum. This demand of the electrical department last year amounted to about \$110,000, and it has to be imported. It is not a question of quality, but it is just a mere matter of getting the mineral mica of the needed sizes, say $1\frac{1}{2}$ by 7 and $1\frac{1}{2}$ by 10. The American mines do not produce that size mica.

The CHAIRMAN. Do you mean they can not produce it?

Mr. RICHARDSON. They can not, and so it does not cut any figure at all. As far as the stove trade is concerned, they feel that if there is an import duty put on mica it only enhances a business of \$150,000 a year done by these seven or eight mines. It will enhance the value of their interest without benefiting anybody else.

The CHAIRMAN. How large is the importation now?

Mr. RICHARDSON. Only \$100,000 last year.

The CHAIRMAN. Is it increasing annually?

Mr. RICHARDSON. It is increasing, although they are using a poor quality of mica, but as long as it is a good non-conductor that is all they want. If that could only be produced in the American mines, of course it would be well to have protection. I am a straight protectionist and Republican, but this mica question is an exception to the rule. The only benefit that would accrue to anybody would be to these few mine-owners in North Carolina and New Hampshire. If people understood how mica ran in a mine; where the mica runs it is a pocket to-day three feet deep, and to-morrow the Lord knows where it is gone. There is no such thing as a vein, and the result is large mica has been very scarce for the last five or six years, and the manufacturers have been forced to send abroad or use small sizes. All this product (\$100,000) which these American mines can not produce has got to be imported.

Mr. GEAR. It is traced by the pocket?

Mr. RICHARDSON. Yes, sir; but it is very small.

Mr. GEAR. When they trace it and they find a pocket, then they follow that?

Mr. RICHARDSON. No, sir; there is no such thing as following it, as I understand.

Mr. GEAR. They say there is.

Mr. RICHARDSON. That is all I have to say in regard to it, except to protest against the increase of duty. An increase of duty will only enhance it to the manufacturer without benefiting any one except these four or five men who own mines. There are about four hundred manufacturers in the country who hire at least one hundred men to a foundry and some two hundred to a foundry.

Mr. FLOWER. Mr. Chairman, I have the following telegram which I would like to be put upon the record :

NEW YORK, *January 15, 1890.*

R. P. FLOWER, *Washington :*

We would respectfully ask that mica be kept on the free list where it has been for the past seven years. Any duty would be a detriment to stove manufacturers.

J. L. MOTT IRON WORKS.
UNION STOVE WORKS,
ARENDROTH BROS., MANHATTAN STOVE WORKS.

Mr. RICHARDSON. Gentlemen, I forgot to say I have some samples of mica which I would be pleased to show you.

Mr. FLOWER. Do you get mica from Canada ?

Mr. RICHARDSON. We call that imported mica. There is not over \$50,000 worth imported from Canada. Here is a very large piece of American mica [holding up same]. This is the only kind stove men use. It is clear and white. There is about \$50,000 worth a year imported from Canada. This probably is equally as good. This mica is all small sizes, unfortunately, because the sizes the electric men use we can not produce in this country. This [holding up another piece] is Canadian mica of a cheap quality, and this is India mica. That sheet can not produce a length of 9 or 10 inches and is absolutely good for nothing for this electrical business. This [holding up another piece] is 8, 9, and 10 inches in length, American mica, but it is hardly worth much, as there is a crack in here which detracts from its value.

Mr. McMILLIN. Do you use the American mica ?

Mr. RICHARDSON. We can not use anything else. You gentlemen would not buy our stoves if we had mica that was not clear.

The CHAIRMAN. If there is nobody else to be heard we will take a recess until half past 1.

Mr. McMILLIN. There are some gentlemen who will be here at that time, as I have a telegram saying they would be here. [To Mr. Richardson.] What per cent. would a duty of \$1,000 a ton be on mica ?

Mr. RICHARDSON. The average price of mica for stoves would perhaps be \$1.50 per pound. The average price that the electrical men pay for these strips is about \$1.25 to \$1.50 per pound.

STATEMENT OF F. W. WEBSTER.

Mr. F. W. WEBSTER, of Lynn, Mass., next addressed the committee. He said :

Mr. Chairman and gentlemen of the committee, I only wish to say that we come here representing one of the largest consumers of mica in the United States. We used the domestic mica when we first commenced using the material, and the mica was very high in price, and we commenced to look for other micas. We ascertained in looking up other micas that they were far more suitable for our requirements, at a great many times the cost of using the domestic mica, because it is better cleavage, and we can get it in extremely thin sheets, which is very desirable in our business.

Mr. GEAR. Do you split these sheets yourself ?

Mr. WEBSTER. Yes, sir.

Mr. GEAR. Then one of your claims is that the cleavage of the domestic mica, such as produced in North Carolina and New Hampshire, is not as perfect ?

Mr. WEBSTER. Yes, sir.

Mr. GEAR. It is not as good cleavage ?

Mr. WEBSTER. No, sir ; I should say it is not.

Mr. GEAR. What is the trouble with it ?

Mr. WEBSTER. This they make is very suitable for stove purposes. It is the best mica that can be obtained for that purpose, and it is worth a great deal more to stove men than foreign mica.

Mr. GEAR. What do you use your mica for ?

Mr. WEBSTER. For insulation, electric purposes.

Mr. GEAR. Do you import any mica from Canada ?

Mr. WEBSTER. Yes, sir.

Mr. GEAR. Do you import any other mica ?

Mr. WEBSTER. No, sir.

Mr. GEAR. Nothing but the pure white ?

Mr. WEBSTER. We import the brown mica.

Mr. GEAR. Is not it opaque when you hold it to the light ?

Mr. WEBSTER. No, sir ; it is a brownish white.

Mr. GEAR. American mica is well adapted for stove purposes ?

Mr. WEBSTER. Yes, sir. A representative of one of the largest mining companies

in the United States told me he could sell all the mica he could get out of the mine; that a duty was not essential to his business; that he could sell all he could produce.

Mr. GEAR. Is there any difficulty in obtaining mica in large sheets—how large do you use them?

Mr. WEBSTER. The largest we use now is 6 by 6.

Mr. GEAR. Is there any difficulty in obtaining American mica of that size?

Mr. WEBSTER. I have had no difficulty in obtaining it of that size.

Mr. GEAR. It is not as good as the other for electrical purposes?

Mr. WEBSTER. We require a soft mica, which is more apt to be fused by heat than the domestic mica.

Mr. GEAR. Is it because the American mica is more brittle?

Mr. WEBSTER. Yes, sir; it breaks off in the cleaving.

Mr. GEAR. Can you get American mica soft enough for your purposes?

Mr. WEBSTER. We never have found it. It is difficult to obtain a supply even for present purposes.

Mr. GEAR. If you could use an American mica would you get it?

Mr. WEBSTER. Certainly; we have no objection to using the American mica; only now it is difficult to obtain a supply of mica to keep our hands employed.

Mr. GEAR. Do you import all your mica?

Mr. WEBSTER. No, sir; we buy considerable domestic mica of small sizes.

Mr. GEAR. You are importers as well as manufacturers?

Mr. WEBSTER. Yes, sir.

VIEWS OF W. H. CLOUGH.

NEW YORK, *January 17, 1890.*

DEAR SIR: In to-day's newspapers I notice that a petition has been presented to your honorable body, asking that mica be retained on the free list, and that a duty would be a burden to manufacturing interests.

I protest against such a petition as there is plenty of mica in the United States that can be worked at a profit if the foreign article could be kept away.

There is a combination in this city who are endeavoring to control the whole business. Trusting that a duty will be placed on mica,

I am, yours truly,

W. H. CLOUGH.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman of the Ways and Means Committee.

TIN ORE AND TIN-PLATES.

[See ante, page 92.]

STATEMENT OF SAMUEL UNTERMYER.

FEBRUARY 3, 1890.

Mr. SAMUEL UNTERMYER, of New York, appeared before the committee and made the following statement:

Mr. Chairman and gentlemen of the committee, I appear here for the purpose of urging the imposition of a protective duty upon black tin, or cassiterite, which is the black oxide of tin, and on metallic or bar tin. I am here in the interest of the great and growing tin industry of South Dakota, though I more especially represent one of the various companies that has commenced and is now actively prosecuting the development of that industry on a large and broad scale. I understand, however, that other companies and individuals owning property in that region, and still others owning tin properties in North Carolina, join in the application now presented, and that written arguments will be submitted independently on their behalf.

The application is made solely on the ground that this is an infant industry of great commercial value and importance to our country, which, in its development, will involve the employment of a vast amount of labor, and will, when developed, enable our people to secure an article that enters into the manufacture of a necessity of life at a price cheaper than that for which it will be obtainable in the future if our industry remains undeveloped, besides making it possible for us to retain at home the many millions of money annually paid to foreign countries for the vast quantities of tin consumed here.

It is necessary to a proper understanding of this subject to have before us a statement of the sources of the tin supply of the world. They are as follows:

Tin production of the world.

[Stated in tons.]

	1885.	1886.	1887.	1889.
Cornwall	9,000	9,000	9,000	9,300
Straits	17,320	19,674	23,977	28,355
Australia	8,496	7,506	7,025	6,125
Banca	4,200	4,379	4,384	4,377
Billiton	3,760	4,128	4,978	4,700
Bolivia				1,500
Total	42,776	44,687	49,364	54,367

Of this total supply of the world, in each of the years named, about 60 per cent. was produced by Chinese and Malay labor, as follows:

Produced by Chinese and Malay labor.

[In tons.]

1885	25,280	1887	33,339
1886	28,181	1889	37,339

While the production of the English mines has fairly held its own and that of Australia has diminished, the production of the Straits tin fields, worked by Chinese and Malays, has steadily augmented each year, the increase for the above five years having been over 60 per cent., while the total increase of the world's production was only 7½ per cent.

The amount of bar tin annually imported into the United States is about 14,000

tons, of which 11,951 tons was received at the port of New York alone. This was chiefly Straits tin. The Straits tin is the kind chiefly used in coating tin plates, because of its superior quality.

The population of the Straits settlement, where the Straits tin is produced, in 1889, was 387,234, nearly all of whom were engaged in tin mining, etc. This population is composed of—

Europeans.....	3,497
Malays.....	170,163
Chinese.....	173,279
Natives of India.....	40,295
Total population.....	387,234

So that less than 4,000 Europeans direct this army of nearly 400,000 coolies and others, the cheapest laborers in the world, whose product enters the United States free of duty; so that, while the immigration of Chinese laborers into the United States has been prohibited, American labor will, in the absence of the duty now asked for, be compelled to compete with a class of labor little better than slaves, and in the face of disadvantages arising from the severe climate of Dakota, which requires large outlay for living as compared with the cheap and primitive way in which the inhabitants of the Straits settlement are enabled to live.

The Parliamentary Blue-Book on mines and minerals, published in 1888 (at page 294), gives the number of persons employed in English tin mines, as follows:

Employed underground.....	6,120
Above ground.....	5,507
Total.....	11,627

Griffith's Guide, published in The Iron and Steel Journal of London for January 25, 1890 (at page 135), states the names of the registered tin-plate mills in the United Kingdom on January 1, 1890, showing:

The number of mills to be	480
The number of persons directly and indirectly employed in the tin-plate industry in England is estimated at.....	500,000
The annual product in tons for the English tin-plate industry is estimated at.....	500,000

It is confidently expected that the development of the tin industry in this country will, if properly fostered and protected in its infancy, in time enable us to manufacture tin-plate out of our own product, so as to supply our country.

If the 336,692 tons of tin-plate annually imported into the United States were made here, employment would be given to at least 300,000 hands who would be needed to produce that amount, and coat it with the 10,000 tons of pig-tin required for the purpose. Moreover, as 97 per cent. of these tin-plates is iron or steel, our domestic iron would be used for its manufacture, instead of foreign iron.

The number of tons of tin-plate imported into the United States for the past three years and the value thereof are stated in the report of Sir Michael Hicks-Beach, president of the board of trade of London, to the House of Commons, which report is dated December, 1889, and the statement will be found at page 84, as follows:

	1887.	1888.	1889.
Tons	268,355	292,626	336,692
Value (in pounds).....	3,562,972	4,091,147	4,674,455

equivalent to an average of about \$23,000,000.

Basing our application for a protective duty on the ground that the industry for which we seek protection is in its infancy, and that we have the natural resources for its rapid development if it can be given just encouragement, we ask the imposition of a duty only from and after the 1 day of May, 1891, when our works will be in operation, and when we shall be able to supply the entire country with tin from the Black Hills.

We contend that the mines in these hills are of such phenomenal richness, and the conditions for their working so favorable, that at the end of ten or fifteen years we shall be able to supply our country with tin quite as cheaply as it can be imported from the present sources of supply; and, proceeding upon that theory, we can only ask protection for our product for a fixed period of time—say for a period of ten years.

I shall endeavor to demonstrate, as I consider it necessary that we should demonstrate before we can justly ask the imposition of this duty—

First. That we have in this country, in the process of development, tin mines so vast in extent that within a short time we shall be able to produce tin in commercial quantities and to supply the entire country with it.

Second. That our mines are quite as rich as any that have ever yet been discovered, and that the duties which we ask imposed are only such as will partly equalize the difference between the cost to us of our labor and the cost of Chinese and Malay labor which is used in the production of the great bulk of the tin with which we are now supplied.

Third. That with the aid of the inventive genius of the American people in devising improved methods of machinery, and the superior skill and intelligence of our workmen, we have every reason to anticipate that by encouragement in the infancy of our industry we shall be able, within a brief period of time, to supply on a competitive basis with the rest of the world, and that the effect of the protection we now ask will be eventually to cheapen the cost of a necessity of life, besides adding to the material wealth of the country by keeping at home the many millions of dollars annually contributed to foreign countries to pay for this product.

NATURE AND EXTENT OF THE TIN MINES IN THE BLACK HILLS.

We herewith submit a copy of the consular report made for the year 1887 by the British consul at Chicago to his Government, from which the following is an extract and will be found on page 11 of the printed report:

"The discovery of tin in the Black Hills must be regarded as of the highest importance, and there is now little doubt that the mines are of enormous extent and value. The district known as the Black Hills is an isolated group of mountains lying principally in Dakota and partly in Wyoming, between the two main forks of the Cheyenne River. The group is of nearly an oval form, about 90 by 69 miles, rising from an arid plain. It is thickly wooded and covered with verdure, and has rich, deep soil in well-watered valleys. Of the two known tin districts, the southern section, 4 miles wide, lies around the north and west sides of, and probably runs all around, the central mass of granite called Harney's Peak; and the other, or northern section, is about 20 miles west of Deadwood.

"Tin was first discovered here in 1883, but the miners were only in search of the precious metal and little attention was paid to it.

"Some of the mines are now commencing regular operations, sinking shafts and erecting machinery, and before long there will probably be a regular supply of metal.

"The quantity of ore appears to be unlimited, and as it lies near and crops out from the surface and on lofty wooded hills the cost of working and transport will not be great. Little has, however, yet been done, except the production of specimen bars and the examination of localities which appear to be most likely to yield paying quantities of ore, though there are considerable quantities extracted ready for concentration.

"Chicago, as well as other cities West, is a large consumer of tin, which has hitherto been wholly imported, and great interest is taken in the development of the discovery of this metal."

We herewith submit also a leading editorial from The London Mining Journal, of February 15, 1890, headed "The tin-plate outlook and restricted production," and call attention especially to the following statement in that article:

"Within the last thirty years, the English exports of tin-plates have risen from rather under 1,000,000 hundred-weight to nearly 9,000,000 hundred-weight. The exact figure of shipments for 1889 was 8,612,460 hundred-weight, of which total sum 75 per cent. was purchased by the United States. The attempts which have lately come to a head in America to utilize the tin, iron, and steel resources of that country in the manufacture of its own tin-plates would receive an enormous impulse, and there would be considerable danger of the 20,000 to 30,000 tons bought monthly by that market declining to a very small total."

Ever since the report of the British consul at Chicago to his Government of the extent and richness of the tin mines in the Black Hills, the English tin miners have been alive to the danger to their industry that will result from a development of these mines, and the subject has received constant and prominent attention in the English press. Such leading journals as The London Mining Journal, The Statist, The Money Market Review, The Economist, and The Sunday News have devoted pages of their paper to the discussion of these mines, and have undertaken to demonstrate to the British public that America will shortly be able to supply its own needs in this direction from the tin mines in the Black Hills.

I beg leave to submit on this argument some of the articles that have appeared in the English press upon this subject.

It would not be demonstration of the commercial value of these properties to say

that we have raised capital for the purpose of working; but that is an important circumstance tending to show that we have demonstrated to the people who have put money into the enterprise that we have the ability to produce tin in paying quantities. We have recently put into our treasury \$1,500,000 for development. Prior to that time we had spent in the erection of mills, hoisting and drilling apparatus, dwellings for employes, boarding-houses for men, stables, etc., about \$200,000, besides which, this company has acquired and controls certainly upwards of five hundred mining claims, upon which it has done and is doing the assessment work required by law, and the following is a brief statement of the development work done upon some of the mines:

SHAFTS, TUNNELS, LEVELS, ETC., IN THE BLACK HILL MINES.

Etta.—Three large open cuts. Two shafts of 117 and 85 feet deep each. Tunnel at 164 feet below surface now 3-2 feet long. Winze from center of tunnel, 40 feet deep. Three cross-cuts, severally 41, 51, and 69 feet long.

Sarah.—Open cut 40 feet wide, 170 feet high. Tunnel at 275 feet below summit advanced to 121 feet.

Coats.—Shaft now down 142 feet. Southeast 60-foot level advanced to 153 feet. Northwest 60-foot level advanced to 125 feet. Two levels begun southeast and northwest at 120 feet.

Cowboy.—Shaft now down 136 feet. Seventy-two foot southeast level advanced 230 feet. Winze connecting levels from surface, 60 feet deep. Seventy-two foot northwest level advanced to 132 feet. Two new levels begun at 132 feet from surface.

Excelsior.—Shaft now down 102 feet. Two levels started at 60 feet. Tunnels advanced 46 feet.

Campaign group.—Shaft now down 50 feet. Tunnel or adit on vein 313 feet; cross-cuts, 16 feet.

Ohio.—Shaft now down 50 feet. Tunnel advanced to 141 feet.

Gertie.—Shaft down 97 feet. Two tunnels advanced to 137 and 120 feet; winze down 93 feet.

Colossal group.—Tunnel advanced 560 feet.

Telegraph group.—Tunnel advanced 282 feet.

Mohawk.—Tunnel advanced 140 feet. Sundry open and crosscuts.

February No. 1.—Tunnel, 217 feet; drift, 67 feet; shaft down 55 feet.

February No. 2.—Tunnel, 219 feet. Large chamber. Shaft started.

February No. 3.—Shaft down 58 feet.

February No. 4.—Shaft down 55 feet.

February No. 9.—Shaft down 47½ feet.

February No. 11.—Three shafts now down to 39, 44, and 58 feet each.

February No. 16.—Shaft down 48 feet.

Addie.—Two shafts down each 106 and 72 feet tunnel advanced; 260-foot levels started.

Mewonitoc.—Tunnel advanced 188 feet

Custer.—Tunnel advanced 145 feet.

Great Eastern.—Shaft down 18 feet; tunnel, 163 feet.

Czar group.—Two tunnels advanced severally to 200 feet and 367 feet.

Diamond group.—Shafts down 40 feet. Large development work.

California group.—Shafts down 25 feet. Large development work.

Samelias group.—Large development work.

Evergreen group.—Shaft, 15 feet; open-cut, 50 feet. Large development work.

Bob Emmet group.—Considerable development work.

Martha Washington.—Shafts, 50 feet deep. Considerable development work.

Remington.—Considerable development work.

Fawn.—Considerable development work.

Canfield.—Shaft, 50 feet deep. Considerable development work.

Blanche Laureate.—Considerable development work.

Dandy group.—Shaft, 20 feet. Considerable development work.

Elephant.—Considerable development work.

New York group.—Considerable development work.

Foster group.—Shafts, 50 feet. Considerable development work.

Truax group.—Considerable development work.

Walker group.—Considerable development work.

Annie group.—Considerable development work.

Sunday Gulch group.—Considerable development work.

Independence group.—Considerable development work.

Angus group.—Considerable development work.

Manitoba group.—Shafts, 40 feet. Considerable development work.

Portland group.—Considerable development work.

Last Chance group.—Open-cut 20 feet. Considerable development work.

Polo group.—Considerable development work.
Moro group.—Considerable development work.
Stockdale group.—Considerable development work.
Tonro group.—Open cut and tunnel, 125 feet. Considerable development work.
Pansy group.—Considerable development work.
Black Diamond.—Considerable development work.
Wilcox.—Considerable development work.

Recapitulation.

Shafts and winzes sunk on February 1	feet..	1,864
Tunnels, levels, adits, drifts, etc., run February 1	do...	5,225
Expended in erection of mill, hoisting and drilling apparatus, dwellings for employés, boarding-houses for miners, stables etc., about		\$200,000

We have spent vast sums of money in purchasing claims. We went to England to secure additional money with which to continue the development of these mines, and there we met with the opposition of the vast interests of the Cornwall mines. We met, also, and are still contending against the opposition of those who handle the foreign tin in this country, and we were encountered by a fierce attack from a London financial paper as to the commercial value of our properties. It required over two years of active labor and demonstration to overcome the suspicions thus created, and to convince the people from whom we desired to borrow money to aid us in our enterprise that these were the greatest tin mines yet discovered on the face of the earth, and we have succeeded in that demonstration. The newspaper which made the attack was compelled to withdraw it. The history of that transaction is very fairly set forth in the Money Market Review of December 8, 1888, and we beg leave herewith to submit that article.

The certificates of the men selected to take charge of the mill-crushing of the ore from the hills, which took place in London, demonstrated effectually the great wealth of these mines and their commercial value to this country. Never has a property been submitted to so crucial a test as that to which these properties were subjected for the purpose of overcoming the attacks upon it.

Since those criticisms were answered in the conclusive way shown upon the results of the mill-crushing of the ore, we have increased our holdings of properties, many other locations have been discovered in the Black Hills owned by other persons and corporations, and we have now five hundred men at work upon the properties, which is a very small proportion of the number of men whom we shall employ when the mines are fairly opened and the work of crushing the ores is begun.

Our pay-rolls for the past six months have amounted to \$120,000, and during that time we have done assessment work upon about six hundred and ninety mining claims, besides development work. Although the great bulk of the tin used in this country comes, as has heretofore been stated, from Straits, and is the product of Chinese and Malay labor, still we do get a part of our supply from the Cornwall mines, and the comparative statement of the wages which we pay our laborers and those paid in the Cornwall mines may be instructive as showing the present need for the protection of this industry. We pay \$3 to \$3.50 per day for labor, and we pay men for light work above ground \$2.50 a day, and to firemen \$4 per day.

In Cornwall they pay 20s., or \$5 per week or 83 cents per day as against our \$3 to \$3.50 per day. The men in Cornwall who do light work above ground are paid from 2s. (50 cents) to 2s. 6d. (62½ cents). The girls who do the selecting of the ores are paid from 1s. (25 cents) to 1s. 6d. (37½ cents), and the women for dressing and the lighter work are paid 2s. (50 cents) per day.

AS TO THE RICHNESS OF THE PRODUCT.

Messrs. Johnson, Matthey & Co. and Mr. Frederick Claudet are the assayers to the Bank of England. The mill-crushing for the great quantities of ore taken from the mines by the special commissions sent out from England was done under their direction. The shipment of this ore was made under the direction and control of a special commission sent from England to examine the mines and to ascertain the reliability of the statement that had been made with regard to the property. We submit herewith the certificates of these renowned assayers showing that there were in all fourteen lots, and that the ore consisted, in many instances, of solid blocks weighing from 100 pounds up to 3,000 pounds. The mill-crushing resulted in demonstrating that the ore contained 83.7 pounds to the ton of pure tin oxide, being 78.67 per cent. of metallic tin. Combining the two series of tests made, the ore appeared to be worth between 80 pounds and 90 pounds of black tin to the ton, which is a phenomenal showing of richness, far exceeding the averages obtained in the Cornwall mine.

Then again, the ore is more friable, and therefore more readily treated than is the case with tin produced from other sources, and being found quite near to the surface, its handling is less expensive; all of which facts demonstrate the great commercial value of the industry.

THE EVENTUAL BENEFITS WHICH THE PEOPLE OF THIS COUNTRY WILL SECURE BY THE CREATION OF THIS INDUSTRY AS COMPARED WITH THE TEMPORARY BURDENS THEY ARE ASKED TO ASSUME.

The amount of duty which we ask to be imposed is 3 cents per pound on cassiterites, which is black tin or the black oxide of tin, and 5 cents per pound on the metallic or bar tin. This is equivalent to an ad valorem duty of from 15 to 25 per cent. on the average price of tin. At the present prices it is equivalent only to an ad valorem duty of about 15 per cent. But the sources of tin supply have heretofore been so few, the price of tin has undergone violent fluctuations, supposed to be due to the combination of the few interests controlling the supply.

The uses of tin are far more numerous than are usually understood. It enters into the composition of nearly all manufactured metals, and if we were able to produce it, it would stimulate manufactures of metals in many directions, for which we are now compelled to rely upon foreign supply.

The demand for the imposition of this duty is supported by the various interests engaged in building up tin-plate manufacturing in this country. I submit herewith a letter received by me a few days ago from Mr. O. W. Potter, the president of the Illinois Steel Company, which is well known as one of the pioneer companies in the building up of the tin-plate industry of this country, and I quote from that letter the following:

"In regard to the situation as to the supply of tin ores and the ability to manufacture metallic tins from these ores, and tin-plate by the use of the iron-ores and metallic tin to be found in this country, I would say, that I think our people have interested themselves considerably in this question the last year, and it is our judgment and belief that there is an almost unlimited supply of tin ore in the Black Hills district, and practically the same kind of ores that we find in great quantities in North Carolina, and in our opinion there seems to be nothing in the way of reducing these ores and producing enough metallic tin to meet all the requirements of this country, as well as all the world, if need be.

"I can only reiterate that it is my belief if the Government will interest itself in permitting the manufacture of the metallic tin or tin ores in the North, as well as in the South, and the manufacture of tin-plates through the medium of tin ores produced in connection with steel and iron industries, that the development of this industry in both the North and South would be such that within a very few years its wisdom would not only be made plain to the Government, but to the people employed in the works so established."

I also herewith submit a statement by Mr. John H. Furman, who is largely interested in valuable tin-mining properties in his State, concerning the development of the tin industry there, to which letter I ask the careful attention of this committee.

The fact that the interests of the tin-plate industry believe that the imposition of this duty on bar tin will, in the end, be a benefit to them, and will eventually cheapen for them the cost of the raw material which they require in the manufacture of tin-plate, is a strong argument in favor of the protection now sought. It will protect them from the combinations that have in past years made tin so expensive whenever the few interests that have controlled the industry have seen fit to combine to corner the market.

It is a well known fact that of all the minerals tin is the only one in which the supply has not, for years, been materially in advance of the demand. The opening of these new sources of supply will tend to cheapen the price. The duty asked to be imposed is slight. The United States, as has already been said, consumes so large a proportion of the product of the world that the price of tin in the foreign markets will be greatly cheapened if we shall be able to supply our own markets, by reason of the decreasing demand in those markets; and it is quite logical to argue that it would be impossible for the many interests connected with tin mining to combine to exact from our home market excessive profits on the product, for if such a suicidal course were attempted to be pursued the cheapness of the product abroad, caused by the exclusion from our market, would enable foreign producers to pay the small duty, and still sell in our home market quite as cheaply, if not more cheaply, than we have heretofore been able to purchase.

In asking for a protection that amounts to an ad valorem duty of only 15 to 25 per cent. we have relied largely upon the richness and vastness of our properties when developed to offset, to some extent, the differences in the cost of labor. The duty asked to be imposed does not more than half compensate for the difference in cost of labor, when allowing for the expense of transportation.

In order that some fair conception of the enormity of the project in hand may be gathered, I herewith submit a copy of a few reports that have been made upon the properties of this company. It will be remembered that the mines of this company embrace only one of the tin districts in the Hills, and that new discoveries of mines in that region are being constantly made. There is no possible danger of any one or of any dozen companies ever being able to control these deposits in the Black Hills, for they cover an area hundreds of miles in extent, and will involve tens of millions of dollars in development. The contemplation of any such result is, however, readily set at rest by the discoveries of ore of the same general quality and appearance in the State of North Carolina, and other discoveries have been brought to our notice in the States of Virginia and West Virginia. It is impossible that any of these great natural resources shall be available if at the outset we are to be met with free competition from Chinese labor or from the beggarly wages paid in the Cornwall mines. No body of capitalists could be found who would go on producing tin in the earlier stages of this industry at great loss for years to come, even with the prospect of eventually placing the industry upon such a basis that it can compete with the product of Chinese and Malay labor. Instead of stimulating the industry, it can never be brought into existence, unless it be enabled to live whilst it is reaching its natural growth.

It is quite unnecessary to repeat the well-worn arguments in favor of the protection here asked for. No capital will be found so fool-hardy as to attempt to build up in this country an industry of this character, which will require the outlay of many millions of dollars before any return can be expected, in the face of competition such as that which this industry would be compelled to face. It would well repay the few foreign tin-mine proprietors to send their products into this their greatest market of the world, and the one which takes 75 per cent. of their entire product, at cost for years to come, for the purpose of throttling this industry, they being thereby enabled to continue to hold a market upon which their very existence depends. Are not the benefits which this country would derive from this new industry sufficient to entitle us to protection against a condition so reasonably to be predicted? We have had some experience in the early stages of this particular corporation as to the time, money, energy, and ability which those interests are ready to devote to our destruction. Two years of the life of this company has been spent in refuting the slanders which those interests have boldly circulated against the tin interests of the Black Hills. Those slanders were hurled at us by the money in England, the money market of the world, where we were endeavoring to secure the aid of capital with which to develop our property; and the contest which was there waged is one which will be memorable in the financial interests of that country. The clippings from the London Press herewith submitted will convey some faint idea of the history of that controversy.

Some of the members of this committee seem to be of the impression that this company is dominated by English interests, and it is but fair to the gentlemen constituting its board of directors that this impression should be corrected. This company has a share capital of \$15,000,000, and less than one-fifth of its shares are owned abroad, the balance being all owned in this country by citizens of the United States, and over two-thirds of the shares being owned by its present board of trustees, all of whom are residents of the city of New York.

We believe the time will soon come when we, with our improved machinery, our superior class of labor, and our inventive tendencies, will be able not only to supply our own country with this product, for which millions are now annually paid abroad, but will be able to sell our product in foreign markets, notwithstanding the great disparagement in the cost of labor. But, in order to do that, we must be enabled to grow strong, which we can not do without protection in the infancy of our industry.

I repeat, that we ask the imposition of this duty to take effect only in May, 1891, when we shall be able to supply the needs of this country; that the duty be made 3 cents per pound on cassiterites or black oxide of tin, and 5 cents per pound on metallic or bar tin; and that we only ask for the continuance of this duty for a period of ten years. By that time our superior natural facilities will have enabled us to compete with the world for at least the trade of our own country.

The special attention of the committee is called to a series of articles written by the Hon. Amos J. Cummings upon tin in the Black Hills, which are herewith submitted.

In confirmation of the statement above made as to the total visible supply of the world, the following are the statistics on the subject:

Total visible supply, in tons.

1887	16,700
1888	15,700
1889	13,500

showing that there is only about three months' supply in existence, and that whilst the consumption is increasing, the supply is gradually increasing.

American consumption per year, in tons.

1887	12,700
1888	14,100
1889	13,900

This shows only the bar or metallic tin imported into this country, and is exclusive of the tin-plate importations.

The following are the statistics of the proportion of this bar tin imported at the port of New York.

Bar tin received at port of New York, in tons.

1887	11,622
1888	14,646.

[Fred Claudet, assayer to the Bank of England.]

ASSAY OFFICE, 6 AND 7 COLEMAN STREET,

London, E. C., November 27, 1888.

The Harney Peak Tin Company, Lothbury, E. C. :

DEAR SIR: In accordance with your instructions we went to 84 and 88 Great Eastern street, on November 14 and 15, to witness the removal of over 10 tons of mineral from the Harney Peak Tin Mines to Messrs. Johnson, Matthey & Co., Hatton-garden, where we afterwards attended at the sampling of the crushed ore.

There were in all fourteen lots bearing the respective marks of the undermentioned groups of mines, being a portion of the shipment of 40 tons examined and reported upon by us last March.

The ore consisted in many instances of solid blocks, weighing from 100 up to 3,300 pounds, showing in places amorphous patches of black oxide of tin (cassiterite), and we identified these fourteen lots as the same from which we had previously taken samples, the results of which appear in detail in Prof. M. C. Vincent's report.

An average sample drawn from the bulk after crushing and mixing (10 tons 3 cwt. 2 qrs. 17 lbs.) was carefully analysed by us and found to contain metallic tin 2.94 per cent., or 65-85 pounds metal per ton of 2,240 pounds of ore, equal to 83.7 pounds pure tin oxide, containing 78.67 per cent. of metal.

The fourteen lots referred to above were marked "Addie, Campaign, Coates, Cow-boy, Custer, Czar, Darwin, Etta, Excelsior, Gertie, Mewonitoc, Mohawk, Sarah, and Tin Reef groups of mines."

Yours, faithfully,

ARTHUR C. CLAUDET,

P. pro F. CLAUDET.

NOTE.—Several experiments were made by concentrating the black tin, the yield being equal to 2.60 per cent. of metal against 2.94 per cent. as found by analysis.

JOHNSON, MATTHEY & Co.,

222 N. Fo. 61, L 30. 17.

[Duplicate.]

CERTIFICATE.

MELTING AND ASSAY OFFICES,

Hatton-garden, London, E. C., November 26, 1886.

The Harney Peak Tin Mining and Milling Company (Limited):

We have crushed, mixed, and carefully assayed the parcels of Harney Peak tin ore specified hereunder, and find the following to be the result: Weight, 10 tons, 3 cwt., 2 qrs., 17 lbs., net, part of shipment of 40 tons per *Erin*.

Mark of Group.	No. of Mines.	Net Weight.
		<i>Pounds.</i>
Addie	3	600
Campaign	9	1,830
Coates	8	2,000
Cow Boy	3	1,540
Custer	1	900
Czar	6	870
Darwin	3	1,370
Etta	2	800
Excelsior	8	3,453
Do	8	1,040
Gertie	5	1,480
Mewonitoc	9	2,850
Mohawk	14	960
Sarah	7	530
Tin Reef	10	2,586

Analytical contents of pure metallic tin, 2.80 per cent., or 62.72 pounds per ton of ore.

Produce of pure metallic tin reduced from the black tin obtained from hand-washing, 2.51 per cent., equivalent to 71.46 pounds clean black tin (pure peroxide) per ton of 2,240 pounds of ore.

The above parcels were taken in our presence from the original cases. A considerable portion of the rock was in large blocks, weighing in some cases several hundred pounds each, and in one instance, a single piece, marked "Excelsior," weighed 3,433 pounds.

JOHNSON, MATTHEY & Co.

[From the London Mining Journal, Railway and Commercial Gazette, February 15, 1890.]

THE TIN-PLATE OUTLOOK AND RESTRICTED PRODUCTION.

There is no metallurgical manufacture more subject to chronic adversity than the tin-plate industry. Whatever the fluctuations of prices, upwards or downwards, may be, they are always a little below the level which is needful to secure to these producers a fair return upon the cost of manufacture. This is an anomalous state of things in an industry which practically possesses a monopoly. The process of tin-plate fabrication, if it is not actually confined to South Wales and some neighboring English districts, has yet never been carried out upon any considerable scale elsewhere. Moreover, the world's consumption of tin-plates is rapidly developing. Within the last thirty years the English exports of tin-plates have risen from rather under 1,000,000 hundred-weights to nearly 9,000,000 hundred-weights. The exact figure of the shipments for 1889 was 8,612,460 hundred-weights, of which total some 75 per cent. was purchased by the United States. That export shows an increase of 800,000 hundred-weights over that of 1888, or nearly 10 per cent., by no means an unsatisfactory advance even compared with the general development of our metallurgical exports in 1889. Such an increase in consumption ought to indicate that the industry affected by it is in a condition of unmixed prosperity. However, the tin-plate makers complain of the unremunerative character of prices, and complain with unquestionable reason. At the beginning of 1889 the price of ordinary coke plates was about 13 shillings per box at Swansea.

At present, notwithstanding all the important advances in fuel, in labor, and in steel which have taken place since then, the quotation for such qualities is only about 16s. per box. Such a price bears only the faintest relation to the state of the metal market in which Bessemer sorts of tin-plate bars cost £7 15s. per ton. In 1880-'81, when there was an inflation of the metal trades akin to that now proceeding, cokes ranged up to 30s. 9d. So serious is the discrepancy between the increased cost of production and the smallness of the rise in selling prices that several mills in South Wales have lately ceased working, and others will be stopped when the orders at present on the books have been executed. There is, of course, only one explanation why the tin-plate trade is afflicted with this evil condition of things. It suffers from overproduction. An annual output of some 10,000,000 to 11,000,000 boxes is greater than is needed to meet even the enormous requirements of the United States and of other foreign markets, and the output increases in greater ratio than even the expansion of those requirements, large as the statistics show that to be.

While, therefore, it is possible that tin-plate prices will rise somewhat from their present level as some of the existing low-priced contracts are completed, it is certain that the normal level of quotations must continue to be not even barely remunerative. There are only two ways of remedying the evil—one by allowing reckless competition at profitless quotations to do its ordinary work of weeding out the firms least fitted to survive; the other by organizing an agreement among the members of the trade for the periodical stoppage of production. The latter alternative has just been proposed to the proprietors of the four hundred and eighty mills producing tin-plates in South Wales. It has been suggested that all the works in the Tin-Plate Makers' Union should stop work during the first fortnight in March, and that if this arrangement should prove satisfactory similar stoppages should take place subsequently at periodical intervals.

Upon the face of it this proposal would seem to have excellent prospects of success. Probably the active control of the ninety tin-plate works in Wales is vested in scarcely more than fifty individuals, and the whole of the makers would have equal interest in producing some mitigation of the existing system of ruinous overproduction. The moderate restriction of output contemplated could produce no such effects as have been justifiably particularized as the evils of other organized attempts at the reduction of metal supplies. If prices were forced up to a point higher than was consistent with the interests of consumers demand would probably fall off. The attempts which have lately come to a head in America to utilize the tin and iron and steel resources of that country in the manufacture of its own tin-plates would receive an enormous impulse, and there would be considerable danger

of the 20,000 to 30,000 tons bought monthly by that market declining to a very small total. Moreover, the realization of exorbitant prices by producers would immediately lead to the infusion of fresh capital into the business, and competition would assume perhaps more than its old keenness. The combination therefore could only be powerful in fortifying producers against the acceptance of the ruinous prices which have followed upon the reckless increase of manufacturing capacity.

The only obstacle to the adoption of the simple means proposed to this end lies unfortunately in the tin-plate makers themselves. On many previous occasions they have proved themselves incapable of acting with the discretion and self-restraint required for the success of the scheme. If they have closed their works for a week they have increased their output in anticipation of the restriction, and thus nullified their own policy. Within the past few years we have recorded many attempts to introduce some such measure as that now proposed, and in every case they have failed to achieve their object. The tin-plate makers have been the victims of every diminution in demand and of the tin syndicate, as they are now the victims of the general rise in metals. In the present expansion of demand for their products they occupy an excellent position for obtaining a more adequate return upon their outlay in the future. Both in their own interests and in that of the tin-mining industry it is to be hoped that they will avail themselves of some well-considered means of checking the augmentation of output. It would not be wise for them to count upon any early diminution in the cost of production. Though there is a temporary fall in the values of the metal products most affected by speculators, there can be no real doubt that there will be continued progress in the metal markets for a considerable time to come.

STATEMENT OF HON. G. C. MOODY.

The Hon. G. C. MOODY, a Senator from the State of South Dakota, next addressed the committee. He said :

Mr. Chairman and gentlemen of the committee, I do not care to occupy your valuable time but a few moments. I would like, however, to say a word or two upon this subject under consideration. The tin industry is one of great importance to the people of my State. I live in that portion known as the Black Hills, and have lived there for eleven years. I have witnessed the growth of the mining of tin ores, and in a general way know something of it. I do not undertake, of course, to understand the details of the business. In the northern part of the Black Hills, in what is known as the Nigger Hill country, there exists a group of tin mines, that have from year to year, for several years past, been in process of development. The area covered by these tin mines, so far as yet discovered, I understand to be about 1,200 acres—that is, the claim covering about 1,200 acres seem to possess sufficient richness to justify their development. There are other tin claims in that vicinity, but I am not familiar with their condition. In the central portion of the Hills, there is an extensive region of tin-bearing rock. It is in this central portion where the company represented by Mr. Untermeyer, who just addressed you, has its properties. The country containing this tin-bearing rock and tin ores is there very extensive.

Of course, the whole face of the country, as you who are familiar with such matters understand, does not contain mines. There are veins of ore here and there over this extensive country in the Harney Peak region. Further south still another region of country exists containing tin ores. The northern, or Nigger Hill mines, as I understand, are owned principally by New York, Chicago, Iowa, and Ohio parties; the Harney Peak mines are owned principally by Mr. Untermeyer's company; and, I am told, the southern tin mines are owned principally by Chicago parties. In addition to these there are tin claims owned by individuals and scattered through all these regions—men who have not sold but who hold these claims with a view of either future development or sale. The capacity of these regions of the Black Hills country for the production of tin is understood to be very great. I am unable to say to the committee what the precise percentage of any of the ores from either of these mines will be. I have had conversations with various experts who have examined the properties, among them Professor Vincent, of whom Mr. Untermeyer spoke, men of character and reputation, and who would not, in my judgment, make a statement regarding such a subject that they did not conscientiously believe, and who, of course, know that large sums of money have been invested in these properties. Thousands of dollars have been paid to the prospectors, running up sometimes to twenty-five or thirty thousand dollars for a single claim.

Mr. GEAR. That amount is invested on the reports of these expert men?

Senator MOODY. It is invested on their examination and report. I place the utmost confidence regarding such a subject in a man whose reputation has been established by many years of honest investigation. We are compelled to rely upon persons as experts in these mining matters. I am satisfied from my general knowledge and information, and from statements of these experts, that the producing capacity of

that country is sufficient to supply the entire United States with tin. That great industry can not be developed in one year; it will take a series of years to develop it. You can not drive a tunnel into a mountain of rock with any labor you can employ, except very slowly. It costs in our gold mines to run a working tunnel from \$8 to \$25 per foot, depending, of course, upon the character of the rock and the size of the tunnel desired.

That tin industry must be protected, or else it can not be developed. There is but one of two things about it—either the enterprises which have been progressing, and which are to the people of the State I in part represent, so very important, must eventually be shut down and discontinued, or else Congress must protect that industry by putting some duty upon the import of tin from abroad. Necessarily, in my judgment, you must either permit the English owners of tin property to supply this country, and thus allow our people to be deprived of that important element in furnishing employment for labor, or you must furnish those laborers protection. My only object in desiring this industry protected is this—in the Black Hills of South Dakota the miners are paid for underground work \$3.50 per day, surface men and shovelers \$3 per day, and common laborers \$2.50 per day, and in proportion is the pay of all laborers. Some of our mechanics in the business of gold-mining and milling are paid as high as \$8 a day.

Mr. FLOWER. They are sometimes paid more than some of the men who own the gold mines?

Senator MOODY. Probably they are. At least in a number of cases mechanics are paid \$8 a day. We are desirous of maintaining this profitable rate of wages; we want, if it is possible, that the tin industry shall be so conducted as to maintain the present prices of labor. By these wages, a better class of men are obtained; men who are more competent as skilled laborers and who make better citizens. Where high wages are paid, schools and churches receive better support and the laborers have pleasant and agreeable homes. We want our laborers paid so their wives and children will be comfortably housed and dressed, and they be in every way good citizens. The effect of paying high wages upon all classes, is good, even if the laborer is obliged to pay more for his support. It is illustrated among our own people. Take the Italians for instance, who come to America and get work in our mines at good wages—it is but a short time until they become very useful citizens, and, as a rule, most excellent men. In their own country, as I understand, they receive but from 30 to 40 cents a day, while in the Black Hills they get \$3 or \$3.50 a day.

I have no interest in building up a profitable business for the owners of the properties except as it conduces to the maintenance of the high rate of wages in that country. I want to see those rates of wages maintained. To do this, the production of tin must be so protected that it will not come in competition with the production in countries where wages are at mere pauper rates. The parties who are engaged in working gold mines in that country are paying good wages; they have been invited to reduce the rate, but have declined, believing that so long as their mines will pay it is more profitable to them to pay good wages and obtain a good class of skilled labor. Sometimes we have more men there than can be furnished employment, but the wages are not reduced by the competition. The better class of those laborers usually get the employment. I understand from the parties engaged in this tin industry, that it is capable of and will supply labor for from five to seven thousand people. You will perceive this is a matter of importance to us of South Dakota, because one laboring man usually means five inhabitants.

I will not occupy your time upon this subject further, except to say that I am decidedly impressed with the present and future importance of this industry in our country. It means not only the production of tin, but the manufacture of tin-plate in the United States. The statistics of tin and tin-plate imported indicates the importance of the subject. If South Dakota can furnish, as proposed by these operators in that country, all the tin which is used, not only in the nature of block tin, but for manufacturing tin-plate, it means the expenditure of millions of dollars per annum for labor and the laborers' support in our state, and it means the development of a most extraordinarily important industry in the United States in the production of the tin-plate which is consumed here.

Mr. LA FOLLETTE. How much tin ore is in sight and how much on the dumps?

Senator MOODY. I can not answer that question except from hearsay.

Mr. LA FOLLETTE. There are a great many thousands of tons I suppose?

Senator MOODY. Oh, yes. That in sight in mining parlance is what has been developed or surrounded by workings so it can be measured.

Mr. GEAR. That in sight is what is ready to stope?

Senator MOODY. Yes, sir.

Mr. GEAR. What is on the dump is that which has been brought to the surface?

Senator MOODY. It is that which is already mined. I have visited many of those mines. I have seen tons of ore upon the dumps, but I could not estimate the amount. From conversations with superintendents and others I know that there are thousands

of tons already upon the dumps of those mines. I can not state with particularity what the superintendent said to me upon the subject of the amount, but the amount ran up into thousands of tons.

VIEWS OF O. W. POTTER.

CHICAGO, *March 13, 1890.*

DEAR SIR: In regard to the situation as to the supply of tin ores and the ability to manufacture metallic tin from these ores, and tin plate by use of the iron ores and metallic tin to be found in this country, I would say that I think our people have interested themselves considerably in this question the last year, and it is our judgment and belief that there is an almost unlimited supply of tin ore in the Black Hills district, and practically the same kind of ores are to be found in great quantities in North Carolina, and in our opinion there seems to be nothing in the way of reducing these ores and producing enough metallic tin to meet all the requirements of this country, as well as all the world if need be. So far as the manufacture of tin-plate is concerned, for all purposes, this country requires nothing but a protective duty at the hands of Congress until manufacturers can get their industry established and in fair working condition, after which it is my belief that they will be able to take care of themselves; and the people need not suffer by reason of what they may call taxation through tariff, the fallacy of which, it seems to me, has been amply demonstrated this year in the price of Bessemer rails, which have sold at Chicago for about the same price they have been held at the different ports of shipment in England, the manufacturers in this country neither desiring nor caring to avail themselves of the duties, having reached that point in manufacture where the prices were sufficiently remunerative without resorting to the protection offered by the Government. This, however, is no argument against protective duties, for the reason that with an abnormal condition of trade in Europe, prices can be reduced to such a point as to be impracticable to meet the competition on this side of the water without a tariff, and it would seem the wisdom of the position on the part of our Government could not be made more plain than it has been in this question of steel rails, for if the people of this country had been compelled to have gone abroad for their rails it is a question if they could have been procured at all, and if so, purchasers would have been entirely in the hands of foreign makers.

I can only reiterate that it is my belief, if the Government will interest itself in permitting the manufacture of the metallic tin from tin ores in the North as well as the South, and the manufacture of tin plates through the medium of tin ores so produced in connection with the steel and iron industries, that the development of this industry in both the North and South would be such that, within a very few years, its wisdom would not only be made plain to the Government, but to the people who would be employed in works so established. I would use special stress so far as this subject is concerned, upon the Southern people, who have every facility now in both the tin ores and iron ores, for the establishment of tin-plate manufacture, and with every element of success at their hands, if the Government will but interest itself until they can become thoroughly established.

Very truly yours,

O. W. POTTER,
Chairman.

S. UNTERMYER, Esq.,
46 Wall Street, New York.

VIEWS OF HENRY C. WILKER.

PALMER HOUSE, CHICAGO, ILL., *February 12, 1890.*

DEAR SIR: I have just returned from a three months' absence in Europe. While in London I made a contract with the Harney Peak Tin Mining Milling and Manufacturing Company to go to the Black Hills and take charge of all of that company's mining and other interests, with headquarters at Hill City, S. Dak., and shall leave here on the 20th to enter upon my duties.

As you are aware, no metallic tin as yet has been produced in this country, but from reports of the progress made in opening up the properties belonging to this company, I am strong in the belief that I shall find on reaching the Hills that sufficient development work has already been done to warrant the immediate erection of mills for crushing rock and extracting tin ore, and I hope by the middle of the summer to be producing black oxide of tin, or cassiterite, in considerable quantities.

As you probably are aware, our people, headed by Mr. Samuel Untermyer, of 46 Wall street, New York (one of our directors), are before the tariff committee, asking that a duty be placed upon metallic tin and ores, the same to take effect 1st of May,

1891, and continue ten years. We are simply asking that this infant industry shall be afforded the same protection, relatively, as afforded by present tariff upon copper and lead.

It seems to me that what the company asks is reasonable and fair from any standpoint, and I have to ask as a personal favor that you will use your influence with the committee to have our request granted. I may add that favorable action of the tariff committee on our request is a matter of considerable interest to me pecuniarily, and if you can assist me in this matter, I shall feel under obligations to you.

Yours very truly,

HENRY C. WILKER.

HON. GEORGE ADAMS,
House of Representatives.

TIN IN NORTH CAROLINA.

NEW YORK, *March 13, 1890.*

DEAR SIR: Representing to a large extent that tin-bearing region of North Carolina in the counties of Cleveland and Gaston, and most of the work done there carried on under my direction or by myself, I feel justified in calling your attention to the following facts:

The explorations by A. R. Le Doux, of New York, and myself since February, 1888, have demonstrated conclusively the occurrence of tin ore in North Carolina in such quantities that under favorable conditions there can be no doubt of its commercial value to the people of the United States.

These tin ores are found to occur in a formation varying from 1 to 2 miles in width and extending 28 or more miles in length. One hundred veins are now known, found to course in different directions and parallel groups. These veins vary in thickness from a foot up to ledges more than 50 feet, and some of the larger size have been traced for miles in length. As a rule the tin-mining operations of the world show that the average amount of tin obtained from each ton of vein material mined and treated is very small, probably not exceeding $1\frac{1}{2}$ per cent.

In England they work ores in some of the Cornwall mines (see Chambers' Encyclopedia) yielding not more than 10 pounds of cassiterite (oxyde of tin, and the only ore of commercial importance) per ton, which at present can not be successfully attempted anywhere in America. The reason of their success becomes apparent when it is known that the Tin Mining Companies of Great Britain own their mines, mills, furnaces, the railroads which transport their freight, the stores where their miners trade, and then, with low wages and a contract system which this country has not yet reached, they are enabled by a vast and powerful combination to produce remarkable results.

Therefore, with a capital representing the accumulations of more than a century, and in a country where the interest on money is much lower than in the United States, an infant industry here is called upon to face a power which in view of rivalry has the means to bring about temporarily, to say the least, disastrous results.

The result of my observations in North Carolina have led me to conclude that the quantity of tin ore there giving an average yield of 1 per cent. metallic tin practically inexhaustible, and better results may be expected.

Arrangements are now progressing both in this country and Europe for working these mines. The formation, besides various shafts ranging from thirty to seventy feet in depth, has been proven by boring to be continuous at a depth of about 300 feet below the surface. The tin region of North Carolina and that of the Black Hills, South Dakota, I know from personal observation to be identical in character, and the actual tin-bearing formation very nearly if not fully equal in extent, and there is not a mineral expert capable of distinguishing the ores. In requesting Congress therefore to establish a judicious duty on cassiterite, metallic tin, and tin-plate for a term of ten or fifteen years, I do not think that my position is against the interests of the people of the United States, for with an established production of tin in this country the supply of the world will be increased, and a benefit to the consumer beyond that which he now experiences will inevitably follow. Besides, no duty on or taking the duty off of an article of commerce is no guaranty of cheaper goods or lower prices. Temporarily, in order to destroy an incipient industry, prices may be lowered, but Europeans have many times shown Americans that their power and ability to form combinations for gain has no superior, and to expect commercial generosity from them is a visionary dream.

Very respectfully,

JOHN H. FURMAN,
Kings Mountain, N. C.

The CHAIRMAN OF THE WAYS AND MEANS COMMITTEE.

TIN PLATES.

[See *ante*, page 92.]

STATEMENT OF HON. H. STUMP, OF MARYLAND.

Mr. McMILLIN. Mr. Stump, of Maryland, presents an article in opposition to the increase of the duty on tin-plate which he wishes incorporated in the record.

Mr. BRECKINRIDGE. Are these canned goods a vegetable product?

Mr. STUMP. Yes, sir. This paper I will file contains statistics from the reports published by the State of Maryland.

Mr. McMILLIN. Yours is an extensive canning region?

Mr. STUMP. It is, and it has been a growing industry for years.

Mr. GEAR. Is it packed for home or foreign markets?

Mr. STUMP. It is mostly going to the West. There are very few factories for making cans in my county. The canning industry is confined mostly to the farmers. They sell to brokers and commission merchants.

Mr. GEAR. There are some people who pack for home consumption and others who pack for foreign consumption?

Mr. STUMP. This is for American consumption.

Mr. McMILLIN. From your direct observation and experience, do the people engaged in this work believe that an increase of duty, such as is proposed here, would injure the business?

Mr. STUMP. It would injure the business very materially. It is a business in which the farmer is very largely engaged.

Mr. GEAR. How much would the tax on tin at present amount to in the case of a 2-pound can?

Mr. STUMP. That I could not say.

Mr. FLOWER. The duty is 1 cent a pound.

Mr. GEAR. It amounts to over 8 cents for a 3-pound can.

Mr. BAYNE. I suppose if our people should produce this tin they would supply the people?

Mr. STUMP. Most assuredly; but we do not see that there is any visible supply in this country.

Mr. BRECKINRIDGE. Your argument is to take the tax off.

Mr. STUMP. Yes, sir; we want it cheaper. Our working people want it cheaper, and every man needs it cheaper. It not only goes into the canning industry, but into every household. We want it not only for ourselves, but for all the people.

Mr. GEAR. You think it would be policy to produce it if we could?

Mr. STUMP. Most assuredly. Our interest is to get it as cheaply as possible.

HON. WILLIAM MCKINLEY, JR.,
Chairman Ways and Means Committee:

In behalf of the canning industry I respectfully ask to have submitted the following statistics compiled in 1882 by the canning interests in Harford County, State of Maryland, and setting forth some reasons why the tariff on tin-plate should not be increased, and I request that the same be printed amongst the proceedings of your honorable committee.

Respectfully submitted.

HERMAN STUMP.

STATISTICS OF THE CANNING INDUSTRY IN MARYLAND.

It is a matter of interest, in connection with the proposed increase of tariff on tin-plate, that Harford County, Md., during the season of 1882, packed over 1,600,000 cases, or 38,400,000 cans, of hermetically sealed goods. The pack was distributed as follows: Tomatoes, 1,000,000 cases, or 24,000,000 cans; sugar-corn, 500,000 cases, or 12,000,000 cans; miscellaneous articles, as peaches, pears, apples, peas, beans, and pumpkins, about 100,000 cases, or 2,400,000 cans.

This was the output of 300 factories, giving employment to about 16,000 persons. Confining our attention to the tomato and corn pack alone, the raw material to produce the 1,500,000 cases, or 36,000,000 cans, required the product of 10,000 acres of tomatoes and 5,000 acres of sugar-corn, involving an outlay for agricultural labor of \$200,000. In making the 36,000,000 cans there were consumed 130,000 boxes of tin, requiring an outlay of \$135,000 for labor in this branch of the industry, while the labor of preparing the vegetables, filling the cans, processing, boxing, and shipping necessitated a further outlay of \$900,000.

Such, briefly, is a statement of the canning industry of a little corner in the State of Maryland, and does not touch upon the industry in other parts of the State. Yet from these figures an idea may be formed of the importance of this great and flourishing industry, not only in Maryland, but throughout the whole extent of the country, the success, nay, the very existence of which depends absolutely upon the cheapness of tin-plate.

Tin-plate is the only material yet discovered that is adapted to the purpose of preserving food hermetically sealed for an indefinite period.

The properties that fit it for this purpose are its lightness, its cleanliness, its non-corrosiveness, the facility with which it may be transported without breakage, and its cheapness. These qualities not only adapt it to the canning business, but make it an indispensable material in the manufacture of household articles of general utility and necessity. When it is considered that tin-plate is an article that can never be manufactured to any great extent in this country, and that it is an indispensable raw material in so many industries of the greatest importance, the proposed increase in the tariff on that article seems not to be protective, but preventive; not to foster home industry, but to suppress it.

Turning again to Harford County and her canning industry, we can see the effect of tariff upon her business. As we have said before, to manufacture the cans used in the pack of 1882 there were consumed 130,000 boxes of tin, upon which there was paid to the General Government a tariff of \$1.23 per box, or, in round numbers, \$160,000. If the proposed increase is adopted, this sum will be raised to \$260,000, making the cost of every dozen No. 3 cans, the most common size, $4\frac{1}{2}$ cents more than at present.

The present county levy for all her internal expenses is only \$80,000. The proposed tariff will require an outlay of more than three times this amount. Can-makers estimate that in every box of tin of 112 pounds there are 23 pounds of waste, which is of no use whatever and often involves expense in its removal. Harford County now pays a duty on this waste of \$32,000. If the tariff be increased as proposed it will be \$59,000.

When a consumer buys a can of tomatoes or corn the greatest item of expense to him is the can, which, when he has once removed the contents, is to all intents and purposes an absolute waste. It is merely an envelope for the goods, and when it has fulfilled that purpose it is not only no longer of use, but becomes almost a nuisance. Now, therefore, when the Government places a tariff on tin used in the manufacture of cans, it places a tariff on food and assumes a position which no advocate of protection will defend.

It is a fact well known that the great market for canned goods is the center of those mining and manufacturing interests that it ever has been and ever should be the object of the Government to protect. Furthermore, their compactness and the convenience with which they can be transported make canned goods the only available article of food in the Far West, where the presence of provisions in this shape makes many a desert habitable.

To increase the tariff on these articles (and the revenue does not demand it) is to increase the cost of living to the employés of mines, factories, furnaces, and railroads, and an increase of living necessitates an increase of wages, a consequent increase of the cost of production of every article that requires the employment of labor, and more particularly of those articles that need Government protection.

We therefore protest against the proposed increase of the tariff to 2 cents per pound for the following reasons:

(1) It does not afford a protection to industry, and is indefensible upon that ground.

(2) It is really an obnoxious duty on raw material. To increase it is to perpetuate a rank injustice.

(3) If persisted in it will contract the canning industry to nearly half its present proportions.

And, further, we would respectfully request that the tariff on tin-plate be reduced to a specific duty of one-half of 1 per cent. per pound, for reasons which we shall endeavor to set forth:

Briefly stated, the history of the tariff on tin-plate is as follows: Previous to 1842 tin-plate was admitted free of duty. In that year a duty of 2½ per cent. ad valorem was imposed. In 1846 the duty was increased to 15 per cent. In 1857 it was reduced to 8 per cent. By the act of March 2, 1861, a duty of 10 per cent. ad valorem was imposed. In the next year, the expenses of the war necessitating an increase of revenue, by the act of July 14, 1862, the duty was "temporarily" increased to 25 per cent. ad valorem. Although this increase was confessedly a temporary measure, there was no relief had until the act of June 6, 1872, when the tariff on tin-plate was reduced to an ad valorem duty of 15 per cent.

For the convenience of levying the duty, and without any idea of increasing the

tariff, by the act of February 8, 1875, the ad valorem duty of 15 per cent. was changed to what was, at the price of tin then, an equivalent of 1.1 cents per pound.

Since that time the improvement in manufacture and competition in the trade have caused a steady decline in the price of tin-plate, until it is now some \$3 a box less than it was then, and the percentage of duty has, of course, increased in a corresponding degree, until it is now equivalent to about 33 per cent. ad valorem; an excess of more than 100 per cent. over the duty contemplated by the act of 1875.

It is found that the average price of tin per box for the six years since 1875 is about \$4. Reckoning a duty of 15 per cent. ad valorem on this average, we have what is equivalent to a specific duty of about one-half of 1 cent per pound. Since this was the duty contemplated by the act of 1875, we deem it not unreasonable to request that it be restored.

We have endeavored to show that tin is a raw material in important industries, and should be as free as possible from duty on that account.

In so doing we do not wish to be understood as saying that it is not desirable to encourage the manufacture of tin in this country, if it is possible. If there are parties who desire to make this article in the United States we do not stand in their way. But if they find that it can not be done profitably at present prices, and they come to you and ask for an increase of the tariff in order that they may make a profit, we say no; do not increase the tariff on the whole quantity of tin consumed in this country for the sake of what little may be made here, but rather pay a premium to these manufacturers for what they produce, and let the great body of consumers, who are of a vast deal more importance, have their canned food and their kitchen utensils as cheap as possible.

Before concluding this subject, permit us to call attention to the influence of the canning industry upon farming in the East and South; and we shall again refer to Harford County as the example with which we are best acquainted.

This industry was commenced here about ten years ago, and has advanced, without a check, to its present splendid proportions. During that time farm land in those parts of the county where canning is carried on most extensively has nearly doubled in value; the acreage of tillable land has increased; more fertilizer is used; more labor is bestowed upon crops, and there is a resulting increase in yield; labor is better paid and is in such demand that the cities are largely drawn upon in the busy season to supply the deficiency; in short, what used to be a dull "root hog or die" existence has become a pleasant and profitable occupation.

Land that ten years ago was out of cultivation because our farmers could not compete with the great West in the raising of wheat and corn, now produces, in profitable abundance, crops of a kind better adapted to thickly settled communities. And what we say here of Harford County applies, in a degree, to the whole State of Maryland, and will, at no distant day, apply equally to the whole South, for it is in the South that this industry will eventually find its abiding place. The temperate climate, the long season, and the fertility of the soil, combined with the abundance and cheapness of labor, will eventually attract capital in that direction.

This canning industry is a boon to the Atlantic States that can not easily be calculated. While the West is producing wheat and corn so abundantly and cheaply, as at present, there is nothing left for the Eastern farmer to do but to turn his attention to those crops that yield a profit, but in which the West can not or does not care to compete, on account of the great amount of hand labor involved.

The raising of crops of fruits and vegetables, is peculiarly of this character, but this could not be carried on to any great extent except in the immediate vicinity of cities and towns, were it not for the canning industry, which steps in, prepares these articles for immediate use, and envelopes them in an air-tight wrapper of tin, by means of which they can be transported to the most distant markets and kept indefinitely; thus preserving the most perishable products of the summer for winter consumption. This not only applies to fruits and vegetables but fish, poultry, meat, etc., and aids the producers of these articles in like manner. In this industry the United States has a virtual monopoly.

France is the only competitor that this country now has in the production of canned goods; but she is so far behind that she can hardly be termed a rival. With exception of pease, sardines, and condensed milk, none of the products of French packers are imported into this country, and in most foreign countries, with exception of the articles named, American canned goods hold their supremacy.

We have run hurriedly over the ground covered by the canning business, in order that it may be seen what far-reaching interests are involved in this matter of the tariff on tin-plate. We hope that the wisdom of Congress will not take a too contracted view of this question, but will give every interest involved its due consideration in making its decision.

STATEMENT OF GEORGE FRIES & CO.

PHILADELPHIA, *January 2, 1890.*

DEAR SIR: We desire to call your attention to the incorrect statements made by W. C. Cronemyer in his hearing before the Ways and Means Committee, December 27, 1889, in regard to tin-plates. We note the statement that in 1872, when his firm commenced to make tin-plates, the price was \$12, and when in 1886 it had fallen to \$4 they ceased making same. This is not a fair or just comparison. He takes a price in 1872 for ordinary tin-plates, which may have been quoted, and there may have been some small lots sold, but not in any great quantity. In this year prices were very much inflated on the other side as well as in this country, owing to the impetus given to the iron trade about the time of the Franco-Prussian war.

In the year 1886 it is well known that all iron and steel were at the lowest prices ever known in the iron trade, and in this year all kinds of iron industries were more or less stopped and paralyzed, and the duty had nothing to do with the matter in this case.

We note that he claims that it cost \$5.50 to make a box of tin-plate, while in England it could be produced at \$2.25 per box less, the difference, he says, being attributable to difference of cost of labor. He makes this assertion of there being this difference but shows no facts to prove that this is the difference in cost (that is taking his asserted English cost and the cost he states it will cost to produce same here.) He further says nothing whatever about the present duty, freight, etc., which are other incidental expenses, which amount to \$1.40 per box, and this is certainly represented in this difference, and must be taken account of somewhere, therefore labor here is protected to that extent, and wages are correspondingly higher to that extent. The difference he claims of \$2.25 is not correct. The ordinary tin-plates can not be produced at the price he names from the fact that the English tin-plate workmen are getting first-class wages, equal to any given here for the same class of equal work. Mr. Cronemyer's comparison should be made, and the difference, if any, should be between the cost to-day to make a box of plates in England and the cost here, and not to take an English cost at a time when things there are at their lowest ebb, and a price here when everything is active and higher.

Mr. Cronemyer has undoubtedly taken the lowest prices that plates were ever sold at in England. The ordinary grades, such as are used by fruit packers, etc., can not be had to-day at less than \$3.75 to \$4 per box in England, to which should be added the duty, freight, insurance, etc., equal to \$1.40 per box; hence at \$5.50 cost here, you will note that the price would be about the same, owing to the protection already existing. At the present rate of duty there is no reason why tin-plates, if parties want to make them, should not be made, and the circular, issued by the Pittsburgh parties who exhibited at the exposition held in October in Pittsburgh, prayed for a higher duty, but at the close of same they stated that tin-plates could be made at a profit, even at the present duty. They further stated that the tin-plate industry would support a number of people nearly equal to the population of New York City. This is simply ludicrous, and needs no further comment. In this connection we would state that the number of men employed in the manufacture of tin-plate in England and Wales is not quite 30,000, and England supplies the whole world, hence as we have above stated, you will note the absurdity of Mr. Cronemyer's claim that the tin-plate industry would support a population of nearly as large as New York City.

He neglects, however, to state the number of men now employed in the various industries in which tin-plate is manipulated in this country, which number is over a million; how fully one-half of this number would find that their employment would be gone if the duty was increased to such an enormous extent, as so many of these industries would be annihilated, and tin-plates could not be used. Every one is aware of how tin plates are used by the packing interests in the putting up of canned goods, these goods being necessary in certain sections of our country. He neglects to state how the growing export trade of our canned goods, fruit, meats, etc., would be curtailed, if not destroyed, and how a great deal of the farm produce now packed would have to go to waste, and instead of millions of money coming in to enrich this country, other countries would reap this advantage. It is simply the aim of a few to get rich at the expense of the many. Why are not tin-plates made at the present duty, which they say can be done, and the fact demonstrated that they can be made, and that it is possible for the creation of tin-plate work before it is asked for such an onerous and burdensome tax of $2\frac{1}{2}$ cents per pound to be put on tin-plates.

No demand is made except by a few who want a monopoly. Tin plate is a raw material, and the duty should be made less rather than increased. We may add here, to give some idea of the amount of tin used in the canning of vegetables and fruit, that in the city of Baltimore alone there are over 600,000,000 cans made in a year.

He further states that in 1886 his firm had been obliged to give up making tin-plates on account of the low prices, and that after their competition had been withdrawn prices had gone up. He does not state the real reason why they ceased making this, which was no doubt owing to the low prices of all kinds of iron, not only in this country but all over the world at that time. To show that prices did not advance because they withdrew, we annex the following prices in England from 1878 to 1889, inclusive. This covers a period of eight years previous to the time he states they ceased making and three years afterwards. We also give the cost of what plates would be here with the duty paid, freight, insurance, etc. Please note prices did not advance on and after 1886, as per his statement.

	Cost in England.	Cost here (duty, freight, etc., added).		Cost in England.	Cost here (duty, freight, etc., added).
1878.....	\$3.80	\$5.20	1884.....	\$3.63	\$5.02
1879.....	5.25	6.65	1885.....	3.50	4.93
1880.....	5.50	6.90	1886.....	3.50	4.90
1881.....	4.00	5.40	1887.....	3.50	4.90
1882.....	4.18	5.58	1888.....	3.60	5.00
1883.....	4.00	5.40	1889.....	3.75	5.15

Add on the enormous duty as proposed and the cost of all foods, preserved or packed in tin-plates, tin roofs, cooking utensils, workmen's dinner kettles, and all other articles in which tin-plates are used is increased in price, and hence the purchasing power or capacity in money of the workman and all others is reduced, and thus proportionately is reduced the wages of the people, including those who would find employment in the industries in which tin-plate is at present used. Such an advance as the one proposed, viz, of 150 per cent., would make the duty, freight, etc., on ordinary tin-plate \$3.02 per box, instead of \$1.40 per box, while on other plates it would show a still larger amount, and would be tripled, quadrupled, quintupled, etc.

Mr. Cronemyer says nothing whatever on one point, and it is a matter of paramount importance and should be considered, and that is what is to become of the probable influx of foreign Welsh labor provided the enormous duty of $2\frac{1}{2}$ cents per pound is put on tin-plates. This result is sure to follow, for no law, labor or contract law, can prevent or hinder it. The contract labor law will only theoretically prevent American manufacturers from importing Welshmen, and American laborers would be left out and entirely neglected. This has been the history of the past in similar cases, and will not differ in this case.

The number of men employed, as per our statement, viz, 30,000, is obtained from data furnished to-day, and represents the number of men of all kinds engaged in the manipulation of tin-plates from iron and steel bars.

We state that Mr. W. C. Cronemyer, in a circular issued September 26, 1889, asserts that tin-plates can be made at the present rate of duty and sold with profit at the present selling prices. This circular is in our possession and we can produce same if necessary.

We hope that this matter will be carefully considered, and that no increase whatever will be made in the present duty on tin-plate.

Yours, truly,

GEORGE FRIES & CO.

The COMMITTEE ON WAYS AND MEANS.

STATEMENT OF T. L. BUNLING.

GENTLEMEN: The New York State Canned Goods Packers' Association, at a meeting held in Syracuse, N. Y., December 10, by a unanimous vote authorized its president to draught a memorial to your honorable committee asking for the repeal of the present duty on tin-plates.

Politically, three-fourths of our association are in accord with the present party in power, while our membership generally stands committed to the principles of protection as applied to the needs of infant industries, or the encouragement of promising adventures.

We are of one voice, however, in deprecating the application of that theory to the case of tin-plates, an industry at present unborn, and one which judged by the experiments of the past, promises too great an outlay of bounty for the possible benefits.

There are upwards of seventy large packing concerns in this State, located for the most part in rural precincts, and the outgrowth principally of a combination between farmers, merchants, and public spirited citizens. These classes respectively see in the successful conduct of a cannery a most powerful factor in local development.

The farmer is furnished a home market for his products, the merchant is benefited through the employment of labor and the profitable market furnished his farmer patrons, while community reaps the reward of an active, money-dispensing home industry.

It is not strange that an industry which counts among its beneficiaries, every element needful in making a community prosperous, should breed an unhealthful contagion in stimulating competition, and hence it is, that every hamlet is bidding for a canning factory, with the inevitable result of overstocking the market with canned products forcing failure and collapse, and regulating the most economic concerns to a meager profit.

Failures and disasters will continue until consumption overtakes production. Consumption will increase in direct ratio as cost of production diminishes.

This being the status of the canned goods industry in this State our people are amazed at the attempted enforcement of a policy with reference to tin-plates, that would not only prevent a diminution of cost in canned products, but seeks to increase their cost.

The New York packers are a unit in calling for the repeal of the present duty on plates and in opposing any additions thereto for the following reasons:

First. We are opposed to the enforcement of any economy that tends to advance the price of a food product of domestic manufacture.

We hold that any policy that cheapens the cost of living to the laborer is at par with a policy which seeks to raise the wages of labor.

Second. Believing that the maximum price for canned products has been reached, and that the expectation and demand of the trade is for a lower range of price, any additions to the cost of tin-plates necessitating naturally higher price for products would so control consumption as to seriously cripple the industry.

Third. Tin-plate as it applies to the uses of the canner is a raw material, and requires a large outlay of domestic manipulation to prepare it for use. We believe that under the popular theory of free raw material we should be allowed tin-plates free.

Fourth. Cans represent fully one-third the cost of canned products as placed upon the markets, owing to the fact that they can not be used a second time, the percentage of tariff charged against canned goods is greater than that levied against any other industry for its use of tin-plates. This disproportion of tariff assessment is still further augmented through the fact that the duty being specific it falls as heavy per pound on the cheap grades of plate, used by canners, as on the better grades, which is a most unjust discrimination.

Fifth. The increased capital used in the canning business incident to the tariff is aburdent to the packer. While the duty which amounts to 6 or 7 cents per dozen is charged against the goods and is paid ultimately by the consumer, it has to be advanced by the packer when he buys his stock of plates or cans. The packers of the State of New York alone have used in their business the last season \$300,000 more capital than would have been needed under a free tin-plate régime.

Sixth. There is no promise on the part of the advocates of more protection on plates that the cheaper grades such as are used by canners could be manufactured in this country under the wildest protection, their computation being made invariably on the costly grades.

Summarizing, permit us to say the advocates of an increase of duty on plates assert that prices have continually advanced on that commodity since the failure of our domestic attempt in 1886. The reverse is true: Penlan grades have fallen from \$5.65 per box (average price) for 1879 to \$4.35 per box average price for 1889. The average price on the same grades during 1884 and 1885, during the pendency of the American attempt at manufacturing plates, was \$4.50; the average price for 1889 was \$4.35.

D. A. Wells in his last book entitled "Recent Economic Changes" establishes the same fact, and he further proves that the German attempt to foster the tin-plate industry through almost restrictive protection has signally failed.

Exports of tin-plates having decreased and imports increased, as shown by the following statistics:

Year.	Produc- tion.	Imports.	Exports.
	Tons.	Tons.	Tons.
1878	8,582	5,307	1,696
1886	4,892	5,798	186

Mr. Wells also shows that while South Wales enjoys a practical monopoly of the tin-plate business, it has brought nothing of prosperity to their industry, the period from 1874 to 1889 being one continuous decline, and many failures was the result.

We submit also, that as the labor costs in a box of B. V. cokes is less than 50 cents, and as the amount of tin used is only 4 pounds per box and that both labor and tin would have to be imported in order to any promise of immediate success; that it is no less than an economic abortion, and that it does not convey on its face the full intent of the monopoly manipulated back of it. The consumers of York State canned products have paid \$1,800,000 since 1883 to foster an infant that as yet is only begotten in the speculative brain of syndicate holders of fancy mining stocks or millionaire mill owners, who fancy their profits on steel-plates jeopardized.

We insist that the two thousand canneries in this country scattered through the productive fields of every State, consuming over \$30,000,000 of farm products yearly, and giving indirect employment to over 2,000,000 unskilled labor, and furnishing a most wholesome article of food to the great consuming public, should not be handicapped in their development by an annual tax against their products of over \$1,000,000.

We believe that our case is so unanswerable in point of equity that your honorable body can not refuse to either give us free plates, or give canners the rebate advantages now allowed on export canned products.

Very respectfully,

T. L. BUNLING,

President New York State Canned Goods Packers' Association.

The COMMITTEE ON WAYS AND MEANS.

MEMORIAL OF VIRGINIA FRUIT PACKERS.

The Committee on Ways and Means of the House of Representatives:

GENTLEMEN: The undersigned, a special committee duly appointed by the Virginia Fruit and Vegetable Packers' Association, hereby presents for your consideration certain facts connected with the tariff on imported tin-plates, with the hope that in view of the reasons urged, not only will the proposed increase of duty be abandoned, but, on the contrary, that this article will be placed on the free list.

Mainly by reason of the low prices of tin-plates which have prevailed during the past few years, the business of canning foods has grown to immense proportions, and as a consequence much capital is employed therein. To increase the cost of the raw material (the various tin cans used may thus be termed) by the imposition of a higher duty on tin-plates would necessarily restrict the output of wholesome articles of food, throw out of employment many thousands of families dependent on this industry for their means of living, and more than all, increase the cost of canned foods to the laboring classes who are the principal consumers and are least able to meet the extra tax. It is respectfully submitted that it would be unwise legislation to create an artificial price on an article for which the consumer has no use, on the plea that by so doing there would spring into existence an industry which has been unsuccessfully attempted in the past and under circumstances more favorable than now.

Probably the majority of canned goods packers believe in protection as a general principle, but they are not so blind in their belief as to calmly contemplate the crippling of a vast business already firmly established and steadily growing, for the sake of building up another which can only exist by means of a subsidy and whose success is extremely doubtful. Would it not be necessary also, in order to establish tin-plate works in this country, to import the skilled labor from Wales, the only place in the world where the manufacture has been satisfactorily prosecuted. And would not this be in direct conflict with "the alien contract labor law?" If this law is modified in favor of our class of manufacturers it would be a dangerous precedent, the evils of which it is not difficult to imagine.

Three per cent. of the population of this country, it is estimated, are employed in the various branches connected with the canned goods industry, viz, box-makers, can-makers, label-printers, fruit and vegetable growers, fishermen, etc. The tendency of permitting tin-plates to enter this country free of all duty would be to still further increase the percentage employed, besides enabling exporters to find a foreign market for their canned products, a matter which under the present system of drawbacks, is too unprofitable an undertaking.

Several other reasons might be advanced in favor of the repeal of the present duty but the foregoing are deemed amply sufficient to men of unbiased minds.

Your obedient servant,

ARTHUR GRAY,

Special Committee of the Virginia Fruit and Vegetable Packers' Association.

MEMORIAL OF OHIO MANUFACTURERS.

The Committee on Ways and Means :

We, the undersigned citizens of the State of Ohio, engaged in the manufacture of tin-ware and other industries in which tin is used, respectfully protest against any increase of the tariff on tin-plate, and wish to present the following objections to any such action :

Tin-plate obtains its value from the expense of its production, but so far as its use applies to manufactures in this country it is a raw material. Previous to the war between the North and the South there was not a box of tin-plate manufactured in the United States. During the war, when the price was high, a factory was established near Pittsburgh where tin-plate was made; but after the close of the war and the consequent decline in prices it was abandoned. In 1882 a company endeavored to start afresh the mill near Pittsburgh, and since that time Congress has been repeatedly urged to increase the tariff to $2\frac{1}{2}$ cents per pound. It was under the low prices of the last fifteen years that the tin manufacturing industries of the country received their wonderful impetus, and the fact was demonstrated that tinned plates as to this country were and are raw materials to every intent and purpose, and as such should not be taxed. On the amount imported in 1888 (some 655,000,000 pounds, worth about \$19,000,000) was paid a duty of over \$6,500,000 at the present rate of duty. If it shall be advanced to $2\frac{1}{2}$ cents, then the amount of duty we shall be required to pay will be over \$14,000,000.

Tin is the article from which milk pails and pans, dinner-pails, bread-pans, cook-pans, pie-pans, wash-basins, colanders, strainers, skimmers, graters, teapots, coffee-pots, vegetable cans, fruit cans, fish cans, meat cans, and a multitude of other indispensable articles of general use, are made. No known substitute exists which could be made to take its place in over nine-tenths of the uses to which it is put.

For roofing purposes, tin is by far the best material known. If tin plates were admitted duty free, they would be so much cheapened that they would soon supersede shingles. Even with the present duty of over 33 percent, immense quantities are used for roofing purposes. Because of its present and long existing cheapness, industries of great magnitude never known before have sprung into existence, giving employment to armies of men and women and millions of capital, conferring the blessings of cheap and wholesome food in spicy variety upon the people of all classes, as well as shelter for their homes.

To increase the tax is a direct assault upon the tinware manufactures, canning goods industries, and tin roofing industries of the United States. In the stamping and janning works of the country, \$12,000,000 are invested, and over 25,000 hands are employed. In the canning industries—the salmon works of Oregon, the fruit preservers of California, Delaware, Michigan, and Illinois, the vegetable canning works of the North, every township north of Mason's and Dixon's line, the oyster canning works of Baltimore, the lobster packers of Maine, and the canners of dairy products in New York—over \$50,000,000 is invested and over 40,000 hands are employed. In these industries alone over \$10,000,000 worth of tin-plate was consumed last year.

In the canning of oil for export, \$3,500,000 worth of tin-plate was used. We have not the data of the amount of capital invested, or the number of hands employed in the two other industries, tin roofing and decorated boxes for drug sundries.

As the tariff duty now stands it is a tax upon the consumers of all of the articles we have heretofore mentioned which are made out of tin-plate. If the duty shall be increased we manufacturers of these articles must add the additional tax to the price of the goods we sell and thus recover it from the people, or we must close up our business. In some instances we shall be compelled to add more to the price of an article than the increased tariff itself, because of the wastage there necessarily is in the manufacture of tin goods, the tax being upon that which is lost as well as that upon which is converted into useful articles. To increase the tax at this time is to unsettle the conditions of our business for a period of years, until it shall be demonstrated whether, even with the increased duty, tin-plate can be manufactured in this country. Adding to the present duty $1\frac{1}{2}$ cents per pound will raise the price of 14 by 20 plate from \$1.25 to \$1.40 per box. To manufacture tin-plate in this country the capitalists who proposed to do so before imported some Welsh plate-makers—no duty on them, either. They may have to do the same thing again.

In the tin roofing business many mechanics and poor people, laborers, etc., are enabled to build small cheap houses and roof them chiefly withterne plates at from \$4.50 to \$5 per square. The cost would be almost double if not quite.

We claim that it is unfair for Congress to legislate in the interest of a few capitalists who desire to re-establish a business which has heretofore failed, and at the same time cripple a great number of factories already established, to endanger the employment of thousands of tanners, roofers, and other workers in tin. The prices of

tin have fallen since 1874 to 50 per cent. of what they were then. The amount used in the United States has increased from a little over 1,800,000 cwt. in 1874 to a little over 5,800,000 cwt. in 1888, prices being a little higher now on account of the increased price in iron.

Besides the injurious effects upon the tin manufacturing industries of the country, increasing the tax upon tin-plate must have a bad effect upon the dairy interests of the country and upon the canning interests of the country.

We respectfully submit that it would be far better for the established industries of this country engaged in this business, and for the people of the country who use and consume tin-ware, that the duty should be taken off entirely than that there should be any increase in it.

[Here follow numerous signatures.]

VIEWS OF J. M. MELLOY & SON.

PHILADELPHIA, PA., *January 6, 1890.*

GENTLEMEN: We note that there is an effort now being made to increase the duty on tin plates, which effort is being made by parties who, to gain their ends, make statements which can not be borne out by facts. If there is to be any alteration in the duty it should be made less than the present duty of 1 cent per pound. Tin-plate enters into so many varied industries in this country that to increase this duty would be to annihilate many of them. The number of men given employment by the varied uses to which tin-plate is put in this country would exceed by hundreds of thousands the men who could be employed in the making of tin-plate in this country, provided that all the tin consumed in this country could be made here.

We do not know whether the report in the Philadelphia Ledger is correct or not. If Mr. Cronmeyer said before your committee what he is reported to have said in that paper, he is so wrong we thought it should be contradicted; otherwise some one might be misled. If the gain to the country and its citizens was not so much in favor of not making tin-plate in this country, we would not trespass upon your valuable time, but the wild statements made should be refuted.

Mr. Cronmeyer states that his firm had successfully manufactured tin-plate for three years. Had he named the amount manufactured you would have instantly seen that the quantity was so insignificant that you could not call it starting an industry. Manufacturing tin-plate is a very simple matter. There is hardly any limit to the number of plates a well regulated works can turn out, as it is simply dipping either iron or steel in melted tin, or mixture of tin and lead; consequently the necessary machinery is not very expensive. All the labor required on tin andterne plates is put on them after they are in the shape of tin andterne plates.

We give you below a table showing the average price the merchants of New York sold at during the following years. This is far better than the misleading prices laid before you:

	1884.	1885.	1886.	1887.	1888.	1889.
January	\$4.75	\$4.44	4.42	\$4.24	\$4.75	\$4.21½
February	4.66	4.41	4.36	4.25	4.79	4.20½
March	4.66	4.39	4.38	4.24	4.74	4.22
April	4.77½	4.36	4.43½	4.30	4.69½	4.28
May	4.77½	4.30	4.38	4.28	4.63	4.27½
June	4.76½	4.29	4.33½	4.20	4.46	4.25
July	4.86	4.50	4.36	4.37	4.51	4.25
August	4.85	4.51	4.30	4.50½	4.58	4.25½
September	4.80	4.51	4.23	4.46	4.62	4.32
October	4.69	4.56	4.25½	4.40½	4.47	4.51½
November	4.60	4.52	4.19½	4.56½	4.20½	4.73
December	4.50	4.51	4.17	4.79	4.24	.....

The principal size of tin-plate is IC 14 by 20, 112 sheets to the box, and weighing 168 pounds net, and this size of coke plates would we think amount to five-eighths of all the plates imported. These are now being sold for \$4.60 per box at thirty days; duty amounts to \$1.08, freight 17 cents, insurance 2 cents, interest on account of taking so long before the goods reach the market, consular certificate, custom-house fees and charges hand cartage to warehouse, equal say 6 cents, amounting in all to \$1.33, which deducting from the \$4.60, makes the goods net the Welsh maker at present \$3.27 per box. This is without allowing the merchant any profit, nor allowing the one-half per cent. interest for the thirty days' time given, and the price of plates to-day is considerably higher than the average price for six years, as you

can see by looking at the table of prices. This leaves a protective duty of 40.7 per cent. Of course when the price is lower, as it has been for such a long time, the percentage of protection is higher.

A circular was issued September 26, 1889, dated Pittsburgh and signed by W. C. Cronmeyer, secretary (we inclose herewith a copy for your perusal.) You will notice they ask all patriotic people of both sexes to join them in requesting the duty to be increased to $2\frac{1}{2}$ cents per pound, and also make the remarkable statement that the present duty is ample if they were not afraid of some organized importers giving the goods to the consumers cheaper than the trust they are endeavoring to form would wish to sell at. This is a liberal request to make of the consumers, and the organized importers exist only in their imaginative brains. Your honorable committee are good judges of the party who is spending the most time and money visiting Washington for selfish ends by referring to the parties who appeared before you. You know how well the tin-plate trust was represented before you, and we believe you have not heard any one from the side of the many who are depending for their support on the cheapness of tin and terne plates; and we would not have raised our humble protest if they had been satisfied with stating facts, as the consumers throughout the land had entire confidence in your not doing anything to so seriously annihilate such an immense industry; but by not contradicting the trust's wrong statements we were afraid you might be misled, and as the consumers have no organization at present to look after their interests, we concluded to lay this letter before you, and you can then get the facts from parties who are better posted than ourselves. It does not admit of a doubt that it is not safe to leave the welfare of, say, one million people to the mercies of a tin-plate trust. It seems queer that the representatives of the proposed United States tin-plate trust should be so anxious to spend their time and money in visiting Washington to benefit other people.

The cost of the machinery to make tin-plate is very inexpensive, and there seems to be no reason why 40.7 per cent. should not be ample. The fluctuations in price in this business are precisely like all others; it depends upon the condition of the country, strikes, scarcity of tonnage, etc., and was not regulated in any way by the small amount of plates made by any Pittsburgh maker. From the best information we can get, there are not over 28,000 people employed in Wales manufacturing tin and terne plates from finished bars. This is far from making a city the size of New York, and this number of people make all the tin-plate consumed in the world, so it could not take anything like that number to manufacture the amount of this raw material worked up in the United States. There are certain portions of the world where they bend their whole energy to preparing certain raw materials. They could get labor cheaper in Belgium and Germany, yet they have never successfully made tin-plate. Germany makes nearly all the wire rods used in the world and England is one of her largest customers. This shows there are certain localities where they prepare certain raw materials, and that other countries find it not profitable to interfere with these established customs, as the people of the special localities bend their entire energies to it and seem to prefer making their different specialties to making more money at other labor.

We give below the figures quoted November 31, 1886, in a speech by Mr. D. Whitehouse, of South Wales, showing the wages paid tin and terne plate makers, and they have advanced considerably since then.

Eight-hour shifts.—Rollermen, \$11.84 per week, 30 cents per working hour; doublers, \$9.60 per week, 24 cents per working hour; furnaceman, \$8.69 per week, 22 cents per working hour; behinders (boys), \$4.59 per week, 12 cents per working hour.

Twelve-hour shifts.—Shearers, \$15.92 per week, 38 cents per working hour; timmen, \$14.10 per week, 26 cents per working hour; washmen, \$14.10 per week, 26 cents per working hour; drawers (boys), \$4.79 per week, 9 cents per working hour.

At the time the tariff was reduced from 1.1 cent to 1 cen per pound, there was an endeavor made to find out how many men were employed in actual labor on tin and terne plates in the United States. This was a most difficult thing to arrive at, but letters were sent to all the parties who work in tin-plate whose names were registered in any of the commercial books, inclosing a postal-card, asking them how many hands they employed. On receipt of these postal-cards it was found that at that time 380,000 hands were employed in the United States. A great many did not answer, and of course the list was very incomplete, and we have no doubt there were at least 150,000 working in small shops that were not written to, and since that reduction of duty the number of hands working in tin-plate has increased wonderfully. This only represented the hands actually working in tin and terne plates, and did not include the others depending upon these which would more than double the number. The exporting of goods in tin-plate is now the most important trade this country has, and the goods thus exported amounted in 1888, according to the statistics received from Washington, to \$72,699,553.60, and at the year ending June, 1888, there was \$18,979,337 worth of tin and terne plates imported into the United States, on which there was a duty paid the Government of \$6,349,466; making the value of tin-plate imported by the

United States less the duty \$12,629,891, and not \$35,000,000, as stated in the Pittsburgh circular.

The great portion of the goods that are canned would otherwise go to waste, as it is the only way that small growers have of realizing on the crops when they are unusually large; thus you see canning goods is the most direct benefit to the largest number of people in poor and moderate circumstances in the United States, as it saves goods that would otherwise go to waste; and to increase the present duty seems to be the most unnecessary hardship that can be inflicted on a country by its representatives.

The above remarks are only in the interest of the workers in tin and terne plates, but the consumers in canned goods and tin-ware should be considered. There are parts of our country where the people depend almost entirely on canned goods for their living, and you are asked to increase the duty on these people 150 per cent.; not to benefit the people or to protect any established industry, but simply to tax these people to create and enrich a trust. Kindly bear in mind that the poorest people are the ones who use tin-ware for dinner-pails, tin-cups, etc. In the mining and lumber districts hardly anything else is used.

There is no reason why the United States should have the monopoly in canned goods that it now enjoys, as any of the European countries, such as France, Germany, Italy, Austria, Holland, Australia, and India could raise fruit, and they would not withdraw from the market when we had found out we had made a mistake in driving such a lucrative trade away, simply for the sake of giving a few employment at a little better wages than they are now receiving, and enriching the trust to whatever they choose to exact from the people, and for every hand the trust would employ it would throw out of employment thousands, and the Welshmen would soon see that it was to their advantage to come to this country to seek employment, and where would even the few hands now here who would find employment be benefited? By increasing the duty to any considerable extent would make the wrapper cost more than some of the ingredients, such as tomatoes, which are so largely exported.

It seems suicidal to all the business interests of this country to increase the present duty. Kindly take into consideration the greatly-increased cost to our own consumers.

We now have a balance of \$60,000,000 in our favor between the amount of money we pay England and the amount of goods we export in tin cans, or, in other words, \$6 to \$1, and we are not satisfied. Would any business house even consider such an unwise step? If we refuse to take our small proportion of tin-plate from England she is too careful of her people's interest not to seek another outlet for her tin-plate, and would soon get some country to be willing to take one for six, and we would then have a competitor for canned goods that would annoy us even if tin-plate was made free. We once thought we had a monopoly on wheat, but now we have competitors in southern Russia and India, whom we can not drive out. The only remaining good export trade we have is in goods that we export in cans; consequently we pray you will not allow that to be killed or trifled with.

We remain, yours, very truly,

J. M. MELLOY & SON.

The COMMITTEE ON WAYS AND MEANS.

[W. L. Lewis, president. W. C. Cronmeyer, secretary. B. F. Jennins, treasurer.]

[Tinned plate manufacturing annex to West Pennsylvania Exposition building.]

PITTSBURGH, PA., September 26, 1889.

DEAR SIR: The plant erected at the west end of this building for the manufacture of tin-plate (sheet iron and sheet steel coated with tin) is now in full operation. You are cordially invited to call and examine the same.

Very respectfully,

W. C. CRONMEYER,
Secretary.

This exhibit to which we call your attention is made for the purpose of demonstrating to the citizens of the United States how one of the most universally used household articles is made.

The (so called) tinware which you use in your kitchen, the tin can in which you put up your fruit, the dinner bucket in which the workman carries his meal with him to his place of work, are made from sheets of iron or steel. The sheets of iron or steel are covered with a thin coat of tin (about 5 pounds of tin to 100 pounds of iron) to prevent oxidation.

Of this commodity there is consumed in this country about 350,000 tons annually,

at a value of \$35,000,000, and if it were made in this country, several hundred thousand residents of the United States would gain a livelihood thereby. But while we have all the facilities to make the same at home, the country has been prevented from making this industry one of its own resources by an erroneous Treasury Department decision twenty-five years ago when Mr. Fessenden was Secretary of the United States Treasury Department.

In 1864 the government of our people adopted the policy of protection to home industries, and tin-plate (so called) was intended to be amongst the protected articles. The clause relating to the same read, "Tin-plate and iron galvanized or coated with any other metal (shall pay duty) at 2½ cents per pound." Whoever framed this sentence knew exactly what was required and covered the requirements fully (as you will readily see when you come to observe the process of manufacture at our plant); but Mr. Fessenden thought himself wiser than the Committee of Ways and Means of Congress and decided that the above cited clause was wrong in punctuation and blamed the engrossing clerk for making a mistake by putting a comma after the word tin-plate, when he should have put it after the word iron, and in explanation added that tin-plates as well as iron must be galvanized or coated (a second time) in order to come under this provision, and that tinned and iron plates must be classed with tin in sheets (pure tin) at 15 per cent. ad valorem. The component of chief value in tin-plate, viz, iron or steel, being protected against foreign importation by a duty of about 50 per cent. ad valorem, and the standard of wages in our iron and steel mills being fixed according to such protective duty, the manufacturer of tinned iron and steel plates was practically prohibited, and the whole trade drifted into the hands of a few importing houses, who have had a monopoly of this trade ever since, and the annual consumption of from \$20,000,000 to \$35,000,000 worth of tinned plate has passed through the hands of comparatively few persons who have got very rich in this trade and who now use their accumulated wealth to prevent legislation in favor of the home manufacture of this commodity.

To counteract and off-set the selfish greed of these importers is the aim of the American Tinned Plate Association, and for that purpose it has erected this plant to awaken the interest of the public and to demonstrate that tin-plates can be made here as well as anywhere in the world. And it is a fact, and we can prove it by figures, that they can be made here and sold with profit at present selling prices; but if any one would attempt the manufacture now he would share the same fate as those who, tempted by the enormous prices which have at times been charged to the consumers by the importers' monopoly, built works and at first made money, but soon found that they could not withstand the pressure of the monopolists who had temporarily, but long enough, reduced the price so low that competition meant ruin.

This is the situation at present. It should be altered, and an adequate protective duty, one that is in unison with the general protective policy of the country, must be placed on tinned sheets of iron and steel, as well as untinned sheets of iron and steel.

And now (if this little circular should fall in the hands of a patriotic American lady or gentleman) we ask that you kindly give this question some study; it is a patriotic feeling and nothing else that instigates the members of this association. Will you assist them? If you desire any further facts and figures, address The American Tinned Plate Association.

W. C. CRONMEYER,
Secretary.

COMMENTS ON CIRCULAR.

You will notice how inaccurately this circular is drawn, and how rose-colored it is painted. They state 350,000 tons were imported for the year ending June, 1888, which was very much the largest year, according to the Government statistics, which we presume are as near correct as Mr. Cronmeyer; there was imported to that date 283,458 tons instead of 350,000 tons, and the value of the tin-plate imported was \$12,629,891 instead of \$35,000,000. They certainly should be able to tell the truth nearer than one-third. They state that several hundred thousand inhabitants of the United States would gain a livelihood thereby. Suppose we analyze this. We will say that several hundred thousand people is 200,000, and, for the sake of argument, we will say that one-half of the \$12,629,891 would be the cost of material and the remaining half would be paid as wages; this may be high or low, it is merely to show what a good living the 200,000 would receive. This would give the laborer, whom they are so anxious to have good wages, \$31.58 per year; so you see while it looks well in print it is rather hard on the laborers.

You will note that they state that the trade is drifting into a few importers' houses. To satisfy yourselves what a misstatement this is, kindly write to every large city in the United States, and find how many importers there are in each city. This extends from Maine to Texas. The comparatively few persons whom they erroneously say from \$20,000,000 to \$35,000,000 worth of tin-plate has passed through their hands is

possibly one hundred times greater than the number of firms who desire to make tin-plate, as nearly all the larger iron firms state they do not wish or can not conveniently make iron as thin as it is necessary to be made to be coated with tin or tin and lead, to be known as tin and terne plates. It would also be well if they would particularize who the firms are who have become rich, as it is a known fact that tin-plate is sold on a smaller margin of profit than any other article in the United States, either manufactured abroad or at home.

Would it not be well to ask Mr. Cronmeyer when there was any attempt made by importers or consumers of tin-plate to spend money to secure favorable legislation, and then ask him how much the few firms who propose to form the trust have been assessed to enable them to tax the people at their options, said tax to be the law of the land. It might be well to ask them why they call it the American Tin-Plate Association instead of trust; we suppose the tin-plate trust will benefit the consumers to the same degree that the sugar and other trusts have already done. It hardly seems possible that any set of men think it necessary to show that tin-plate can be made in this country, as we believe all persons who have arrived at the age of discretion know that all they have to do to make tin-plate is to heat the metal to a boiling heat and dip iron into it after first being run through palm oil. This of course is the old way; they now run it through by rolls because it is quicker, but any old cook-pot over a fire will demonstrate that tin-plate can be made in any part of the world where they have a sheet of iron or steel, a fire, a pot, some oil and tin. It is a pity the circular did not go further and state the large amount of money that was invested in the building of works. It is plain to be seen when there was a specially high price made by some party who manipulated the market for a very short time that the trust were then anxious to fleece their fellow-countrymen, but the instant the price dropped back, which it did in a very short time, to its average price, they then preferred making something else which they could monopolize, than compete with an article that they say the duty is sufficient to enable them to manufacture.

Kindly note that the American Tin-Plate Association, otherwise Trust, claim that it is a patriotic feeling and nothing else that instigates the members of the association or trust to ask for a higher duty. If you are convinced that this is a fact, there will be no use in our gainsaying any other part of their circular, and we only wish you to act upon everything that they say exactly as you believe this last sentence.

PROTEST FROM BALTIMORE.

The Committee on Ways and Means of the House of Representatives:

GENTLEMEN: The undersigned, a committee appointed by the Canned Goods Exchange of Baltimore City, respectfully protest against any increase of the tariff upon tin-plates, but on the contrary urge that they be placed upon the free list, for the following reasons:

There are now in existence in every State of the Union extensive manufacturing, agricultural, and fishing interests in which many millions of money and many hundreds of thousands of people are actively employed, for whose purposes tin-plates are practically a raw material. These interests would be protected and encouraged by placing this material upon the free list, whilst they would be seriously injured by the largely increased cost which a higher duty would necessarily impose. We refer especially to what is known as the canned goods industry, which consumes about one-half of the coke tin-plates imported into the United States, in the manufacture of the different kinds of cans for the preservation of fruits, vegetables, fish, meats, milk, etc. So rapid has been the growth of this business within the past few years (to which growth the low prices of tin-plates have largely contributed) and so numerous have been the new enterprises in this line which have sprung up in all sections, that it is impossible at present to furnish any absolutely accurate statistics as to the magnitude of the industry. We are safely within bounds, however, when we state that the number of packers of canned goods is at least eighteen hundred, and that the business, in its various branches of cultivating, gathering, and preparing the articles to be canned, the making of cans, boxes, labels, etc., provides the chief means of obtaining a living to nearly two millions of people.

To reduce the consumption of the products of this industry (which will be the inevitable result of increased cost) is to inflict a serious and unnecessary injury upon those interested in the manufacture and sale of these products. An increase of this tariff also means higher cost of living to the laboring classes, who are by far the largest consumers of canned goods.

On the other hand, the advantages which it is claimed will result from a still higher duty are, we respectfully submit, problematical at best. There are at present no tin plates manufactured in this country, and a high tariff upon this article would not properly be in the line of protection, but would rather be in the nature of a

bounty offered to experimenters to repeat experiments in which they have previously failed, under circumstances equally as favorable as those it is now proposed to bring about.

It is well known that there are no skilled tin-plate operatives in this country. Will it not be necessary, therefore, for a proper prosecution of this new enterprise, that these operatives be brought from Wales, the only country in the world where this industry thrives, and would not this mean a repeal or a modification at least of our alien contract labor law? Modified in the interest of one class of manufacturers, others would demand like privileges, and it might not be long before the only measure of protection which our mechanics enjoy against the competition of low priced foreign labor would be swept away.

Many of those engaged in the canning industry (perhaps a majority of them) are firm believers in the principle of protection, but they do not think it either just or wise to seek to apply that principle for the benefit of an as yet unborn industry, to the certain injury of vast manufacturing interests already established and destined largely to increase, if protected by the removal of unnecessary and unjust restrictions.

R. TYNES SMITH,
A. K. SHRIVER,
GEO. N. NUMSEN,
Committee.

PROTEST FROM VIRGINIA PACKERS.

The Committee on Ways and Means of the House of Representatives :

GENTLEMEN: The undersigned, a special committee duly appointed by the Virginia Fruit and Vegetable Packers' Association, hereby presents for your consideration certain facts connected with the tariff on imported tin-plates, with the hope that, in view of the reasons urged, not only will the proposed increase in duty be abandoned, but, on the contrary, that this article will be placed on the free list.

Mainly by reason of the low prices of tin-plates which have prevailed during the past few years, the business of canning goods has grown to immense proportions, and, as a consequence, much capital is employed therein. To increase the cost of the raw material (the various tin cans used may thus be termed) by the imposition of a higher duty on tin-plates would necessarily restrict the output of wholesome articles of food, throw out of employment many thousands of families dependent on this industry for their means of living, and, more than all, increase the cost of canned foods to the laboring classes, who are the principal consumers and are least able to meet the extra tax. It is respectfully submitted that it would be unwise legislation to create an artificial price on an article for which the consumer has no use, on the plea that by so doing there would spring into existence an industry which has been unsuccessfully attempted in the past and under circumstances more favorable then than now.

Probably the majority of canned-goods packers believe in protection as a general principle, but they are not so blind in their belief as to calmly contemplate the crippling of a vast business, already firmly established and steadily growing, for the sake of building up another which can only exist by means of a subsidy, and whose success is extremely doubtful. Would it not be necessary, also, in order to establish tin-plate works in this country, to import the skilled labor from Wales, the only place in the world where the manufacture has been satisfactorily prosecuted? And would not this be in direct conflict with "the alien contract-labor law"? If this law is modified in favor of one class of manufacturers, it would be a dangerous precedent, the evils of which it is not difficult to imagine.

Three per cent. of the population of this country, it is estimated, are employed in the various branches connected with the canned-goods industry, viz, box-makers, can-makers, label-printers, fruit and vegetable growers, fishermen, etc.; the tendency of permitting tin-plates to enter this country free of all duty would be to still further increase the percentage employed, besides enabling exporters to find a foreign market for their canned products, a matter which, under the present system of drawbacks, is too unprofitable an undertaking.

Several other reasons might be advanced in favor of the repeal of the present duty, but the foregoing are deemed amply sufficient to men of unbiassed minds.

Your obedient servant,

ARTHUR GRAY,
Special Committee of the Virginia Fruit and Vegetable Packers' Association.

PROTEST FROM DEALERS IN CANNED LOBSTERS.

FROM CHICAGO DEALERS.

The Senate and House of Representatives in Congress assembled :

The remonstrance of the undersigned, dealers in canned lobster, residing in Illinois, respectfully sheweth that the imposition of a duty on canned lobster, or cans containing lobster, imported into the United States, would be unjust to all business interests, for the following reasons :

First. It would make the cost to the consumer so great that canned lobster would cease to be an article of economical food.

Second. Such a duty would be an unjust discrimination as against the duty even now imposed upon tin-plate imported into the United States for the manufacture of the same kind of cans. A duty of 18 cents per dozen on 1-pound cans, this being the size ordinarily used for lobster, would be in excess of 100 per cent. of the value, the first cost of said cans manufactured in the Provinces being less than 18 cents per dozen, while the duty on a dozen cans of the same size manufactured in the United States from tin-plate imported even under the present duty on tin-plate would be less than 3 cents per dozen, and under the proposed duty a little less than 6 cents per dozen.

Third. So far as this large duty is concerned, as a means of protection to any industry now carried on in this country, it protects none. The only lobster packed in the United States is put up in Maine, and then only at intervals, according to the caprice of the legislature.

Wherefore your remonstrants humbly pray that there may be no change in the tariff on canned lobster to take effect during the year 1890, and should any change be made to take effect after that date, that it shall not be in excess of the duty levied upon tin-plate imported directly into the United States.

MARCH 3, 1890.

[Here follow numerous signatures.]

PHILADELPHIA DEALERS.

The Senate and House of Representatives in Congress assembled :

The remonstrance of the undersigned, dealers in canned lobster, residing in Philadelphia, respectfully sheweth that the imposition of a duty on canned lobster imported into the United States would be unjust to all business interests for the following reasons :

First. It would increase the cost to the consumer on an article of economical food without benefit to any American industry.

Second. So far as such duty is concerned as a means of protection to any industry now carried on in this country it protects none. The only lobster packed in the United States is put up in Maine, and then only at intervals, according to the caprice of the legislature, the entire pack of Maine being less than one-sixth of the quantity consumed in the United States.

Third. Any duty imposed upon lobster packed in the provinces, to take effect during the present season, would seriously affect contracts already made, causing great loss to the dealers who have already made arrangements for the purchase and sale of lobster for the present season.

Wherefore, your remonstrants humbly pray that there may be no tariff on canned lobster.

PHILADELPHIA, March 8, 1890.

[Here follow numerous signatures.]

COST OF CANS FOR LOBSTERS.

PORTLAND, ME., March, 7 1890.

DEAR SIR : Replying to your question as to the cost of lobster cans manufactured in the Provinces, we will say, our cost the past season figured a fraction under 15 cents per dozen tins. At the present price of tin-plate they would cost 15 cents per dozen.

Yours truly,

H. F. WEBB & Co.

General C. P. MATTOCKS,
Washington, D. C.

PORTLAND, ME., *March 9, 1890.*

DEAR SIR: The highest number of lobster factories in this State at one time we make twenty-two. The highest number during the last four years we make out twelve.

Yours, truly,

General C. P. MATTOCKS,
Washington.

BURNHAM & MORRILL.

PORTLAND, ME., *March 7, 1890.*

DEAR SIR: Referring to the cost of 1-pound cans, the size that lobster is usually packed in, will say that the present cost of same, including material and labor, is 15 cents per dozen.

Yours very truly,

General C. P. MATTOCKS,
(Care Barrington Bros.) 1509 H Street Washington.

PORTLAND PACKING CO.

BOSTON, *March 6, 1890.*

DEAR SIR: The present price of 1-pound lobster cans in Nova Scotia is 14 cents per dozen.

Yours truly,

General J. P. MATTOCKS,
Washington, D. C.

POTTER & WRIGHTINGTON.

PORTLAND, ME., *March 8, 1890.*

DEAR SIR: Your letter of the 6th instant at hand, and notice remarks in connection with the manufacturing of tin cans for lobster packing in Nova Scotia.

Size of tin plates used, 14 by 20 inches; weight per box, 108 pounds; price per box at present in Nova Scotia, \$3.50. Four hundred and fifty 1-pounds cans, number made from box, 14 by 20 tin; weight of same before making up, 90 pounds. Cost of 1-pound cans per dozen before filling, 13.16 cents; weight contained in can, 1 pound; measure, 1 pint. Three hundred and fifty-three nominal 2-pound cans to box, 14 by 20, tin plates; cost of cans per dozen, 17 cents; weight contained in can, 24 ounces; measure contained in can, 1½ pints. Waste per box, 14 by 20, tin plates in manufacturing: 1-pound cans, 18 pounds; 2 pounds nominal, 20 pounds. Cost of 1-pound cans per dozen, sealed for shipment: tin plates, .0933; solder, making can, .0133; labor, making can, .025; solder, sealing can, .0091; labor, sealing can, .005; total cost, .1457 cents. Cost of cases containing 4 dozen cans each 11 cents, or 2½ cents per dozen cans.

Yours truly,

General C. P. MATTOCKS,
Washington, D. C.

PORTLAND PACKING CO.
BURNHAM & MORRILL.
H. F. WEBB & Co.

BOSTON, *March 6, 1890.*

DEAR SIR: In response to your inquiry as to what 1-pound lobster cans cost us to make in Cape Breton, where our factories are located, would say that they cost us 14½ cents per dozen. We figure on what the average cost of tin was for last year. Our cans might cost us a little more than other packers, on account of the lack of facilities for shipping merchandise from Halifax to where our factories are located.

Yours truly,

General MATTOCKS,
Washington, D. C.

L. PICKERT & Co.

BOSTON, MASS., *March 6, 1890.*

DEAR SIR: Your letter inquiring cost of 1-pound lobster cans is received, and will say at present high price of tin plate, 1-pound cans cost us in Nova Scotia 14 cents per dozen.

The average cost for past five years would be about 13½ cents.

Yours truly,

W. K. LEWIS & BROTHERS.

General CHAS. P. MATTOCKS,
Washington, D. C.

BOSTON, MASS., *March 7, 1890.*

DEAR SIR: In answer to your inquiry, we will state present cost price to us of different sizes of Grafton grand coke tin plates at the following places, viz: Boston, Mass., duty paid, I. C., 14 by 20, \$4.50 per box; I. C., 14 by 22, \$4.95 a box; Halifax, Nova Scotia, no duty (free), I. C., 14 by 20, at \$3.50 a box; I. C., 14 by 22, \$3.85 a box; Liverpool, England, I. C., 14 by 20, \$3.30; I. C., 14 by 22, 3.63 a box.

Awaiting your further favors, we are, yours truly,

HOLDER & HERRICK.

General C. P. MATTOCKS,
Washington, D. C.

TREASURY DEPARTMENT, BUREAU OF STATISTICS,
Washington, D. C., March 8, 1890.

DEAR SIR: In reply to your inquiry of to-day, I have to state that according to the returns of imports rendered to this Bureau by the collectors of customs, the imports of "Sheets or plates of taggers iron coated with tin or lead, or with a mixture of which these metals are a component part, by the dipping or any other process, and commercially known as tin-plates, terne-plates, and taggers tin of iron or steel," dutiable from 1830 to 1883 at 1.1 cents per pound, and since then at 1 cent per pound, entered for consumption in the United States, and the duties collected thereon have been as follows:

Year ending June 30—	Quantity.	Value.	Duty.
	<i>Pounds.</i>		
1880	369,435,844	\$16,524,590	\$4,063,794
1881	377,072,728	14,641,058	4,147,800
1882	439,746,695	16,550,835	4,837,216
1883	453,724,126	16,688,277	4,990,965
1884	527,881,321	18,931,073	5,278,813
1885	505,569,076	16,610,105	5,055,591
1886	574,098,405	17,719,957	5,740,984
1887	570,643,389	16,883,814	5,706,434
1888	632,224,296	19,034,821	6,322,243
1889	727,945,975	21,002,209	7,279,460

Respectfully yours,

S. G. BROCK,
Chief of Bureau.

General C. P. MATTOCKS,
Washington, D. C.

MANUFACTURE OF TIN IN WALES.

YORK, PA., *March 21, 1890.*

DEAR SIR: Your letter of March 17, inquiring about the cultivation of wheat in the Argentine Republic, and in regard to the manufacture of tin-plate in Wales, is before me.

You could hardly have entered in upon a subject of more importance, and it will be a pleasure as well as a duty to give you such information as a practical business experience enables me to offer; and you are at liberty to make what use you please of my name or anything that I write you.

First, in regard to the manufacture of tin-plate. Few people have an idea of how small a number are actually engaged in this industry. It is true a large capital is invested, but it is variously estimated that not more than 25,000, or at most 30,000, people, men, women, and children, are required to make all the tin-plate consumed

in this world—that is, starting from the naked bars. Many children are employed, and a number of girls between the ages of eleven and fourteen years. These poor little waifs carry full boxes of tin weighing 108 pounds. They rest them on their hips when their arms are not strong enough to hold them. The laborers, for the most part, receive fair wages. See following table:

	Per week.	Per hour.
Eight-hour shifts:		
Rollermen	\$11.84	\$0.30
Doublers	9.60	.24
Furnacemen	8.69	.22
Behinders (boys)	4.53	.12
Twelve-hour shifts:		
Shearers	15.92	.38
Tinmen	14.10	.26
Washmen	14.10	.26
Drawers (boys)	4.79	.09

From the number of failures in the tin-plate industry during the past fifteen years, more than in any other business now in existence, the employes must receive most of the profits of the business.

A portion of the work is very unhealthy. In the pickling rooms the employes all lose their teeth, and are otherwise so scarified as scarcely to appear human. The rest of the work is not specially unhealthy, but, owing to the rank odor of the oil used, is very unpleasant and filthy.

Tin-plate, as you know, is principally made in Wales, and has been manufactured there for so many generations that even the children seem to acquire the art by instinct. These people love their native heath, and could not be induced to emigrate.

Now, while the number engaged in making the tin-plate used in the whole world does not exceed 30,000, there are 750,000 people in the United States alone directly or indirectly engaged in working tin-plate, and all of us are consumers. And when I reflect that our national legislature is seriously considering a proposition to injure all these people, still further cripple our already suffering agricultural interests, and to ruin our export trade, simply to benefit some three or four second-rate establishments, who wish to form themselves in a syndicate to make tin-plate here, I have not the words to express my amazement and indignation.

Canned goods are about the last hope of many of our agriculturists for profit and export trade. We export five or six times the value of canned goods in tin that we import in value of tin-plate from Great Britain. All the work is done in this country. And when this trade is once crippled it will never come back to us, since Europe, particularly France, can raise fruits as well as we. I have been over the ground, and know whereof I speak. We happen to hold the trade now, but the tax Congress proposes to put upon tin-plate would destroy it—another most severe blow to the farming community.

I have hardly left myself time to write of wheat cultivation in the South American republics, particularly Buenos Ayres. But suffice it to say that I am shipping tens of thousands of plows to be used in turning their sheep pastures into wheat fields, because we will not take their wool. In other words, for the sake of taxing our people upon their clothing, carpets, etc., we are raising up dangerous competitors in the markets of the world for the purchase of our wheat. A few years ago these republics imported wheat from this country. Now they are large exporters, and increasing in a faster ratio than ever before, notwithstanding the prevailing monetary crisis.

Will send you further particulars as I have time.

Respectfully,

A. B. FARQUHAR.

Hon. J. G. CARLISLE,
House of Representatives, Washington, D. C.

CUTLERY.

(For additional Cutlery, see *ante* page 65.)

RAZORS.

Mr. J. R. TORREY, of Massachusetts, addressed the committee in favor of an increased duty on razors. He said:

I come here in the interest of the razor business. I come here asking for a change of the rates of duty in the Senate bill of last Congress. The case was gone into before the Senate last session, and a hasty decision was arrived at on our part. Since that time we find that on the higher grade of razors there is not enough protection allowed in the Senate bill—not enough to allow for the difference in the cost of labor between the German workman and the American workman. The Senate bill makes the following provision:

“Razors and razor-blades, finished or unfinished, valued at not more than \$4 per dozen, \$1 per dozen; valued at more than \$4 per dozen, \$1.25 per dozen; and in addition thereto on all the above razors and razor-blades, 30 per centum ad valorem.”

We respectfully ask to-day that that clause be made to read as follows:

“Razors and razor-blades, finished or unfinished, valued at less than \$4 per dozen, \$1 per dozen; valued at \$4 per dozen or more, \$1.75 per dozen; and in addition thereto on all the above razors and razor-blades, 30 per centum ad valorem.”

The change asked amounts to really asking 50 cents per dozen on razors valued above \$4 a dozen, and on the lower class of razors \$1.50. We recognize no razor costing in the English market less than \$1.50 a dozen. We feel that we are called upon to ask this change on account of the razors coming in from Germany. Heretofore our competition has been with England, but within the last few years Germany has taken to making razors, and is making fine-looking razors. I hold in my hand a razor with the German maker's price upon it. That razor, when complete, would cost \$5.25 a dozen in Germany; laid down in New York to-day (without freight charges but simply with duty paid) the price would be \$7.87.

A year ago you could not find that razor selling at less than \$9.50 or \$10 a dozen. To-day you will find it sold as low as \$8.50. We can not make that razor for \$8.50 a dozen. We pay our workman so much more than the German workman is paid that we can not afford to sell it at that price. For that reason we come here asking for a little more protection on this higher grade of work.

Mr. FLOWER. Is this foreign razor made of a good piece of steel?

Mr. TORREY. I do not think it is quite as good steel as we would make it of.

Mr. FLOWER. Would a man ever buy one of these razors in comparison with yours?

Mr. TORREY. A good many of these razors are sold. It is a very troublesome occurrence with us. The worth of the razor lies almost entirely in the blade, so that it requires a very competent expert to decide the value of a razor.

Mr. FLOWER. What does this razor of yours [indicating] sell for?

Mr. TORREY. Here [presenting a razor] is the nearest razor we make to the German one. We are obliged to sell that razor to the small trade. We ask for this protection so that we can sometimes sell some razors to the larger trade, to the wholesale trade. They tell us now that they do not want us to make razors in this country; but we do not see why the people of this country should not want them made here. There is no earthly reason why the razors used in this country should not be produced here.

Mr. BRECKINRIDGE. How many establishments are there in this country for the manufacture of razors?

Mr. TORREY. There are three other concerns besides ours, but we make twice as many as all of them. We were organized in 1880. We are employing about seventy hands and are turning out in the vicinity of 40 dozen razors a day. I have heard it estimated that that is perhaps one-eighth of the whole number consumed in this country, but I can not vouch for that. We have a fine reputation for making good razors. I think we can continue that reputation; but we desire to ask this protection in order that we may make more razors and sell them to the large dealers.

Mr. McKENNA. Where do you get the steel?

Mr. TORREY. The steel comes from Sheffield, and on that there is a duty. We do

not object to that, because we hope to live long enough to see the steel for razors made in this country.

Mr. BAYNE. Have you tried any of our steel?

Mr. TORREY. We have at various times. The best steel that we have ever tried was made by a young man who was formerly at our technical school in Worcester. He produced the steel and we made a few razors for him.

Mr. BAYNE. Where did he produce the steel?

Mr. TORREY. I think he sent it to us from somewhere in Indiana.

Mr. FLOWER. Excepting cutlery, we manufacture a good deal of hardware in this country, do we not?

Mr. TORREY. Yes.

Mr. FLOWER. Why is that branch of the business so far behind other branches?

Mr. TORREY. I do not think it is.

Mr. FLOWER. The knife men, as well as the razor men, have been here demanding an increase of duty, while no other branch of the hardware men have been here.

Mr. TORREY. We think that the reason steel for hardware is not produced here is because no razor-maker is able to use the quantity of steel which would justify a steel-maker putting in new plant.

Mr. BRECKINRIDGE. How does your steel compare with the best quality of steel for penknives?

Mr. TORREY. Razor steel is made especially for razors.

Mr. BRECKINRIDGE. Some gentlemen have stated here that the American steel for cutlery is as good as the steel abroad.

Mr. TORREY. I have seen a very good steel, but I would not try to run it for razors every day.

Mr. BRECKINRIDGE. Do you buy this steel by the pound?

Mr. TORREY. Yes.

Mr. BRECKINRIDGE. How much does it cost you?

Mr. TORREY. About 24 cents a pound—the kind that is made specially for us.

Mr. BRECKINRIDGE. What is the duty on this steel?

Mr. TORREY. I can not tell you. We buy it from a Sheffield house that has its agent in New York, and we receive the steel from him.

Mr. BRECKINRIDGE. I understand you to say that we do not make the quality of steel in this country that is designed for razors?

Mr. TORREY. I think not.

Mr. BRECKINRIDGE. So far as your manufacture is concerned, you import the steel altogether?

Mr. TORREY. Yes.

Mr. BRECKINRIDGE. About how much steel do you employ in making a razor? Would it be as much as a pound?

Mr. TORREY. This steel is made up into bars in sizes for us. We give the order for the right sized bar and then we forge it out. I suppose that the labor on a razor is nine-tenths of the value of the razor.

Mr. BRECKINRIDGE. What I asked you was the amount of material that would be consumed in making this razor.

Mr. TORREY. I can not answer that question as well as Mr. Turner, the president of the company.

Mr. TURNER said: That razor would take in the vicinity of a pound and a quarter or a pound and a half per dozen razors.

Mr. BRECKINRIDGE. Would a pound and a half of steel make a dozen razors?

Mr. TURNER. Yes, it would make more than a dozen of this kind. It varies according to the waste.

Mr. BRECKINRIDGE. I should suppose that a dozen of these blades would weigh more than a pound and a half, but your statement of course is correct, for you know. You say (addressing Mr. Torrey) that with one class of these razors you have to go to the retail trade in order to sell at a profit?

Mr. TORREY. We do with all of them. We have sometimes made out to sell a few razors to large dealers, but the next time we went to them we found that foreign manufacturers were supplying them.

Mr. BRECKINRIDGE. The competition, then, in the other grade of razors is about the same as in the grade that you make?

Mr. TORREY. The competition is more on the lower grade of razors that we do not make.

Mr. BRECKINRIDGE. The sharper competition is on the lower grade?

Mr. TORREY. It is a sharp competition all the way through.

Mr. BRECKINRIDGE. I asked you if the competition was equal all the way through, and you said not. I wish to know on which grade the competition is the sharpest.

Mr. TORREY. I should say it is the sharpest on the low grades; but, in fact, we can not make these low grades.

Mr. BRECKINRIDGE. What grade do you call the razor you have produced?

Mr. TORREY. I produced that as an illustration to show you how things have been changed within a year.

Mr. BRECKINRIDGE. I asked you what grade of razor you call it?

Mr. TORREY. I call it a very high grade of razor.

Mr. BRECKINRIDGE. How many manufactories of razors are there in this country?

Mr. TORREY. I think there are three besides our own. The other three do not make, I think, to exceed 20 dozen a day, and we make about 40 dozen a day.

Mr. BRECKINRIDGE. And you four are the only manufacturers of razors in this country?

Mr. TORREY. Yes.

Mr. GEAR. Do you use the same steel in all your razors?

Mr. TORREY. We do.

Mr. GEAR. Therefore, the finish of the razor adds largely to the price.

Mr. TORREY. Yes.

Mr. BRECKINRIDGE. What percentage of the razors consumed in this country is imported?

Mr. TORREY. All are imported except those which we four manufacturers make.

Mr. BRECKINRIDGE. Does the importation amount to one-half or three-fourths of the quantity used here?

Mr. TORREY. We think we are making about one-eighth of the razors consumed in this country. But, at the same time we have arrived at one point. I thought myself, a few years ago, that razors could not be made in this country. I frequently heard them say that the air was not right, that the water was not right, and I know that one manufacturer actually fetched the water from Sheffield; but he did not succeed even then. There have been a good many attempts to manufacture razors in this country, and we feel that we were the first company that have succeeded. We can get along by going to the small trade for our sales, but we want to grow; we want to do more business, and we want the people of the country to be supplied with razors made here.

Mr. McMILLIN. Did you give a comparison of what this increase of duty would add to the present rate of duty?

Mr. TORREY. Taking it all through, the present rate of duty is 50 per cent. Under the proposed rate it would be all around about 75 per cent. It is higher on the lowest grade.

Mr. McMILLIN. Then, it would be a greater increase on the lower grade of razors than on the higher grade?

Mr. TORREY. Yes; but we do not think that this increase of duty would ever cause a man to pay more for the razor he uses, for this reason, that there is 100 per cent. between the importer's price to-day and the price that the consumer pays. I do not think you can buy a razor that has any respectable maker's name on it at less than 50 cents; and that razor does not cost the maker 25 cents. That leaves a profit between the importer, the manufacturer, and the consumer of 100 per cent. We do not ask the increase of duty with the idea of raising the price of razors, but in order to have more business to do.

Mr. McMILLIN. You already make a good percentage of profit in having to sell to retail dealers instead of to wholesale dealers?

Mr. TORREY. Yes.

Mr. McMILLIN. Would you have any objection to stating what your dividends are under the present system?

Mr. TORREY. We have been in existence ten years and we have not made a dividend.

Mr. BAYNE. Would this additional duty which you propose make the razor cost any more to the consumer?

Mr. TORREY. I do not think it would cost 1 cent more; but I think that, within three years, the consumer would buy his razor at a less price than now. Mr. Turner, the president of our company, will tell you that when he first began to make razors in this country the price was \$17 a dozen for good razors, but not so good as this razor [indicating]. Not long ago that razor was sold to retail dealers at \$15 per dozen; but we would be glad to sell it to-day to retail dealers at \$12 a dozen.

Mr. FLOWER. You think that the increased duty would not raise the price of razors to the consumer?

Mr. TORREY. I am confident it would not.

Mr. FLOWER. What good, then, would the increase do you?

Mr. TORREY. We would sell our razors at less expense to us. It costs us a good deal to take our razors to the retail stores all over the country. We are not asking you for protection equal to the difference in the price of labor. The workman who ground this foreign razor, I know what he is paid a week for grinding it, and I know that we pay twice as much for grinding that razor in our shop than is paid in Germany.

Mr. BRECKINRIDGE. Do you pay by the task?

Mr. TURNER (president of the company). We do.

Mr. BRECKINRIDGE. What does it amount to per week?

Mr. TURNER. Thirty dollars a week for such a workman.

Mr. BRECKINRIDGE. And on the other side what would it be?

Mr. TURNER. Ten dollars a week. Very few men can grind that razor. I think there is but one man in this country who can grind that razor to-day; and we have that man in our shop.

Mr. BRECKINRIDGE. Do you pay your men by the day or week or by the task?

Mr. TURNER. We pay them according to circumstances. Some men we hire by the day. Where it is expedient we hire them by the piece. The man who is working by the day we expect to do so much work. As a natural consequence it does not make a cent of difference whether we work them by the piece or by the day.

STATEMENT OF JOSEPH TURNER.

Mr. JOSEPH TURNER, president of the company represented by the last witness, said:

Mr. Chairman and gentlemen, we are here not to increase the price of razors to the consumer; our main object is to increase the bulk of our trade. We do not expect that we shall get all that we ask for every time we ask it. We asked before, but we did not get what we asked for before the Senate committee. We asked for an entire change on the tariff on razors. We asked that the duty be entirely specific. But the committee thought that would be a little difficult on account of the difficulty of classifying razors, and so the committee agreed to put in the bill a specific duty and an ad valorem duty. Now we are asking (after a year's experience) a change of duty on the higher grade of goods. We thought that we only needed it on the lower grade. When we started business we started with the purpose of making the best class of goods that could be produced; not to see how many razors we could make for sale. We had so much backbone to us that we determined to produce the very best class of goods that could be produced. I stand here to-day and claim that you can not produce a razor, no matter where it is made, equal in quality to the razor we have put upon the market. I claim that we have put goods on the market in this country such as were never in the country until we produced them. I am a razor mechanic. I learned my business with a house in the old country—Sheffield, England. I am perfectly acquainted with the whole of the Sheffield trade as a mechanic and as somewhat of a manufacturer. Two of my uncles were manufacturers, and I had some experience with them. There are one or two things that I would like to state here.

When I worked at journey-work I was a good mechanic and I could get work wherever there was work to be had in Sheffield. My wages did not average then (speaking from year end to year end) more than 5 shillings or \$1.25 a day; and I have no reason to believe that a mechanic of my standing could get any more there to-day. Of course I want you to understand that I belong to a special part of this razor trade. There are four distinct mechanical trades in this razor business. When I came to this country I came with the purpose of being a manufacturer here, because I knew that razors were sold at \$17 a dozen to the retail trade. So I came with the purpose of starting the manufacture of razors in this country the very first chance I got. As I said, razors were then sold at \$17 a dozen, and so I thought there was a good thing in razors and I went into the business eventually. A person paid my expenses to New Jersey and we started manufacturing there. After two years and a half he gave up the business as a failure. He had lost a lot of money; and I eventually went into it on my own account. I am merely giving you some idea of the difficulties that the razor trade had to encounter. The duty was then only 35 percent. I got a partner to go in with me and we put in together our little savings. We went along, worked hard, and stuck to our business, but we eventually found that our money was going and that we were going too if we did not do something; eventually my partner went out and Mr. Torrey took the notion of going into the razor business, and we formed our company in Worcester. I was getting \$1.25 a day as a good mechanic in England, and the first wages I got in this country was \$3 a day. I had been a strong, thorough hide-bound free trader. Nobody could be a stronger one. I believed in free trade just as much as I believed in anything; but when I got \$3 a day here and began to consider how things were, I found out that it was morally impossible that a manufacturer could pay me \$3 a day unless he had protection. I soon found that the protection of 35 percent was not equal to paying me \$3 a day. I may say here that my \$3 a day has not dwindled down as other wages have dwindled down. I am worth to-day, as a mechanic, fully \$3 a day. We pay \$3 a day and over for the same work which I did when I was in England. So that, I say, we are not coming here with any expectation of inflating ourselves or diminishing anybody's profits, but are simply asking that we have a chance to sell a larger quantity of goods to the trade.

We have here, for instance, a razor [exhibiting it] made by Wade & Butcher. We could not produce that razor for less than \$2.50 a dozen. That is the cheapest razor that Wade & Butcher produce. Out of twelve hundred styles of razors that they produce there are only two or three styles of this grade. It will do the business of a razor. The price is 6 shillings a dozen in English money. Now, I say we can not produce such a razor and pay our help the rate that we are paying them at less than \$2.50 a dozen. We have sold some razors, I admit, as low as \$2.50 a dozen, but we have done it as a case of necessity to help our sales and keep ourselves in existence. The business calls for the very highest quality of skilled help. We can not employ men off the street. For instance, we have young men in the shop to-day whom we have had in the factory now for four years, and they are not up to the standard of a first-class man yet, although we have pushed them all we could. I have paid special attention to teaching good American men in certain branches, but it is a very slow process. It is a work that requires skill and judgment at the same time, and that has a tendency to keep wages away up. We never want, however, to try to keep the wages down, and we do not want to have to come to that point.

MR. FLOWER. What is this finer razor worth [indicating] ?

MR. TURNER. We sell it to the retail trade at \$15 a dozen.

MR. FLOWER. And this Wade & Butcher razor ?

MR. TURNER. It is made in Sheffield, England, and is sold there at a little less than \$1.25 a dozen. This razor [indicating] has been our salvation. No other country has been able to produce it yet. The Wostenholms, of Sheffield, England, have actually gone to work and imitated this razor in quality, and have imitated it in case, and have actually put the same number on the razor.

MR. BRECKINRIDGE. What is the price of a razor like this [indicating] ?

MR. TURNER. That razor is retailed at \$2.50 a dozen.

MR. BRECKINRIDGE. You have razors here equivalent to those that Wade & Butcher produce ?

MR. TURNER. Yes; here are some [producing them].

MR. BRECKINRIDGE. What do you pay a man for grinding a razor like that ?

MR. TURNER. That work is done mostly by day-work. We pay from \$5 to \$6 a dozen for the grinding.

MR. BRECKINRIDGE. How much does a man get a dozen for grinding a razor of that character in England ?

MR. TURNER. All the way from 8 shillings to 10 shillings, or \$2 to \$2.50. They are paid there by the dozen. We have this work done by day-work because we know that we can get a finer grade of work done by keeping a close look on it.

WORCESTER, MASS., *January 13, 1890.*

DEAR SIR: Herewith we hand you a copy of our request made to the committee. We desire to call your attention especially to the words "razor-blades, finished or unfinished." It would ruin the bill if the words razor-blades unfinished should by any cause be stricken out. Unfinished blades are sometimes known as razor-blanks. They are partly ground and brought in to be finished or concaved. The work that has been put on them is done by low-grade workmen, receiving the smallest pay. Against such low-grade workmen we desire protection. Making these razor blanks and selling them to outside concavers to finish up is a large item in our business.

Also notice we make the division at "less than \$4," instead of "more than \$4."

Extract from tariff bill of Fifty-first Congress, page 127, line 757, relative to razors: "Razors and razor blades, finished or unfinished, valued at not more than \$4 per dozen, \$1 per dozen, valued at more than \$4 per dozen, \$1.25 per dozen; and in addition thereto on all the above razors and razor-blades, 30 per cent. ad valorem."

We respectfully ask that the above clause be made to read as follows:

"Razors and razor-blades, finished or unfinished, valued at less than \$4 per dozen, \$1 per dozen, valued at \$4 per dozen or more, \$1.75 per dozen; and in addition thereto on all the above razors and razor-blades, 30 per cent. ad valorem."

Yours, respectfully,

J. R. TORREY RAZOR COMPANY.

HON. J. H. WALKER, M. C.,
Washington, D. C.

SURGICAL INSTRUMENTS.

STATEMENT OF CHARLES HEBER CLARK.

Mr. CHARLES HEBER CLARK, of Philadelphia, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I represent the J. Ellwood Lee Company, who are manufacturers of surgical instruments of a large variety. Among other things, we manufacture articles known as catheters and bongies. They were imported into this country to the extent of half a million dollars this year. A catheter is made of a textile web, from cotton, silk, or wool, and covered with a resinous, flexible coat, the manufacture of which is a secret. We have imported them to some extent as well as manufactured them, and we have endeavored to obtain from the Treasury Department a ruling in regard to the duty which we should pay, and the Treasury Department has decided that they are dutiable according to the textile material they contain. That is to say, if they are made of cotton they shall pay 30 per cent.; if linen, they shall pay 35 per cent., and if silk, 50 per cent. This ruling of the Treasury Department does not prevail in New York City, and they were imported within the last few years with a duty of 25 per cent. It is almost impossible for the appraiser to tell the difference between a cotton, linen, or silk catheter.

The proposition I wish to make here is that catheters shall be specifically enumerated in this new tariff law, under the head of chemical products, Schedule A. I have written it out as follows:

We ask that catheters and bongies, which are not now named in the tariff law, shall be specifically enumerated in Schedule A, "chemical products," as follows:

"Catheters, bongies, and similar articles having a web of fibrous material coated with a flexible gum or resinous compound, or composed wholly or in part of india-rubber."

We ask that an ad valorem duty of 40 per cent. shall be imposed upon these articles. They are now held by the Treasury Department to be dutiable at 30, 40, and 50 per cent., according as the web is made of cotton, linen, or silk. As a fact, silk and linen catheters are constantly imported at the cotton duty. We believe that the single duty, 40 per cent., would be just to consumers, to importers, and to domestic manufacturers, and would put an end to fraud.

That is all I have to say, Mr. Chairman, and I am very much obliged for your attention. We have these articles here if any gentleman cares to see them.

The CHAIRMAN. It would make no difference if it came under any other head than the one named?

Mr. CLARK. No, sir; but I think it should be placed in Section A, under the head of "chemical products."

PEN AND POCKET KNIVES.

STATEMENT OF THOMAS W. BRADLEY.

NEW YORK KNIFE COMPANY,
Walden, N. Y., January 20, 1890.

DEAR SIR: During the evening of December 26, 1889, as one of a committee representing American manufacturers of pen and pocket knives, I had the privilege of addressing the Ways and Means Committee in support of a tariff provision presented at that time. Afterward my attention was called to a statement of the "Wholesale American Hardware Association" (so called), signed A. H. Saxton, president. Said statement protests against any change of duty from 50 per cent. ad valorem, and seeks to impeach the honor and veracity of the committee representing American manufacturers. In support thereof are used statements signed by leading American hardware jobbers of Chicago, St. Louis, and other cities, many of which statements are dated 1885, and so presented as to seemingly indicate that said American Hardware jobbers are members of the so-called "Wholesale American Hardware Association," and in full sympathy with its assertive statement.

In pursuance with your permission to reply, I have the honor to state that the American hardware jobbers, whose names are used, have not been, and are not now members of the "Wholesale American Hardware Association," so called. The names were secured in 1885 by certain importers, to a protest against the Senate bill provision of "50 cents per dozen blades" on pocket cutlery, which in ad valorem amounted to upward of 350 per cent. on certain cheap grades (like "your choice for 25 cents") and was proved to be so objectionable to the American hardware jobbers

that the Senate Finance Committee abandoned it, and hurriedly substituted the compound-duty provision that afterward passed the Senate. Said compound provision was framed on a basis of "costing not more than 50 cents per dozen, 12 cents per dozen;" suggested by Senator Allison of the Senate Finance Committee. The committee representing American manufacturers have simply asked the Ways and Means Committee to retain the basis of the Allison provision, and make three following classes, that shall average in division and be proportionate in duty with the first class (or Allison basis), up to \$6 per dozen of foreign value (rapidly reducing on all above \$6).

In protesting against this reasonable provision, the "Wholesale American Hardware Association," so called, are both greedy and unreasonable, as the 200 to 250 per cent. margin of profit between import value, duty paid, and the price to the American consumer, as presented to your committee, will clearly show. The "American Wholesale Hardware Association," so called, has no warrant or authority for using in their protest of 1889 the names of American hardware jobbers used in 1888, and then obtained for use in a different connection, and for a different condition. The manner in which said names are used, is a forcible reminder of the manner in which the members of the "Wholesale American Hardware Association," so called, import German goods stamped with brands bearing close and fraudulent imitations of reputable and popular American names, which the consumer is eventually beguiled into buying as American-made wares. The "Wholesale American Hardware Association" statement is evidence of the fact that American workmen and manufacturers need protection, not only against the low wages of foreign artisans; not only against the barefaced theft of honorable and reputable American imprints; not only against the abominable schemes of undervalures, but also against the cunning and audacity of importers' statements.

The "Wholesale American Hardware Association," so-called, is composed chiefly of cutlery and gun importers. The word "hardware" conveys a meaning foreign to the specific object of the association, which was formed for tariff purposes only. It is un-American in spirit, as it is un-American in interest, and assumed the name or title of "Wholesale American Hardware Association" as a quite "good enough Morgan" until after the tariff revision. The statement submitted by this association does not give a list of its membership; did it contain a full list of such, it possibly would not be difficult to designate some who in recent years have been cognizant of undervaluation methods. Careful inquiry establishes the opinion that American jobbers of hardware and cutlery do not antagonize the modified provision asked for by the American manufacturers of pen and pocket knives; to the contrary, the provision meets with unexpected approval, as does also the legislation suggested for the interdiction of foreign goods fraudulently bearing American names.

In a short time, as soon as additional facts and exhibits are secured, a statement will be forwarded to your committee, replying in detail and disarming every point wherein this association seeks to question the correctness of certain labor, cost, and other statistics offered by the committee of American pocket-knife manufacturers. I have the honor to present the annexed letter from A. C. Bartlett, esq., secretary and managing head of the great wholesale hardware and cutlery house of Hibbard, Spencer, Bartlett & Co., Chicago. In conclusion I respectfully request that this entire communication be accepted by the Ways and Means Committee as an additional brief in the case of American pocket-cutlery manufacturers, and that the same be printed.

Very respectfully, your obedient servant,

THOMAS W. BRADLEY,
For the New York Knife Company.

HON. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

HIBBARD, SPENCER, BARTLETT & Co.,
Chicago, January 18, 1890.

DEAR SIR: Your favor of the 13th instant is at hand. We wish to disabuse your mind of the idea that we are opposed to any just legislation which has for its object the protection of American manufacturers. We did not, however, believe that the pocket-knife which required 350 per cent. protection should be made in this country; neither did we think it quite just to the farmer boys and amateur hunters to have a \$10 or \$12 "protective tariff" placed upon a gun which we are profitably selling at \$6.50 each, after it has paid a 35 per cent. duty; hence our protest in 1888.

We were never members of "The American Hardware Association" (whatever

that may be) and never heard of that organization, except in connection with the question of tariff.

From what we know of the cost of manufacturing cutlery in this country and of the financial condition of those who have long engaged in its manufacture, we do not hesitate to indorse your proposed schedule, viz:

Pen and pocket knives of all kinds and parts thereof, costing not more than 50 cents per dozen, 12 cents per dozen. At more than 50 cents per dozen, and not more than \$1.50 per dozen, 50 cents per dozen. At more than \$1.50 per dozen, and not more than \$3 per dozen, \$1 per dozen. At more than \$3 per dozen, \$2 per dozen. In addition thereto 50 per cent. ad valorem on all of the above.

We can only wish that the duty could in every instance be specific, thus avoiding any possibility of frauds through undervaluation.

With regard to imitating American trade marks, there is no question as to its ruinous effect upon goods of American manufacture. The consumers of this country are beguiled into buying foreign trash which is stamped with well known American brands, or close imitations of such brands. This should be stopped at once.

We wish you all success in your endeavor to secure a rational protective tariff, and the interdiction of foreign goods under American cover. If we can be of service, command us.

Yours, very truly,

A. C. BARTLETT,
Secretary.

THOMAS W. BRADLEY,
President New York Knife Company, Walden, N. Y.

STATEMENT OF THOMAS W. BRADLEY.

NEW YORK KNIFE COMPANY,
Walden, N. Y., February 1, 1890.

DEAR SIR: In support of the fact that American jobbers of hardware and cutlery are in favor of the pocket-knife provision submitted to your committee by the American cutlery manufacturers, and to emphasize my statement that American houses have no connection or sympathy with a recent protest from the so-called "Wholesale American Hardware Association," A. H. Saxton, president, and to sustain the charge that said protest is, in great measure, "a burning of old powder" (used in its latest connection without authority, and intended to mislead), I recently submitted a letter from Hibbard, Spencer, Bartlett & Co., of Chicago, as in my experience fairly representing Western sentiment.

I have now the honor to submit letters from the Biddle Hardware Company, a large and representative house of Philadelphia, as being a fair illustration of Eastern feeling regarding the matter of a compound pocket-cutlery duty, as asked for by manufacturers. I quote from the letters, which are annexed:

"Have no recollection of having signed anything against an increase of the tariff on pocket-cutlery. Do not intend to sign any such petition now."

"Go on and get the tariff fixed to suit American manufacturers of your goods. You will have no trouble from this source."

"Should like to see the time when Americans can hold sway."

Hibbard, Spencer, Bartlett & Co., of Chicago, and Biddle Hardware Company, of Philadelphia, are leading American houses, and in view of these recent letters from them it seems fair to express an opinion that the importers' "Wholesale American Hardware Association," so called, had no authority for using the names of influential American jobbing houses as part of their protest recently submitted to your committee. The committee of American manufacturers will soon submit a full reply, showing the importers' tables of costs and selling prices to be quite as unfair and misleading as is the unauthorized use of reputable American firm names. All of which is submitted, with a request that the same be printed.

Respectfully, your obedient servant,

THOMAS W. BRADLEY.

HON. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

VIEWS OF POCKET CUTLERY MANUFACTURERS.

MERIDEN, CONN., *February 8, 1890.*

DEAR SIR: The little group of representative agents of German cutlery manufacturers by appropriating the name "Wholesale Hardware Association," without engaging in the wholesale hardware business, acted in harmony with their methods of stamping American names on their German made goods.

In their statement to your honorable committee December 26, 1889, they declare the American pocket cutlery manufacturers "to be lamentably ignorant or deliberate falsifiers, and that they fraudulently misrepresent facts."

To give an appearance of truth to this assertion they construct a table of German knives of better quality and finish, and higher priced, than comprise the great bulk of importations, and which readily conform to the very general description of size furnished by the American cutlery manufacturers in their illustrative table of "relative cost."

Then by securing the unquestionable affidavits of the most thrifty cutlery buyers of the country, who have the capital to purchase the manufactured goods of the too frequently failing American manufacturer, or to seduce an occasional American maker (by quoting the low price of German knives) to take orders for very staple patterns at prices much below cost (with an indefinite promise of using some of his more profitable goods later), these foreign manufacturers' agents are enabled to complete their table to their apparent satisfaction.

The protests of reputable hardware houses in 1888 against any changes of duty on cutlery and guns were made in a general way against supposed provisions in the Senate bill.

As they contain no facts in regard to pocket cutlery, it is evident they are now used by the foreign manufacturers to give the false impression that the signers are members of the "Wholesale Hardware Association."

Our knowledge of "relative costs" of German, English, and American pocket cutlery, was made up largely from careful comparisons of prices paid for the different operations of piece work, which make up the cost of a knife. These comparisons were made at different times, with both English and German manufacturers, on a great number of knives, until sufficient data was gathered to warrant the statement, "that labor in Germany is not more than one-fourth the American prices, and English wages not over one-half the amount paid here."

We prepared a table of the "relative costs" of a few knives, as illustrative of the wages paid in the several countries. That table was submitted to your honorable committee December 26, with our statement.

Although the costs of foreign knives was based on our knowledge of wages paid still we were careful to verify the figures, by ascertaining the selling prices of the finished product in the markets where manufactured. We are prepared at any time to satisfy your committee, by an exhibition of samples and prices, that we have been most conservative in our estimates. We have no doubt we could convince you that foreign cutlery costs even less than we have stated.

As to the costs given of American pocket cutlery, we are ready to verify them by an exhibition of our cost books, showing the cost of material, and every operation through to the finished product.

While we do not question the truth of the affidavits made by the large buyers of cutlery, "that they have bought, as job lots, or otherwise, the few knives described, at the prices stated, we make the assertion, and are prepared to prove it by cost books, that those knives can not be produced by any pocket cutlery manufacturer in the United States at less than an average advance of 33½ per cent. on those prices.

In our statement of December 26, we placed the average value of material and supplies at 20 per cent., and the labor at 80 per cent., in the cost of pocket cutlery. We gave the average price of wages paid to cutlery workers at \$2 per day in this country.

To substantiate the above statements, we refer you to pages 44 and 56 of the Connecticut Bureau of Labor Statistics published in 1889, which are considered as accurate as any ever published in this country.

We gave the average price of German labor at 50 cents per day (which is too high) and of English at \$1 per day, which extracts, already furnished you from English trade journals, show to be far higher than the average, and also demonstrates by comparison, that German labor is below 50 cents per day.

As we have established by unquestioned authority the relative proportions of material and labor in the cost of pocket cutlery, it becomes a simple mathematical question to deduct the duty from the cost of the steel, and 75 per cent. from the American labor account to ascertain the full approximate value of German cutlery.

We respectfully call your careful attention to our statement of December 26. It gives full and accurate information of the pocket cutlery business. It contains ex-

tracts from English trade journals which fully confirm our position. It states the minimum, specific, and ad valorem rates of duty which we should have to maintain even a fair showing against the very peculiar competition of German manufacturers.

England takes pride in her cutlery interests, because the product of her best establishments reflects credit upon her intelligent skill in all parts of the world.

To show English opinion of the methods of the fatherland contingent of the "Wholesale Hardware Association," and to demonstrate most forcibly that the action of the British Government already taken and proposed suggests prompt and vigorous action by Congress, if they would stay the course of German cutlery, which, excluded from all other markets under English names, would flood this country under American names, we submit an extract from the London Ironmonger of January 18, 1890.

THE MERCHANDISE MARKS ACT.

A meeting was held at Sheffield on Monday of representatives of the Cutlery Company, the Corporation, the Chamber of Commerce, and the Federated Trades' Council, to consider the advisability of urging the government to further effort to suppress all false indications of origin abroad. It is found that, although it is no longer possible for goods to come into this country having false marks of origin, they are so made on the continent and sent to distant markets. The names of well-known English firms are stamped on goods and sent away without their coming into this country. Resolutions were passed urging the government to further action, and a deputation, consisting of the representatives present, was appointed to wait on Lord Salisbury to lay their views before him.

If we have omitted any facts necessary to prove the measure of protection needed by the pocket cutlery business (if it is desirable that it should longer exist and develop in this country), we will cheerfully furnish them.

WILLIAM F. ROCKWELL, Meriden, Conn.,
THOMAS W. BRADLEY, Walden, N. Y.,
W. B. RUDD, Lakeville, Conn.,
W. P. DUSTIN, Turners Falls, Mass.,

Committee Representing American Pocket Cutlery Manufacturers.

Hon. WILLIAM MCKINLEY, Jr.,

Chairman Committee on Ways and Means.

STATEMENT OF A. SAXTON.

Mr. A. H. SAXTON, of New York, president of the Wholesale Hardware Association, addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, we do not propose to take up your time with any statements except those easily susceptible of a reasonable demonstration. I have here a protest from two hundred and eighty-three merchants and jobbers throughout the country representing a combined capital of \$35,000,000 which we wish to submit.

The CHAIRMAN. You protest against what?

Mr. SAXTON. Against any advance of the rates of duty from the present rates.

The CHAIRMAN. What are you speaking of?

Mr. SAXTON. Cutlery and guns. If the committee please we will take up the subject of table cutlery first. We wish to make a few remarks on some statements that have been made by gentleman on the other side in reference to table cutlery.

Mr. Landers, of the committee of table cutlery manufacturers, states (page 77) that the foreign competition is wholly a question of labor; that the materials are obtainable as low here as they are in England or Germany. He further states, "he must have a protection for this labor, or go out of the business." In another place he says, "we have got to have this protection or be driven out." Gentlemen, it is very difficult to know how to properly characterize such statements as these.

If it was practicable to bring the entire hardware trade of the United States before this committee, the result of their testimony would be that over nineteen-twentieths of all the table cutlery sold in this country for the last twenty years has been made in America, and that only a very small portion of the finer grades, like Joseph Rodgers & Sons, and like qualities, are imported and are mainly sold on their reputation.

Mr. Landers alludes to a concern at Bridgeport that was sold out at auction and paid its creditors 20 cents on the dollar, and sacrificing about \$450,000. Well, there never was so much rejoicing among any set of men as there was in this very Table Cutlery Association over the failure of this very Bridgeport concern. This concern had for years been wretchedly mismanaged, and sold goods without any regard to

cost, and had so worried the other table cutlery manufacturers that immediately on the failure they formed a syndicate, put up the money, and purchased the machinery, and put it where it could do them no further damage. Yet they endeavor to give your committee the impression that the failure was owing to insufficient tariff protection. I venture to say that the Bridgeport company never made a gross of table knives that in any shape or way came in competition with foreign-made goods.

After the Table Cutlery Association had secured the plant of the failed Bridgeport concern they immediately rented the works of a concern in Beaver Falls, which had been run by the Economites under mismanagement, and paid a rent of \$12,000 per annum to close it up, when if they would operate it, the rent would have been much less. They then put up their prices on an average 25 per cent. This was about three years ago, and these prices and this combination have been in force ever since.

These table cutlery people have tried to create the impression in their statement that table knives come here from Germany. I will say that in my thirty-five years experience in the importing trade I never knew a gross of table knives to come from Germany.

Now, as I understand it, and I have figured it out very carefully, these American table cutlery manufacturers ask this committee to advance the duty on table cutlery from 35 per cent. to an average of 60 per cent., the cheaper goods going as high as 90 per cent.; and from 35 per cent. to an average of 67 per cent. on carvers, the cheapest going as high as 99 per cent.; and on butcher knives from 35 per cent. to an average of 57 per cent., the cheaper grades going as high as 80 per cent. The real average, according to importation, being 68 per cent.

Now, I will demonstrate in a moment that if the present duty of 35 per cent. was discontinued, and table cutlery put on the free list, there could not a dollar of the nineteen-twentieths that are now made here come in competition with the foreign article that comes in. But before doing this I wish to analyze the importations of cutlery that comes in under 35 per cent. duty. The average amount imported during the last seven years (1883 to 1889) is \$557,000 per annum. This embraces butcher knives, butcher steels, table cutlery, carvers, scissors, farriers' knives, hunting knives, etc.

The statistics do not separate the values of the different articles, but from our knowledge of what is being imported we are able to make a close estimate as follows:

Butcher knives and steels	\$75,000
Table cutlery and carvers	125,000
scissors, farriers' knives, etc	357,000
	<hr/> 557,000

Of the butcher knives and steels, about \$60,000 is of the well-known make of John Wilson, Sheffield, whose goods were popular in this market before my time, and which are sold on reputation alone. Of the table cutlery, about \$100,000 are of the well-known make of Joseph Rodgers & Sons, Sheffield, and other like brands, and which also sell on their reputation.

So that these people are making all these misleading representations for about \$40,000 to \$50,000 worth of butcher knives and carvers. That, gentlemen, is the whole story.

TABLE CUTLERY.

American samples.			Corresponding Sheffield samples.		
Number.	Cost to produce per gross.	Sold for per gross.	Number.	Selling price in Sheffield.	Cost in New York, duty paid.
11,820	\$8.16	\$8.97	74,260	\$9.00	\$13.32
1,077 ebony	7.94	8.82	74,256	7.78	11.52
11,835	8.72	9.59	74,263	9.73	14.40
1,820	8.40	9.24	74,265	9.85	14.58
11,970	9.76	10.73	74,266	10.46	15.48
	<hr/> 42.98	<hr/> 47.35		<hr/> 46.82	<hr/> 69.30

In 1888 Alfred Field & Co. had a contract with an American manufacturer, who was outside the American table cutlery combination, and who agreed to sell them their table cutlery at their cost of production, with 10 per cent. added for their profit, and the figures put down in second column is what they reckoned their goods to cost

them after adding in all items that could be seen, and in addition 40 per cent. to cover "incidentals."

The figures in third column are the prices paid by Alfred Field & Co. for the goods.

The fifth column gives the cost in Sheffield of corresponding knives, and the sixth column shows the cost of the same knives laid down in New York duty paid.

Calculations showing present duty, Senate substitute, and Senate amendment.

[Present duty, 35 per cent.]

Foreign cost per gross.	Senate substitute.		Senate amendment.	Senate amendment as passed January 19, 1889.
	<i>Per ct.</i>		<i>Per cent.</i>	
\$3. 00	110	20 cents per dozen and 30 per cent.	90	15 cents per dozen and 30 per cent.
4. 00	90	.....do.....	75	Do.
5. 00	78	.....do.....	66	Do.
6. 00	70	.....do.....	60	Do.
7. 00	64	.....do.....	56	Do.
8. 00	60	.....do.....	53	Do.
10. 00	54	.....do.....	48	Do.
11. 80	50	.....do.....	45	Do.
13. 00	76	50 cents per dozen and 30 per cent.	76	50 cents per dozen and 30 per cent.
18. 00	63	.....do.....	63	Do.
24. 00	55	.....do.....	55	Do.
30. 00	50	.....do.....	50	Do.
40. 00	60	\$1 per dozen and 30 per cent.	60	\$1 per dozen and 30 per cent.
50. 00	54	.....do.....	54	Do.
75. 00	46	.....do.....	46	Do.
96. 00	43	.....do.....	43	Do.
*150. 00	46	\$2 per dozen and 30 per cent.	46	\$2 per dozen and 30 per cent.
*200. 00	42	.....do.....	42	Do.
*250. 00	40	.....do.....	40	Do.
*300. 00	38	.....do.....	38	Do.

* No sale of account.

Carving knives and forks.

[Present duty, 35 per cent.]

Foreign cost per dozen pieces.	Senate substitute.	Senate amendment.	Proposed duty (page 79).	Proposed rates (page 79).
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	
\$1. 46	65	65	99	\$1 dozen, or 30 per cent.
2. 19	53	53	76	
2. 92	47	47	64	
3. 65	57	57	58	
4. 38	53	53	73	\$2 dozen, or 30 per cent.
5. 11	50	50	69	
5. 84	47	47	64	
6. 82	45	45	59	
7. 79	43	43	56	\$3 dozen, or 30 per cent.
8. 76	53	53	64	
9. 73	50	50	61	
11. 00	48	48	57	
12. 00	46	46	55	\$5 dozen, or 30 per cent.
13. 00	45	45	68	
14. 00	44	44	65	
15. 00	43	43	63	
Average rate....	49	49	67	

The above average is reckoned for same quantity of each price. The larger proportions are always of the cheaper knives, which would increase the average rate.

I have an object lesson of a practical illustration of what I have been saying. I have selected of these knives five samples which represent the leading grades of table knives that are marketed in this country. I have also selected samples of corresponding knives made in Sheffield, and I wish to make a comparison. These are two knives, one American and one Sheffield.

Mr. FLOWER. Neither have a mark on them.

Mr. SAXTON. I do not think there is, because it is a sample. One is a Sheffield knife and the other is from the Williamsburg Manufacturing Company. That American knife, which is this one, if anything is a little the best knife; we all agree to that. But they are a fair match and the gentlemen can see that. The American knife cost to produce \$8.16 per gross. They sell by contract at \$8.97 per gross which is 10 per cent. added. That corresponding knife from Sheffield costs in Sheffield \$9. It costs to lay down here, duty paid of 35 per cent., \$13.32.

Mr. FLOWER. Eight dollars and sixteen cents is the cost of production here.

Mr. SAXTON. Yes, sir.

Mr. FLOWER. Then you add 10 per cent. and it sold for \$8.97?

Mr. SAXTON. Yes, sir.

Mr. FLOWER. That cost \$13.32 in Sheffield, and the other cost to produce here \$8.16.

Mr. MILLS (picking up a knife). What do you pay for this knife?

Mr. SAXTON. I have it in a table which I will leave with you. Here it is; the white handle are priced the same as the ebony.

Mr. FLOWER. The white handle is the American knife.

Mr. SAXTON. Yes, sir; the white handle knife is the American knife and I priced it for ebony and it is the same. The American cost to produce is \$7.94, and the Sheffield selling price is \$7.78; and it cost to lay down here with 35 per cent. duty added, \$11.52.

Mr. FLOWER. Therefore the Sheffield knife can not come here now, and that is the reason why everybody in the hardware trade have been entirely broken up who depended upon any imports.

Mr. SAXTON. They have all been pretty badly squeezed and a great many squeezed out.

Mr. FLOWER. I know of a man who had \$100,000 worth of imported goods on his shelves who died a pauper; they froze him out.

Mr. SAXTON. They are constantly being squeezed out; we people who have kept our heads above water have done it by shifting about; by buying American knives and working about.

Mr. FLOWER. The men have been very lucky who have been able to keep above water.

Mr. SAXTON. Yes, sir. Here is another match: The American knife cost to produce \$8.72, and the Sheffield knife cost \$9.73, and it cost to lay down here, duty of 35 per cent. added, \$14.40.

The CHAIRMAN. You say Sheffield price; what do you mean by that?

Mr. SAXTON. I mean that is the price at which we can buy those goods in Sheffield.

Mr. MILLS. I would like if you can for you to give us the probable cost of transportation; what would be the probable cost of transportation per gross of these knives?

Mr. SAXTON. I mean now the price that we can buy from the manufacturers in Sheffield.

Mr. BRECKINRIDGE. You are not speaking of the cost of production?

Mr. SAXTON. No, sir; the price that we can buy in Sheffield.

The CHAIRMAN. But in taking the American prices you take the cost?

Mr. SAXTON. Yes, sir; because we happen to have that. We pay ten per cent. added to the cost.

Mr. MILLS. Now give us the transportation if you can.

Mr. SAXTON. It varies a little, but I should think it is about 10 per cent. beyond the duty.

Mr. FLOWER. The fact is this, neither of these Sheffield knives you have in comparison here can be made here in competition with our knives even if we had them duty free.

Mr. SAXTON. Yes, sir. I have got five knives if you would like to see them all.

The CHAIRMAN. You mean to say that none of these come in?

Mr. SAXTON. No, sir; not these knives. Nineteen-twentieths of the table knives sold in this country do not come from abroad.

The CHAIRMAN. None of the knives that you speak of are imported; do you mean to say that?

Mr. SAXTON. Yes, sir, I do; I say that with a good deal of emphasis if that will help the matter.

Mr. FLOWER. That is why the importers of hardware are nearly all bursted. We can beat the world on these knives.

Mr. SAXTON. Here are two knives: the American knife cost of production is \$8.40, it is sold for \$9.24; the selling price in Sheffield is \$9.85, and it costs laid down here, duty paid, \$14.58.

The CHAIRMAN. Do you give the numbers by which they can be identified?

Mr. SAXTON. Yes, sir; they are all made up here in this table. Here is an American knife which cost to produce \$9.76; is sold for \$10.73. The selling price in Sheffield is \$10.46, and it costs in New York, duty paid, \$15.48.

Mr. FLOWER. That ought to be pretty good steel.

Mr. GEAR. What do you sell them at?

Mr. SAXTON. We do not sell Sheffield knives at all.

Mr. GEAR. You have a price-list of them?

Mr. SAXTON. No, sir; we have not.

Mr. GEAR. What are you doing with them if you do not sell them?

Mr. SAXTON. I simply got these samples to show them. A poor, benighted manager in Sheffield brought these samples along thinking, possibly, there might be some possibility of placing them here. That is the way I got them. In this table I have, which I will leave with the gentlemen, I give the cost of producing five patterns of knives making a total of \$42.98. They are sold, with the 10 per cent. added, at \$47.35. The total selling price of the corresponding knives in Sheffield is \$46.82, and with the duty added the cost in New York is \$69.30.

It will be seen that in giving the American manufacturer 10 per cent. profit it brings his goods to substantially the same figures as corresponding goods are being sold for in Sheffield, and that the present duty of 35 per cent.—allowing the importer 10 per cent. profit to market the goods—shows a margin between the American manufacturer's cost and the foreign article of 77 per cent.

Mr. FLOWER. In favor of the American knife.

Mr. SAXTON. Yes, sir.

Mr. FLOWER. In all fairness right here, there is a kind of cutlery that is not produced here, a very cheap German knife, which it is claimed can be made cheaper there than it can be here.

Mr. SAXTON. A table knife?

Mr. FLOWER. A pocket-knife.

Mr. SAXTON. We will come to that in a few minutes. Here is a knife I brought along. We used to get out thirty years ago a few cast iron knives, an awfully ugly thing and only intended for the negroes of the South, costing from \$3.50 to \$4 a gross. These have been made here in America and sold for \$3.25 a gross. I think they were sold at less than cost at that price, but we bought them at \$4 a gross. That is a steel knife and a steel fork [exhibiting same].

The CHAIRMAN. Your paper will all be printed.

In Mr. Landers' statement (page 77) he states as follows: "By one of the errors which creep into a bill at the last moment, table cutlery in the Mills bill is put at 35 per cent., while pocket cutlery is put at 50 per cent., and this difference between 35 and 50 per cent. in the last year has been a great drawback."

It is illustrated by this statement to create the impression that prior to the Mills bill, table cutlery stood at 50 per cent., while the fact is table cutlery has never been over 35 per cent. since 1861, and prior to that for some years was 24 per cent.

The Mills bill simply left table and pocket cutlery where it stood.

Mr. MILLS. Probably he was under the impression that that bill had passed and had become a law.

Mr. SAXTON. We have been rather fortunate, gentlemen, in obtaining a statement of the last year's business of one of the table cutlery manufacturers of this country, which does not show that a great state of alarm is to be apprehended. Here is a statement of the Lamson & Goodnow Manufacturing Company. They show from January 1, 1889, after paying bonds of \$17,000, \$3,279 of interest, making \$20,000, they show a surplus for the year of \$15,000 on a capital of \$160,000.

Mr. GEAR. How much business did they do?

Mr. SAXTON. That is not stated here.

Mr. GEAR. Do you not compute that on the amount of business done?

Mr. SAXTON. We always reckoned it on the capital.

Mr. GEAR. You are the only business man I ever heard that ever did that.

Mr. FLOWER. I never heard of their reckoning in any other way.

Mr. SAXTON. I never heard of it. This would seem to figure out about 25 per cent.

Mr. FLOWER. You say you buy these knives of a manufacturer outside the combination. Do you mean to say there is a combination of cutlery?

Mr. SAXTON. I have just said that.

Mr. FLOWER. There is a combination outside of those men of whom you purchase and a few others that fix these prices, and so the higher they fix the tariff duty, of course, the higher the prices they can fix by their combination.

Mr. SAXTON. Certainly they can. I say that these prices could be put up very much higher, and still they would not have any competition from the other side. That is a fact, except in the very finest grades. The amount of table cutlery and carvers from my estimate here is only \$125,000, and that is the very best grades.

Mr. CARLISLE. And these are the ordinary grades.

Mr. SAXTON. We can not touch those grades. American people are making a great many of what are called steel-handle knives which sell from \$1 to \$1.50. They have very largely taken the place of a better quality of knives they used to make. I would like right here, if Mr. Flower has no further questions to ask, or any other

gentlemen on table cutlery, to have Mr. Sears corroborate what I have stated in regard to it.

The CHAIRMAN. You had better conclude your statement on table cutlery.

Mr. SAXTON. I have concluded my statement on cutlery, but I would like for Mr. Sears to corroborate it. Mr. Sears is one of the oldest and largest dealers and jobbers in cutlery in this country, and I want him to say whether my statement in reference to this is correct or not.

Mr. MILLS. Have you samples of these finer grades of cutlery?

Mr. SAXTON. I have not, but that is mostly of ivory and pearl handles.

STATEMENT OF E. B. SEARS.

Mr. E. B. SEARS, of Chicago, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I would simply confirm the statement of Mr. Saxton.

Mr. GEAR. What is your firm?

Mr. SEARS. The firm is the Henry Sears Company. We have been engaged in the jobbing cutlery trade for twenty-five years in Chicago and the West, and part of that time in the manufacture of cutlery, and at no time during that period have we been able to import or buy of any importers any table cutlery, not a gross. All we have bought has been from American manufacturers, and to my knowledge all table cutlery that has been brought from abroad has been confined to certain goods; to well known brands like Rodgers; and brought here to supply a demand from the first-class trade who are willing to pay for a brand and for ivory-handle and pearl-handle goods.

Abroad they excel the American manufacturer on carvers. Their process of manufacturing is different in carvers. The American carvers are simply rolled steel while abroad the carver is forged out of a bar of steel which makes a better cutting carver. It is probable in the experience that all you gentlemen have had that you have seldom been able to find a good cutting knife, and in that case you have been handling an American carver. Our preference has always been for American goods, and we have not been so far capable of importing or buying any table cutlery from abroad in gross lots.

Mr. GEAR. Is the American cutlery of as good a quality?

Mr. SEARS. The American knives and forks are of good quality, but the finer goods are not so good as the Sheffield goods.

Mr. GEAR. They satisfy the average trade of this country.

Mr. SEARS. Yes, sir.

Mr. GEAR. They give satisfaction in a general way.

Mr. SEARS. They do on the lower grades. The samples of goods shown here are strictly as good as far as I know as the foreign goods, but the exceptions are in the finer class of goods.

Mr. GEAR. Such as wealthy people buy.

Mr. SEARS. Such as Rodgers' goods and Wilson's butcher knives.

Mr. FLOWER. Such as wealthy people use. I do not think you sell these fine knives and forks to farm people as a general thing.

Mr. SEARS. The people who can afford to pay 50 cents a dozen for knives can not afford to pay \$10.

Mr. FLOWER. Do you agree with the statement of Mr. Saxton that if the duty was taken off this ordinary cutlery, still we could not import it?

Mr. SEARS. So far as I know, I think it would be practically impossible to import table cutlery such as this in the gross.

Mr. FLOWER. If that is the case how will it injure it if this tariff is increased forty times from what is now; it is simply prohibitory as it is.

Mr. SEARS. That is the question.

Mr. FLOWER. Except to keep this combination up.

Mr. MILLS. Now it was said by a gentleman a while ago, Mr. Saxton, that this cutlery trade, except, perhaps, a few persons, are in combination. If you keep out importation you strike that combination.

Mr. SEARS. That is not the object of the combination at all. The only competition they have is among themselves, and not against imported goods.

Mr. MILLS. Suppose they fix the combination price higher, and say the duty continues at 35 per cent., the imports would come in and cut them down, and compel them to stand at the tariff figure?

Mr. SEARS. I do not think an increase of 25 or 30 per cent. would admit an importation in table knives and forks; that is gross goods.

Mr. BRECKINRIDGE. Do you sell any goods in Canada?

Mr. SEARS. Very few.

Mr. BRECKINRIDGE. Do you know anything of the Canadian demand for table-ware?

Mr. SEARS. I can not answer that question very intelligently.

Mr. BRECKINRIDGE. Have you any trade with Mexico?

Mr. SEARS. No; we have a trade as far south as the Gulf of Mexico and the Pacific coast.

Mr. BRECKINRIDGE. I am speaking of trade beyond our borders.

Mr. SEARS. We have none beyond our borders.

STATEMENT OF F. A. BOKER.

Mr. F. A. BOKER, of New York, next addressed the committee. He said:

The CHAIRMAN. What is your business?

Mr. BOKER. I am an importer and general merchant. We sell a great many American goods, and we are part owners of an American factory. Mr. Saxton alluded a few minutes ago to the question of butcher knives and said only a very small quantity of butcher knives were imported. These so-called Wilson goods are preferred to any American butcher knife which I can show by the prices. These knives are imitated in this country and sold about 50 per cent. under the present tariff lower than the English goods. Here is Exhibit A, which is English goods, and here is the corresponding knife which is made in this country. The American knife looks to be a better knife than the English knife, but the English knife is only sold on its quality. Under the present tariff this English knife is sold at \$1.87, and the American knife can be bought in small quantities, as per bill which I have in my hand, at \$1.59.

The CHAIRMAN. One dollar and fifty-nine cents is—

Mr. BOKER. As against \$1.87 at which the English is sold in New York.

Mr. DINGLEY. After paying the duty?

Mr. BOKER. Yes, sir. The American knife can be bought for \$1.59 in small quantities. Now in large quantities that knife can be bought for considerably less. The Lamson and Goodnow Manufacturing Company sell another knife which is very nearly equal to this knife at \$1.20 less 25 per cent., which is equal to 95 cents, and still they want the duty raised, I understand, to an average of 68 per cent. as against 33 per cent. at the present time. The duties are only 35 per cent. on the naked value of the goods and as there is no duty paid on the charges, the duty really comes to 35 per cent. at the present time. Now I have made a table showing the average rate of duty under this full tariff that is from 48 to 80 per cent. The leading knife is the 6-inch knife, as out of 2,700 imported, 1,200 were the 6-inch knife and the duty would be raised to 80 per cent. on this knife, and if the new duty should go into effect this knife could not be sold, allowing 10 per cent. for profit, at less than \$2.32, and you can buy the American knife at \$1.30 less 25 per cent. and 2 per cent., equal to 95 cents.

Mr. GEAR. How are the quality of these two knives?

Mr. BOKER. I suppose the English is much better.

Mr. GEAR. How much better?

Mr. BOKER. That is hard to say. John Wilson existed in 1759, and they always upheld the quality of their knives, and that is the way they got a world-wide reputation on their butcher knives; and every butcher prefers that knife, and of course if the duty is raised men will buy that knife and just pay so much more for it. They will have to do that for some time to come.

Mr. FLOWER. Those are sold on their reputation.

Mr. BOKER. Solely.

Mr. GEAR. By some time to come what do you mean?

Mr. BOKER. Perhaps in ten years the Americans can work it in. I can not tell as I do not know.

The CHAIRMAN. Do you know why we can not make as good a knife.

Mr. BOKER. I do not know but they have not done it. Now a great many butcher knives are exported to-day, in competition directly with Sheffield, to Brazil. The American knives are cheaper than the Sheffield knives, and there have been quite a lot exported to Brazil. We were agents of Lamson & Goodnow Manufacturing Company for a long time and our house exported these goods.

Mr. BRECKINRIDGE. You say we do export to Brazil?

Mr. BOKER. We do not at present.

Mr. BRECKINRIDGE. We have been doing so?

Mr. BOKER. We have been exporting large quantities to Brazil. We were the agents of Lamson & Goodnow Manufacturing Company, and we exported in direct competition with Sheffield. I believe it is still done to-day. Now I have made an affidavit and I have signed a petition against raising any duty, signed by our firm. I have the affidavit attached to these papers.

The CHAIRMAN. Can you leave those papers.

Mr. BOKER. Yes, sir.

The CHAIRMAN. They will be printed.

Mr. DINGLEY. We are still large importers of cutlery. Cutlery was imported to the amount of \$3,000,000 worth last year.

Mr. BOKER. They were all kinds of table knives, but there are very few butcher knives, razors, scissors, pocket-knives, etc.

Mr. DINGLEY. There seems to be some kind of cutlery that can be made cheaper abroad and then pay this duty of 45 per cent. and still undersell the American goods. What kind are they?

Mr. BOKER. A great many pocket-knives are imported which are made cheaper abroad than they can be made in America.

Mr. GEAR. Is it the habit of some German manufacturers to stamp their goods with American names?

Mr. BOKER. They may stamp them with some American firm's names because some American houses want their own mark on their own goods.

Mr. GEAR. Is it the custom among Germans to stamp the name of some American firm and send them to this country?

Mr. BOKER. We do not sell them as American goods. We have very little to do with that because we stamp our goods mostly with our own name.

Mr. FLOWER. And many goods made in this country are stamped with English names.

Mr. BOKER. That is because it finds a market.

Mr. BRECKINRIDGE. In regard to the imports of cutlery is it not true that pocket cutlery is sold very largely upon the reputation of the maker almost regardless of price?

Mr. BOKER. Yes, sir.

Mr. BRECKINRIDGE. So it does not follow therefore if there be large imports of pocket cutlery that it is made cheaper abroad, but that the buyer prefers it even at a higher price?

Mr. BOKER. Certainly. Mr. Saxton will make that argument in a few minutes.

The CHAIRMAN. Have you anything further?

Mr. BOKER. That is all I have to say and I will leave these papers.

NEW YORK, *February* 18, 1890.

GENTLEMEN: We respectfully protest against any advance in duty on butcher knives, as the present duty of 35 per cent. on the naked value of the goods, equal to 32 per cent. on the value of the goods packed ready for shipment, more than protects the American manufacturers.

It is a well-known fact that the entire annual importation of butcher knives does not exceed \$75,000, and in this amount is included about \$60,000 worth of so-called Wilson butcher knives, and these goods are only sold because they have a world-wide reputation for excellency, although they cost more than similar American goods.

If the duty is advanced, as proposed, to an average of 68 per cent., the consumer, *i. e.* the workingman, will have to pay about 30 per cent. more for the goods.

We herewith respectfully submit a table showing the present duty, the foreign value, duty as proposed, an exact assortment of the goods as imported by us; also sample knife marked A of the foreign goods. This knife can not be sold with 35 per cent. duty, 10 per cent. for expenses and 10 per cent. for profit, for less than \$1.87 per dozen, while an exact imitation made by the Lamson & Goodnow Manufacturing Company as per sample marked B is sold in small quantities at \$1.59.

We know that American goods can be bought at considerably lower in large quantities, and if the American manufacturers complain that they do not make any money it is their own fault and due to competition among themselves and not to the foreign goods. If they would raise their prices to the prices at which foreign are being sold, under the present tariff of 35 per cent. they would make a very handsome profit.

The above remarks about foreign values and assortment of goods can easily be verified by our invoices now on file at the custom-house.

We also attach an affidavit by our Mr. F. A. Boker, substantiating all these facts, all of which is respectfully submitted.

HERMANN BOKER & Co.

THE COMMITTEE ON WAYS AND MEANS.

Our knife will have to be sold at \$2.32, and against this we can buy a butcher knife, made by the Lamson & Goodnow Manufacturing Company, stamped "Greave's Cast Steel," at \$1.30 less 25 per cent. and 2 per cent., equal to 95 cents; and another knife made by the same manufacturing company, No. 35, at \$1.65 less 4 per cent., equal to \$1.59 net.

This knife comes in direct competition with our goods, being an imitation of the so-called Wilson butcher knife, which has been sold in America long before any American butcher knife was made.

The price of \$1.59 for 6-inch knife as per original bill herewith submitted, is a great deal higher than the knife can be bought at in large quantities, and it is a fact that large quantities of butcher knives are sold for export. This statement shows that the American manufacturers are able to compete on a duty of 20 per cent., as we have to add another 10 per cent. expenses and 10 per cent. profit.

The present duty on butcher knives is 35 per cent. on the net value of the goods, or equal to 32 per cent. on the goods packed ready for shipment. The following table will show how much the duty will be in per cent. if the Senate bill of 1889 is adopted:

Inch.	Foreign value.	30 per cent.	In addition per dozen.	Total duty.	Duty.	Actual assortment as imported by Herm. Boker & Co.
					<i>Per ct.</i>	<i>Doz.</i>
4½.....	\$0.81	\$0.2430	\$0.15	\$0.3930	48	5
5.....	0.89	0.2670	0.15	0.4170	46	100
5½.....	1.06	0.3180	0.50	0.8180	77	150
6.....	1.22	0.3660	0.50	0.8660	80	1,200
6½.....	1.38	0.4140	0.50	0.9140	66	200
7.....	1.63	0.4890	0.50	0.9890	61	300
8.....	2.10	0.63	0.50	1.13	54	300
9.....	2.60	0.78	0.50	1.28	50	100
10.....	3.25	0.9750	1.00	1.9750	61	200
11.....	3.90	1.17	1.00	2.17	56	40
12.....	4.70	1.45	1.00	2.41	51	100
13.....	5.30	1.59	1.00	2.59	48	2
14.....	6.86	2.0580	1.00	3.0580	45	30
						2,727

Average 68 per cent. against 32 per cent. at present, but the principal knife, 6-inch, will have to pay 80 per cent. duty.

This knife costs in Europe	\$1.22
Duty	0.8660
Ten per cent. expense	0.1220
	<hr/>
	2.1080
Profit, 10 per cent	0.2120
	<hr/>
	2.3200

NEW YORK, February 17, 1890.

CITY, COUNTY, AND STATE OF NEW YORK:

F. A. Boker, being duly sworn, states that he is a born American citizen and a partner of Hermann Boker & Co.; he further states that the facts submitted in a letter dated February 18, to the honorable Committee of Ways and Means, signed by him, by the firm name of Hermann Boker & Co., are true, to his best knowledge and belief.

F. A. BOKER.

Subscribed and sworn to before me this 17th day of February, A. D. 1890.

[SEAL.]

JOHN J. WARD,

Notary Public, Kings County, New York;
certificate filed in New York County.

ADDITIONAL STATEMENT OF MR. SAXTON.

MR. FLOWER. You remember when you were here the other day I asked the question why we were so far behind Europe in regard to pocket cutlery when almost everything in the hardware we could beat them. We can beat them on table cutlery, and now I would like to hear from you in regard to pocket cutlery.

MR. DINGLEY. Permit me to ask one question right here. There was half a million dollars worth of table cutlery imported into this country.

MR. SAXTON. You are mistaken.

MR. DINGLEY. I give that from the Bureau of Statistics.

MR. SAXTON. No, sir; the distinction we make is \$75,000 of butcher knives and steel, and \$25,000 worth of table cutlery and carvers, and \$357,000 of scissors, razors, knives, etc., making \$557,000.

MR. DINGLEY. You say some are butcher knives?

Mr. SAXTON. Seventy-five thousand dollars are butcher knives, and \$25,000 are table cutlery.

Mr. GEAR. Where do you get that?

Mr. SAXTON. It is the very best estimate we can get.

Mr. GEAR. You could not get that direct?

Mr. SAXTON. No, sir; we tried that but they did not separate them. We tried both here and in Sheffield.

POCKET KNIVES.

Mr. Rockwell states on page 65 that the average rate under their proposed duty, as per calculation on page 66, is 73 per cent.

This statement is simply deceptive, and, in our judgment, was so intended. In their calculation their average is arrived at by reckoning that there are as many knives imported costing an average of \$10.66 per dozen, as in fourth class, as there are of knives costing an average of 32 cents and \$1.12, as in first and second class.

Of the knives imported outside such well known makers as Rodgers, Wostenholm, Needham, Crook, etc., which sell on their reputation, and the average foreign cost of which does not exceed \$4 per dozen, the proportion is just about as follows, viz:

	Per cent.
First classification	17½
Second classification	50
Third classification	30
Fourth classification	2½

which figures out an average duty of a little over 90 per cent.

I have taken a number of orders amounting to 6,627 dozen and the average actually figured out 92½ per cent., and if the duties on coverings are restored it would figure nearly 100 per cent. This is a very different result from 73 per cent., as claimed by American cutlery manufacturers. They state that their table of relative costs (page 71) "shows the cost of the American product of lower-priced knives 250 per cent. greater than the German, and to average over 200 per cent. above their [our] whole line."

This is an incorrect statement. In their table the German cost foots up \$35.78, and the American cost foots up \$108.20, or a little less than 200 per cent. on the lower-priced knives, leaving "their [our] whole line," according to their own figures, about 150 per cent. greater. This difference of 50 per cent. in their calculation in itself, on their own basis, would leave the duty considerably lower than it is now, seeing they only claim an average of 73 per cent. But, in reality they claim nearer 100 per cent. average.

Now, their table has twenty-one descriptions. In our corresponding table (on page 81) we give nineteen descriptions the same as theirs, and the cost or selling price abroad, backed up by affidavits, which can not be successfully challenged is \$27.42, and the American selling price, also backed up by affidavits of well-known American buyers, foots up \$46.30. Deduct 10 per cent. for profit to make cost of production, and we have \$41.67. So that the actual American cost over the German cost on the descriptions they have submitted, and on which they ask you to advance the duty from 50 per cent. to 100 per cent.—is as near as possible 50 per cent.—the present duty, and in addition to the duty of 50 per cent. it costs about 10 per cent. for expenses to land them here.

Now, Mr. Bradley said something in regard to the cost of labor in this country and abroad. I think he mentioned the labor here was about \$2 a day, and puts it at 25 cents a day in Sollinger, Germany. If any gentleman wants that contradicted, we can have that contradicted here.

Mr. BRECKINRIDGE. I think then you should do so.

The CHAIRMAN. I think he had better conclude his statement first, and then he can call the gentlemen he wishes.

Mr. McMILLIN. Do I understand you to say that the cost of transportation will amount to about 10 per cent.?

Mr. SAXTON. Yes, sir.

Mr. McMILLIN. Then there will be 10 per cent. protection to our people on account of transportation?

Mr. SAXTON. Yes, sir.

Mr. MILLS. That you would accept as a general average in regard to all goods?

Mr. SAXTON. Yes, sir.

Mr. BRECKINRIDGE. I understand you to mean to say this is 10 per cent. outside of these packing expenses that are incidental to selling here as well as there.

Mr. MILLS. Freight, insurance, etc.?

Mr. SAXTON. Yes, sir.

Mr. BRECKINRIDGE. I wanted to understand whether it includes the boxing, or whether it was net increase of 10 per cent.

Mr. SAXTON. It is the net increase.

Mr. GEAR. What is the rate of insurance on their side in here?

Mr. SAXTON. It is five-eighths to three-fourths of 1 per cent.

Mr. GEAR. You stated the profits of Lamson & Goodnow Manufacturing Company, but you did not reply in regard to the volume of business done.

Mr. SAXTON. No; I said I did not know.

Mr. GEAR. You say they made a profit, paid off bonds, etc., yet you could not say what volume of business would be required to do that.

Mr. SAXTON. We sometimes do a million dollars worth of business yet make a very small profit.

Mr. GEAR. I understand that. It takes a volume of business to make the percentage.

Mr. SAXTON. Not always, I beg your pardon.

Mr. GEAR. Then you could sell \$100,000 worth of goods and make as much as selling \$800,000 worth of goods?

Mr. SAXTON. Very likely, and that is what we are endeavoring to do; it is so much better business for you to do on account of the risk, which is so much less.

Now, these people labor very hard to try and convince your committee that there is a margin of profit on imported cutlery of 200 per cent., and that if you raise the duty from 50 per cent. to 100 per cent. the consumer will pay no more for his goods, but the loss will be borne by the importer, jobber, and retailer.

This seems to me a very lame attempt to bolster up a bad cause, and is on a par with the statement that has been going around—that the duty is paid by the importer, or foreign manufacturer.

Mr. Bradley when pressed to explain how it is that he is selling a knife at \$1 per dozen which costs to import 60 cents per dozen, takes refuge in the patriotism of the American people, and claims they ought to pay 33½ per cent. extra for a knife made in America.

The plain and sensible fact is the middle men get all the profit competition will allow them, and the retailer on such goods as knives goes for a certain percentage of profit—each one for himself, and always bases his selling price on his cost—no matter what his cost is.

The aim of this argument seems to be to show that the importer and jobber make enormous profits on their imported goods, and that if the duty is increased 50 per cent. they will have to be content to make that much less profit. Whereas the fact is that both the importer and the jobber do not average 50 per cent. profit together.

Now, I state what I know to be the fact when I say that the average gross profit to the importer on pocket cutlery does not exceed 10 to 12 per cent., and if Mr. Bradley or any other member of the American Cutlery Association want to guarantee me a net profit of 6 per cent. to cover interest on capital employed and labor of partners, he or they are welcome to all there is left, or in other words, they will "get left."

According to this calculation the importer and jobber getting 50 per cent. on original cost, would leave the retailer to get 100 per cent. on his cost, to make up the 200 per cent. profit claimed on original cost. Whether the retailer gets this much or not I do not know. What I do know is that he bases his price on his cost and not on anything else, and it does not appear that the retailer, because he is compelled to pay 50 per cent. more for his goods, would be satisfied to sell for that much less. That, in my judgment, is very far fetched and perfectly absurd.

They say that American pocket cutlery has not been a success unsupported by auxiliary business. The fact is, that in most all the cases successful manufacturers in other lines of hardware have added pocket cutlery as an auxiliary. See the John Russell Cutlery Company, with a capital of \$750,000, who for nearly forty years have manufactured table cutlery, and who did it successfully under a tariff of 24 per cent.

They make a point about the large numbers of failures, and say of twenty-five concerns, eleven have either failed or reorganized. Reorganization in business is a very common thing, and may imply success or non-success, or something else. I know it very often implies bad management. These people only claim less than 50 per cent. of both failures and reorganizations. Whereas it is well known that at least 80 per cent of all business houses fail some time or other.

Let us dissect their table on pages 72 and 73.

Take the Canton Cutlery Company, which they put down as failed and reorganized. This concern was simply a swindle, and cheated everybody they could. They owe me \$1,600, and I never could get the first cent of it.

The Canastota Knife Company put down as failed. I was agent for this company when they first started, and for some time thereafter, and have never heard of their failure, and can not find through the commercial agencies that they ever failed.

The Frary Cutlery Company, later Bridgeport Cutlery Company. I have already alluded to this company in my remarks on table cutlery.

C. F. Wolfertz & Co., put down as failed. This is untrue. I would sell him any time since 1880, as quick as any man in their association.

Walden Knife Company put the value of their product in 1887 at \$50,000. I happen to know they sold one house in that year \$48,000, value of their product in 1882 and 1887, as put down by them. Eighteen hundred and eighty-two was one of the so-called boom years, but after what we shall further show you I do not think much credit can be given to the value of product put down by them for either year, and, besides, there are a number of other manufacturers of pocket cutlery not down on their table, and they are increasing all the time. (Booth, Black, Bokers, Bridgeport.) So that it is clear the table called Exhibit A is an entirely misleading table.

One-blade pocket-knives.

[Present duty, 50 per cent.]

Foreign cost, per dozen.	Senate substitute.	Senate amendment	Proposed duty.	Proposed rates.
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	
\$0.18	302	117	117	12 cents per dozen and 50 per cent.
0.24	233	100	100	Do.
0.37	164	82	82	Do.
0.48	127	75	75	Do.
0.61	106	109	132	50 cents per dozen and 50 per cent.
0.73	93	99	118	Do.
0.85	84	92	109	Do.
1.00	75	86	100	Do.
Average rates.	148	95	103	

These averages are made up for like quantities of each price. The proportion sold is always of the cheaper grades, which would bring the actual average much higher than above given.

Two-blade pocket-knives.

[Present duty 50 per cent.]

Foreign cost, per dozen.	Senate substitute.	Senate amend- ment.	Proposed duty.	Proposed rates.
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	
\$0.37	294	80	82	12 cents per dozen and 50 per cent.
0.48	228	75	75	Do.
0.61	188	109	132	50 cents per dozen and 50 per cent.
0.73	161	99	118	Do.
0.85	142	92	109	Do.
0.97	128	97	101	Do.
1.10	116	83	95	Do.
1.22	106	80	91	Do.
1.34	100	77	87	Do.
1.46	93	75	84	Do.
1.58	88	73	113	\$1 per dozen and 50 per cent.
1.70	84	71	109	Do.
1.82	80	69	105	Do.
1.95	76	68	101	Do.
Average rate.	135	82	100	

These averages are made up for like quantities of each price. The proportion sold is always of the cheaper grades, which would bring the actual average much higher than above given.

Three-blade pocket knives.

[Present duty, 50 per cent.]

Foreign cost, per dozen.	Senate substitute.	Senate amendment	Proposed duty.	Proposed rates.
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	
\$0.48	330	75	75	12 cents per dozen and 50 per cent.
0.61	270	109	132	50 cents per dozen and 50 per cent.
0.73	230	99	118	Do.
0.85	201	92	109	Do.
0.97	180	87	101	Do.
1.10	162	83	95	Do.
1.22	151	80	91	Do.
1.34	137	77	87	Do.
1.46	127	75	84	Do.
1.70	113	71	109	\$1 per dozen and 50 per cent.
1.82	107	69	105	Do.
1.95	103	68	101	Do.
2.07	98	80	98	Do.
2.19	94	77	96	Do.
2.31	90	76	93	Do.
2.43	87	75	91	Do.
2.56	84	73	89	Do.
2.68	81	73	87	Do.
3.00	75	70	117	\$2 per dozen and 50 per cent.
3.50	68	67	107	Do.
4.00	62	65	100	Do.
4.50	58	63	95	Do.
5.00	55	62	90	Do.
6.00	50	60	83	Do.
Average rate.	125	76	98	

These averages are made up for like quantities of each price. The proportion sold is always of the cheaper grades, which would bring the actual average much higher than above given.

Four-blade pocket knives.

[Present duty, 50 per cent.]

Foreign cost, per dozen.	Senate sub- stitute.	Senate amendment	Proposed duty.	Proposed rates.
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	
\$1.22	181	80	91	50 cents per dozen and 50 per cent.
1.34	175	77	87	Do.
1.46	162	75	84	Do.
1.58	157	73	113	\$1 per dozen and 50 per cent.
1.70	143	71	109	Do.
1.82	136	70	105	Do.
1.95	128	69	101	Do.
2.19	117	77	96	Do.
2.43	107	76	91	Do.
2.68	100	73	87	Do.
2.92	94	70	84	Do.
3.16	88	69	113	\$2 per dozen and 50 per cent.
3.41	84	68	109	Do.
3.65	80	67	105	Do.
3.89	76	66	102	Do.
4.14	73	65	98	Do.
4.38	70	64	96	Do.
4.62	68	63	93	Do.
4.87	66	62	90	Do.
5.11	64	62	89	Do.
5.35	62	61	87	Do.
5.60	60	61	86	Do.
5.83	59	60	84	Do.
6.07	58	60	83	Do.
6.70	55	59	79	Do.
7.30	52	58	77	Do.
Average rate.	97	67½	94	

These averages are made up for like quantities of each price. The proportion sold is always of the cheaper grades, which would bring the actual average much higher than above given.

Razors.

[Present duty, 50 per cent.]

Foreign cost, per dozen.	Senate substitute, 50 cents per dozen and 25 per cent.	Senate amendment.	Senate amendment.
	<i>Per cent.</i>	<i>Per cent.</i>	
\$0.72	95	190	
0.96	78	154	
1.20	68	135	Value, \$4 p. doz. and under, \$1 p. doz. and 50 p. ct.
1.44	60	120	
1.68	55	110	Value, over \$4 p. doz., \$1.25 p. doz. and 50 p. ct.
1.92	53	102	
2.16	48	96	
2.40	46	92	
2.64	44	88	
2.88	42	85	
3.12	41	82	
3.36	40	80	
3.60	39	78	
3.84	38	76	
4.08	37	80	
4.32	36	79	
4.56	36	77	
4.78	35 $\frac{1}{2}$	76	
5.00	35	75	
5.50	34	73	
6.00	33 $\frac{1}{2}$	70	
6.50	32	69	
7.00	32	68	
8.00	31	66	
9.00	30	64	
10.00	30	62 $\frac{1}{2}$	
12.00	29	60	

Now, I would like for a moment to show some samples. The average importation of pocket cutlery into this country for the last seven years, exclusive of razors, was \$1,195,486. In order to bring the matter down to the competition of American goods, you have got to throw out the goods made by George Wolstenholm & Sons, Joseph Rodgers & Sons, Wilson Brothers, etc., that are sold entirely on their reputation, and which do not come in competition with knives made in Germany or anywhere else. After deducting these there are in round numbers \$600,000 of pocket-knives that come in. Here is a Wolstenholm knife. Here is an iron-handle knife, and that knife costs \$1.90 to lay down here.

Mr. BRECKINRIDGE. You mean duty paid?

Mr. SAXTON. Yes, sir; we could make that knife here and sell it at \$1.25, but we can not sell it against that knife from Sheffield; it sells on its reputation. That is an IXL knife.

Mr. FLOWER (taking up a knife). What is that?

Mr. SAXTON. That is a novelty knife. That was made here and does not come in competition. Here is a two-bladed jack knife costing \$2—

Mr. FLOWER. What is that?

Mr. SAXTON. It is an IXL Wolstenholm knife. Here is the same grade of Rodgers. These grades of knives do not come in competition or cut any figure at all in the argument or statements that either one of us make. In making a statement you have got to deduct that.

The CHAIRMAN. There are a number of men who wish to be heard here this morning, and although I do not wish to hurry you, we should give them a chance to be heard. If you have a written statement you can have it printed.

Mr. SAXTON. Now, gentlemen, we have \$600,000 of foreign goods where we come in competition.

Mr. MILLS. Is machinery used to any extent in the manufacture of these knives both here and in Europe?

Mr. SAXTON. I think so; yes, sir. It has been claimed we get a great lot of these knives [exhibiting sample], but of these knives there are a great lot of, dozens of, little boys' knives; there is one of the old Barlow knives. We sold, I think, about 25,000 dozen of these knives for boys.

Mr. MILLS. I recollect the Barlow knife used to be very good metal.

The CHAIRMAN. Have you concluded your statement?

Mr. SAXTON. I was trying to illustrate that the great body, the great number of

dozens and grosses are largely made up of little boys' knives that come in thousands of grosses and that makes no point at all. They occasionally go to work and make a great lot of those and then a great many of them will be handled because—

The CHAIRMAN. I would remind Mr. Saxton that we have a great number of gentlemen here who wish to speak to-day.

Mr. BRECKINRIDGE. I do not think the gentlemen should be hurried as he is speaking by the consent of all the gentlemen present. We did not hurry those who spoke on the other side, and there is plenty of time yet.

The CHAIRMAN. You understood that these hearings were closed long ago.

Mr. BRECKINRIDGE. Yes; but these gentlemen have been granted a hearing to-day, and I think the gentleman should be permitted to proceed.

The CHAIRMAN. They had an opportunity to be heard before.

Mr. BRECKINRIDGE. But they got an invitation from the committee, Mr. Chairman, and had a special hearing set for to-day.

Mr. SAXTON. You have a sample here of this knife which I sent from New York, but this is substantially the same thing. Now the American association people make the statement that that knife cost in Germany 56 cents a dozen for a one-bladed knife. I swear that cost \$1.10 in Germany. That is the difference in the two statements.

Mr. LA FOLLETTE. Will you describe that knife?

Mr. SAXTON. It is a one-bladed, 4-inch, wooden-handled knife.

Mr. LA FOLLETTE. Where manufactured? How would you describe it? Let us be certain how it is described.

Mr. SAXTON. This is sample number 253, C; it is a 4-inch, iron-lined, wood-handle jack-knife. They state that that cost 56 cents a dozen in Germany, and we swear that the lowest price we can buy it is \$1.10. They say it cost \$1.90 for the American manufacturer, and we have got affidavits of well-known buyers that they can buy them for \$1.50.

Mr. LA FOLLETTE. Does it make any difference in regard to the number of blades?

Mr. SAXTON. Yes, sir. Here is a two-bladed knife which they state cost in Germany 80 cents; we swear it cost \$1.52. They say that knife cost \$2.70 to manufacture in America, and we say it sells at \$2.60, per affidavits of well-known buyers in this country. Here is sample 209. They state that that cost 58 cents in Germany, and we swear it costs 86 cents in Germany.

Mr. BRECKINRIDGE. Give us the number by which it can be identified.

Mr. SAXTON. This is a 3½ inch, two-bladed, iron-lined; this is an American knife. Their statement that that knife cost 58 cents in Germany, and our affidavit is that it costs 86 cents. Their statement is that it cost them \$2.07 to produce it, and we have affidavits of well-known buyers that they can buy this in America for \$1.40.

Mr. BAYNE. What page are you looking at?

Mr. SAXTON. Page 82. Here is a 3½-inch, two-bladed, iron-lined knife, No. 14051. They say that that knife cost in Germany 63 cents per dozen, and we swear it cost in Germany \$1.02. They say it costs \$2.16 to produce in America, and we have affidavits of well-known buyers who said that they can buy the American knife at \$1.65.

Mr. BAYNE. You are going right over the printed evidence.

Mr. SAXTON. I want you gentlemen to see what they are.

Mr. McMILLIN. He is refuting the statements that have been made by the other parties.

Mr. BAYNE. He is simply going over former statements put in by them [reading] "selling at \$1.65, per affidavit well-known buyers."

Mr. SAXTON. We are simply refuting their statement.

Mr. BAYNE. But you are simply reading your own argument.

Mr. SAXTON. Here is their statement, "cost \$1.90 per American manufactures." Here is our statement, "selling \$1.50 per affidavit of well-known buyers."

Mr. BAYNE. But this has all been put in before.

Mr. SAXTON. Yes, in a written form.

The CHAIRMAN. You have already submitted this whole thing in writing.

Mr. SAXTON. Yes, sir; but I am endeavoring to show you gentlemen how this thing is.

Mr. BAYNE. You have stated all these facts before, and you are now dilating on them.

Mr. LA FOLLETTE. He is expanding and explaining his statement.

Mr. FLOWER. These samples of knives are very instructive to you gentlemen.

Mr. SAXTON. Our statements are all backed up by affidavits, and we do not ask you gentlemen to take these unless they are so backed up.

Mr. BAYNE. Are the affidavits in print?

Mr. SAXTON. Yes, sir; they are all in print.

Mr. FLOWER. You have invited these gentlemen here, and if this is distasteful to you you ought to hear it; this is an object lesson you haven't had.

The CHAIRMAN. Is there anything now which you wish to say which is not printed?

Mr. SAXTON. The average duty is stated to be 77 per cent. I take the average from

a table, which I will leave with the committee, and it figures out at 100 per cent. We do not know what was done on razors; we have not seen any statement; but that Senate amendment brings up the average on razors to an average of 100 per cent. I have got a few samples of razors if you would like to see them.

Mr. FLOWER. I leave you to examine these things closely. I examined them the other day.

Mr. SAXTON. We want to say that this duty proposed by the Senate amendment would simply shut out lower grades of razors and deprive the men who want to buy that sort of razor.

Mr. LA FOLLETTE. I would like you to explain how you figure at more than 50 per cent. the Senate amendment to the existing law.

Mr. SAXTON. Under the Senate amendment it figures out a tremendous high percentage for the cheapest razor—

Mr. McMILLIN. It is done by the fact that the Senate amendment increases in a larger degree or a larger per cent. the less costly grades of goods than the very fine grades of goods.

Mr. SAXTON. It increases it all the way through.

Mr. McMILLIN. Does it not increase the cheaper grade more than the finer grade?

Mr. SAXTON. I do not think it does; it seems to double them all straight along.

Mr. FLOWER. Have you American-made razors?

Mr. SAXTON. No, I have not. I am talking now of ad valorem duties. There is a great lot of these razors selling at \$1.40 and \$1.12; that is wholesale.

Mr. MILLS. What is the best wholesale price yet for razors?

Mr. SAXTON. There is one of the best razors we make. It is a full hollow Hamburg-ground razor.

Mr. MILLS. What do they cost?

Mr. SAXTON. Twenty-one shillings; a little over \$5 a dozen. They cost laid down here about \$8.50 a dozen.

Mr. FLOWER. The razor manufacturers wanted a higher price on the higher grade. They say they did not care about the cheaper grades; the tariff duty was high enough.

Mr. SAXTON. The present duty of 50 per cent?

Mr. FLOWER. They thought on the lower grades that was satisfactory.

Mr. MILLS. That keeps the cheap razors out.

Mr. SAXTON. Yes, sir. If you follow that idea it will simply make the \$1.50 razor cost \$3, that is all.

Mr. BRECKINRIDGE. Have you the figures giving the cost of producing razors?

Mr. SAXTON. No, I have not. There is really only one man who makes razors in this country; that is Mr. Torrey.

Mr. MILLS. Does he make good razors?

Mr. SAXTON. I think he does.

The CHAIRMAN. Can you leave that with us?

Mr. SAXTON. Yes, sir.

The CHAIRMAN. Is that all?

Mr. FLOWER. No, not until I ask him this question. In comparison with our importations, how do they compare with the manufacture of cutlery in this country?

Mr. SAXTON. According to their own statement it does not agree at all, as I have shown already. They put the production at \$815,000 for 1887, which was a bad year. I have shown that importation of knives with which they had no competition at all was \$600,000.

The CHAIRMAN. I do not remember that you stated your business.

Mr. SAXTON. I am an exporter and importer of hardware, and general merchant.

Mr. BAYNE. Do you belong to the American Wholesale Hardware Association?

Mr. SAXTON. To the Wholesale Hardware Association, yes, sir. There are so many American associations we did not want to get mixed up with them.

Mr. BAYNE. How many firms are in there?

Mr. SAXTON. There are about twenty; it is simply a local organization in New York.

Mr. BAYNE. All in New York?

Mr. SAXTON. All in New York. The organization is simply for the purpose of stating our status in reference to the tariff.

Mr. BAYNE. For no other purpose?

Mr. SAXTON. For no other purpose whatever. We have these original affidavits in this book. If Mr. Gales will now take the stand on the gun question we will trouble you very little more.

STATEMENT OF C. H. HAWKINS.

Mr. C. H. HAWKINS, of New York, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, with regard to Mr. Bradley's statement that the price of labor is 25 cents a day in Germany, I beg to differ with him. I have been familiar with the cutlery trade of Solinger for many years. I have been there from four to nine weeks yearly for the last eleven years. I know positively that the average wages are 3 marks per day, or 75 cents, and the grinders, many of them, earn as high as 8 or 9 marks per day, which is equal to \$2, and the average grinder will earn 7 marks per day.

Mr. MILLS. Are they paid by the piece or by the day?

Mr. HAWKINS. They are paid by the piece.

Mr. BRECKINRIDGE. How do the German grinders compare with the American grinders by the piece and the day? Can you give a comparative statement of the manner in which they work and the manner in which they are paid?

Mr. HAWKINS. I am not familiar with the scale of wages paid in the cities to do that.

Mr. BRECKINRIDGE. Do you know the prices paid for any given character of work?

Mr. HAWKINS. The work is so divided up; there are fifteen to twenty of them, the polishers, grinders, filers, which all go to make up the whole statement.

Mr. BRECKINRIDGE. Can you give any information of the product of the labor over there; whether the work is as efficient there as it is here?

Mr. HAWKINS. They work there about eleven hours a day.

Mr. BRECKINRIDGE. Do they work as good machinery there as here?

Mr. HAWKINS. No, sir; it is mostly hand-work. I am speaking of cutlery exclusively.

Mr. BRECKINRIDGE. Do our people who are working by the piece use more machinery here than there?

Mr. HAWKINS. Yes, sir, I think they do; especially in the cheap grades of pocket-knives, or jack-knives, as they are called; I think we use more machinery.

Mr. GEAR. But you do not know?

Mr. HAWKINS. I know here they strike out most of the blades which are called stamped blades, while on the other side most are hand-forged, especially on the better class of goods.

Mr. BAYNE. How many men earn \$2 a day?

Mr. HAWKINS. There are some grinders of razors that have an apprentice to help, and those grinders are paid as high as 13 marks a day. I have seen that because we act as the agents.

Mr. BAYNE. Do you belong to the hardware association?

Mr. HAWKINS. No, sir; I am not a member of that, personally.

Mr. BAYNE. Who are the agents here?

Mr. HAWKINS. Hermann Boker & Co.

Mr. BAYNE. Does not this firm belong to the hardware association?

Mr. HAWKINS. Yes, sir.

Mr. BAYNE. Then you represent this producer over here.

Mr. HAWKINS. I am the cutlery expert and go abroad every year on this business.

Mr. FLOWER. And you know the wages are from 75 cents to \$2 a day in this very place where it was stated that they were 25 cents a day?

Mr. HAWKINS. Yes, sir.

Mr. BRECKINRIDGE. In that case where a grinder is paid 13 marks per dozen for grinding razors, how much would that grinder get for a dozen of the same kind of razors in this country?

Mr. HAWKINS. I could not answer that question intelligently.

Mr. BRECKINRIDGE. You could only give us the day statement?

Mr. HAWKINS. I know this grinder with the assistance of the apprentice boy produced over a dozen razors a day. I know two men, brothers, who produced 12 dozen razors a week.

Mr. BRECKINRIDGE. Are you a member of the firm?

Mr. HAWKINS. I am an employé of that firm.

Mr. BRECKINRIDGE. That concern you represent as stated here?

Mr. HAWKINS. These two brothers ground 12 dozen razors in a week.

Mr. BRECKINRIDGE. That firm is simply interested in the factory on the other side?

Mr. HAWKINS. No, sir; they act as its agents.

Mr. BRECKINRIDGE. Do they take all the productions?

Mr. HAWKINS. All that comes to this country.

Mr. BAYNE. What proportion of the product comes to this country?

Mr. HAWKINS. Two-thirds, I should judge.

Mr. BAYNE. You speak about the earnings being about \$2 a day there. How many workmen get \$2 a day?

Mr. HAWKINS. The grinders.

Mr. BAYNE. What proportion of the men are grinders?

Mr. HAWKINS. I should judge the grinders are about one-half.

Mr. BAYNE. Do all the grinders get that?

Mr. HAWKINS. No, sir.

Mr. BAYNE. What proportion of them get that?

Mr. HAWKINS. About two-thirds, I think, the grinders of razors and scissors.

Mr. BAYNE. They make as much as \$2 per day?

Mr. HAWKINS. Many of them.

Mr. BAYNE. Do they pay the boy out of that \$2?

Mr. HAWKINS. Yes, sir.

Mr. BAYNE. How much will that be?

Mr. HAWKINS. About 30 cents a day or 35 cents a day.

Mr. BAYNE. That will leave them about \$1.65.

Mr. HAWKINS. Something like that.

Mr. DINGLEY. Is it not a fact that grinders, on account of the deleterious character of the employment, receive wages two or three times as high as the other workmen?

Mr. HAWKINS. No, I do not think two or three times.

Mr. DINGLEY. Are they not very much higher because the grinder does not live very long in consequence of the deleterious character of the work?

Mr. HAWKINS. Yes, sir; but I do not think it is two or three times as high.

Mr. BAYNE. What is the next grade of employment in this establishment?

Mr. HAWKINS. The cutlers.

Mr. BAYNE. How much do they get?

Mr. HAWKINS. They get from 75 cents to \$1 a day. In Sheffield they earn a good deal more.

Mr. BAYNE. Where is that establishment located?

Mr. HAWKINS. It is located in Solinger, Germany.

Mr. FLOWER. Right where Mr. Bradley testified they got 25 cents a day, and you say they get from 75 cents to \$1 a day.

Mr. HAWKINS. Yes, sir.

Mr. BAYNE. Do any of them get less than that?

Mr. HAWKINS. Yes, sir; some of the apprentice boys.

Mr. BAYNE. How much do the apprentice boys get?

Mr. HAWKINS. They are paid 40 cents a day up.

Mr. BAYNE. Then it would be fair to say that they get from 40 cents a day up.

Mr. HAWKINS. No, sir; because they are small boys and not mechanics. They are the same as apprentice boys here and they get little or nothing.

Mr. BAYNE. What do the forgers get?

Mr. HAWKINS. They earn about 90 cents a day, up to \$1 if they are good forgers.

Mr. BAYNE. What class of men get 75 cents to \$1 a day?

Mr. HAWKINS. They are the men who do the filing, for instance, and the whetting, that part of the work.

Mr. BAYNE. What do the forgers get?

Mr. HAWKINS. They get a little better wages, probably 90 cents a day.

Mr. BAYNE. Now you said probably; do you know what they get?

Mr. HAWKINS. It varies.

Mr. BAYNE. Do you know how it varies?

Mr. HAWKINS. Yes, sir; it varies from 75 cents to \$1 a day; it is piece work and some men are able to do more work than others, and consequently they earn more money.

Mr. BAYNE? Most of the men are paid by the piece?

Mr. HAWKINS. Most all of them except the men who do the whetting and filing.

Mr. BAYNE. And you say they work as much as 11 hours a day?

Mr. HAWKINS. Ordinarily. That is a day's work.

Mr. BAYNE. Do they work any longer than that?

Mr. HAWKINS. No, sir.

Mr. GEAR. Are they hand-filed, or is it done by an emory wheel?

Mr. HAWKINS. It is hand-filed.

Mr. BRECKINRIDGE. You speak of a grinder getting 13 marks a day, that would amount to how much in American money?

Mr. HAWKINS. To about \$3.15.

Mr. BRECKINRIDGE. And then pretty soon afterwards you speak of a grinder getting \$2 a day and paying an apprentice out of that.

Mr. HAWKINS. I say the best grinders, the men who do the fine work. I spoke of two brothers who got 13 marks per dozen razors, and they ground a dozen razors a day.

Mr. BAYNE. You recollect that one gentleman stated here that they paid their men \$10 a day.

Mr. BRECKINRIDGE. I remember the case but not the sum. I think it was \$5 a day

to the best grinders. However that is not the point; when we finish this we can lay the two statements against each other.

The man who gets 13 marks a day gives his apprentice about 30 cents, which would give him about \$2.85 net, and less efficient grinders would get down as low as \$2 and under \$2.

Mr. HAWKINS. Yes, sir.

Mr. BRECKINRIDGE. That covers the general ground, as I understand you stated before?

Mr. HAWKINS. Yes, sir.

Mr. GEAR. Then the men who get the higher-priced wages are the men employed on the higher-class goods?

Mr. HAWKINS. Yes, sir.

Mr. FLOWER. (To Mr. Saxton.) Here is a Sheffield knife made in this country; where are these sold?

Mr. SAXTON. By the thousand gross in the United States.

Mr. FLOWER. Are they not sent abroad?

Mr. SAXTON. Some go abroad.

Mr. FLOWER. Haven't you a Connecticut knife, with an English trade-mark, that goes abroad?

Mr. SAXTON. They do, to a moderate extent.

Mr. FLOWER. Why do they put that trade-mark on it?

Mr. SAXTON. Because it sells better in the market.

Mr. BAYNE. How much per dozen do they pay for grinding razors?

Mr. HAWKINS. For the finer grades some are paid 13 marks per dozen.

Mr. BAYNE. That would be \$3.25.

Mr. HAWKINS. I should say \$3.10 or \$3.12.

Mr. BAYNE. Now I see that Mr. Trainer testified that they paid \$5 to \$6 a dozen for grinding in this country.

Mr. BRECKINRIDGE. Is not that Mr. Torrey?

Mr. BAYNE. I see here that Mr. Breckinridge asked the question, "What do you pay for grinding razors like that?" Mr. Trainer said, "that work is mostly day-work and we pay from \$5 to \$6 a dozen for grinding." So you will see we pay just about 100 per cent. more wages than you pay in Germany.

Mr. HAWKINS. We have had many dozens of razors ground in New York and we never pay over \$4 per dozen to have them ground. We have had hundreds of dozens ground in New York.

Mr. BRECKINRIDGE. How many razors are ground a year in New York?

Mr. HAWKINS. I can not answer that question.

Mr. BRECKINRIDGE. Does every grinder have to employ a helper?

Mr. HAWKINS. I think they do.

Mr. BRECKINRIDGE. Do they pay them out of their wages?

Mr. HAWKINS. I could not answer that question.

Mr. GEAR. What class of razors are manufactured in this country?

Mr. HAWKINS. We get out what are commonly called blanks, razors with flat sides, and they are hollow-ground here.

Mr. GEAR. How are they in regard to quality?

Mr. HAWKINS. There are better grades of goods manufactured abroad by Wolstenholm, etc.; they are the best goods made.

Mr. BAYNE. You stated that two-thirds of your product is sent to the American market.

Mr. HAWKINS. Yes, sir.

Mr. BAYNE. I suppose your wages in consequence of that fact sympathizes with American wages and you can pay better wages.

Mr. HAWKINS. I did not understand your question.

Mr. BAYNE. I say that you sell two-thirds of your products to the American markets; I suppose that you can come approximately near paying the price of American wages to your employes.

Mr. HAWKINS. I do not know what the American wages are. I have understood that the cutlers earn \$1.25 to \$1.50 a day.

Mr. BRECKINRIDGE. I understood you to say that a great many of your very best razors are made of imported blanks and they are then hollowed out.

Mr. HAWKINS. Yes, sir; but I would state that the majority of men, barbers for instance, want the foreign razors.

Mr. BRECKINRIDGE. Why do you have them ground here instead of importing them already ground?

Mr. HAWKINS. For the reasons that these men who supply the barbers trade are grinders themselves and prefer to grind their own razors and warrant them.

Mr. BRECKINRIDGE. Then the reason is because of the reputation of the men and not of its being ground more cheaply here than in Germany.

Mr. HAWKINS. Yes, sir.

Mr. BRECKINRIDGE. Now, I understand you to say, that in having these very best razors ground you pay from \$3 to \$4 a dozen.

Mr. HAWKINS. Yes, sir.

Mr. BRECKINRIDGE. And you are not prepared to say whether the man who gets that much per dozen has to pay the labor out of it or not.

Mr. HAWKINS. In this country I could not answer that.

Mr. BRECKINRIDGE. At all events that is all he gets.

Mr. HAWKINS. Yes, sir; we paid \$4 a dozen, but you can get them still cheaper—as low as \$2.75 a dozen.

Mr. SEXTON. I would like now for Mr. Sears to be heard for a moment; he will only take about five minutes.

ADDITIONAL STATEMENT OF E. B. SEARS.

Mr. E. B. SEARS, of Chicago, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I have a few samples here showing what can be done in this country. You will bear in mind that we buy from American manufacturers and importers. I can state what these goods cost here and what we would have to pay for them if we imported them. Here is a knife which cost the importer \$1.95, which is as low as that is able to be bought at.

Mr. CARLISLE. Per dozen?

Mr. SEARS. Per dozen.

Mr. McKENNA. What does it sell for retail?

Mr. SEARS. The retail price depends entirely upon the market. We job the goods. I will give the jobbing price as we do not retail that.

Mr. McKENNA. Do not you know the retail price?

Mr. SEARS. I can make the retail price for this town or that town, depending upon the locality.

Mr. McKENNA. Then what is the retail price for this town.

Mr. SEARS. I should think about 35 cents would be a fair price for this town for that knife. That knife cost as low as we can buy it \$1.95. It cost there \$1.65.

Mr. GEAR. You said you could make a retail price for this town or some other town. Have you any arrangement by which you bind the retailers to sell at a certain price?

Mr. SEARS. No, sir; you do not understand me. I said I could make a retail price for this knife—

Mr. GEAR. That is not my question. I ask if this association had any arrangement when they sold knives by which they could compel retailers to sell at a certain price.

Mr. SEARS. I do not know what association you have reference to. I belong to none.

Mr. GEAR. I mean in regard to the trade.

Mr. SEARS. Not at all.

Mr. BRECKINRIDGE. You spoke of making a price and you have conveyed the idea that you have a compulsory power to make the retailers' prices.

Mr. SEARS. The fact is one dealer will not sell at—

Mr. BRECKINRIDGE. But you have conveyed the impression you had some compulsory power to fix the retail dealers' prices. That is the impression you have made.

Mr. McMILLIN. I got somewhat of that idea myself.

The CHAIRMAN. It looks as if you had power to compulsorily fix his price and that is not what you intend to convey.

Mr. SEARS. No, sir.

Mr. CARLISLE. You say the retail dealers do not themselves sell that knife at the same price.

Mr. SEARS. No, sir; and any cutler, any retail dealer varies according to the closeness of the market and the volume of the trade.

Mr. BAYNE. And do not sell in the same town at the same price?

Mr. SEARS. Not always; they vary.

Mr. BAYNE. Then you can't fix the price—

Mr. SEARS. I beg your pardon, I have not stated that I fixed the price for retail.

Now here is a knife which cost \$41.28 to import as low as we can buy it. It costs \$1.05 in this country. Here is a knife which we import, which will cost \$3.60 in this country.

Mr. CARLISLE. Will you always indicate the quantity? I presume you mean a dozen.

Mr. SEARS. All these knives are per dozen. This knife cost \$3.60 to import and \$3.25 in this country.

Mr. GEAR. On these knives is that all net?

Mr. SEARS. That is net. This knife cost to import \$2.70 and costs in this country \$2.60. This knife cost to import \$10.70, and costs in this country \$9.10.

Mr. BAYNE. What is that knife worth?

Mr. SEARS. That is a Wostenholm knife, and I will refer that to a Wostenholm man.

A BYSTANDER. I am not a Wostenholm man, but the sterling price of that knife would be 45 shillings, I should think. I should say 45 shillings per dozen sterling would be—

CHICAGO, *March 14, 1890.*

DEAR SIR: I was honored by your request to be present when a committee of the Wholesale Hardware Association was before the Congressional committee relative to certain proposed increase of tariff on cutlery.

On that occasion I submitted certain samples with their cost from American producers, and of the corresponding article imported. This comparison was found prejudicial to any increase of tariff, and so much in favor of the American manufacturer that a motion to adjourn was made and carried.

Upon your suggestion I, by this means, conclude the subject I then desired to present to the committee.

The manufacture of cutlery in this country is in its infancy, and has been confined to limited branches. On the line of endeavor, and so far as equipment permits, the result has been success in controlling the market against foreign goods.

This success is with the medium grades of good quality. The two extremes, the very low grades, bought by the poorer classes, and the finest goods, are not yet made here. We shall, however, when the effort is made, succeed with these without an increase of tariff.

The only cutlery imported is exclusively such as is not made here, and which we are not prepared to make. It is on these goods that American manufacturers now ask a prohibitive tariff.

POCKET CUTLERY.

On a basis of the present tariff, the manufacture of the good quality jackknives, middle-class knives, and medium fine knives, embracing all of the pocket-knives made in this country, is about 10 per cent. in our favor over the foreign goods. The lowest grades as imported we have as yet not endeavored to make. It is, however, within our ability, and until we will make such goods, the many who can afford 10 or 15, or 20, or 25 cents for a knife must not be compelled to pay unnecessarily from their hard earnings, and why impose an increased cost on those who demand a fine knife, until, at least, we can and will undertake the manufacture of the goods? An increase of the tariff would not make it more possible than at present.

TABLE CUTLERY.

The committee are entitled to much consideration when we reflect that their conclusions should be, to a considerable degree, determined by the statements made to them, and it is to be regretted that personal motives may have influenced certain representations.

If I am correctly informed, a manufacturer, finding the urgency so great, stated that unless the tariff on table cutlery is increased 50 per cent. the doors of their factory must be closed. If this is the statement, then the religious training of the author has been neglected, or the salaries paid by that company, indirectly coming from the pockets of the consumer, are a wrong to the economies of the American people.

Excepting the small items of carving-knives, Wilson's butcher-knives, and a few Rogers's ivory and pearl handled knives, which have the preference owing to their superior quality and the reputation of the makers, the American manufacturers have, for more than twenty years, had an open field. A combination exists among them, but it is a protection against each other. It is an open secret that the manufacture of table cutlery in this country is an exceptionally profitable business.

I know that at recent meetings of the association some of the members have objected to proposed advance for the reason, plainly stated, that they were doing well enough.

Notwithstanding repeated advance of prices made by the association, there has been no time during an interval of more than twenty years when foreign table cutlery could be imported without loss.

RAZORS.

But little has been undertaken in this country. The industry is comparatively a new one. Yet for the class of work done here the goods can now be turned out at a less cost than by import. The foreign goods afford a class of grinding not obtainable

here, which, however, is not in any way governed by duty. The razor industry would not suffer if the tariff were lessened.

SCISSORS.

Comparatively none are made in this country, and as is the case with the finest class of pocket-knives, no effort has been made. Only two concerns make a small line of laid scissors, i. e., steel and iron welded together. These are fair cutting goods, but coarse and common, and will not at all meet the demand of the average consumer. The requirements are for all steel and nicely polished scissors. Why should a further protection be put upon a line of goods not yet made in this country? Why not lower the present duty?

SHEARS.

We are to-day exporting and none can be imported. An advance is asked for, while, if the present duty of 35 per cent. be removed, we would then have an advantage over the foreign shears of about 5 per cent.

Briefly stated, the manufacture of each branch of the cutlery industry, where reasonable effort has been made, has proved profitable, and the undeveloped branches can be prosecuted with equal success under a tariff somewhat lower than the present one.

The foregoing statements are made after an experience of ten years in the manufacture of pocket cutlery, and of twenty-five years in the wholesale of the different lines of cutlery as specialties.

A successful but undeveloped industry urges to impose upon the dependent consumer an exorbitant cost without benefit to that industry. We are asked to offer a premium to certain branches of American cutlery, the manufacture of which employ the methods of fifty years ago.

While it may be wise to further environ some of our industries, yet, with the line of cutlery under consideration, the necessity does not exist, and I know that I express the sentiment of every wholesale and retail dealer in the great Northwest when I protest against an increase of tariff on cutlery.

If my statements are correct, the increased cost, consequent upon a higher (so-called protective) tariff, seriously injures the consumer without benefit to the manufacturer.

I believe in protection in the fullest sense of the word, but it must be universal, guarding our manufacturers and other industries alike.

I am one of the great army who, with sublime confidence in the Republican party, have always voted that ticket, but when, like many others, I recognize a determination among our chosen law-givers to re-imburse the capital employed in the last election by indiscriminate and unnecessary increase of tariff, it seems a signal of the time when we must abandon party and embrace the theories of a better and growing intelligence.

Respectfully,

EDMUND B. SEARS.

A. H. SAXTON, Esq.,
New York City.

VIEWS OF E. E. FILLMORE & CO.

ZANESVILLE, OHIO, February 25, 1890.

DEAR SIR: The result of my experience and observation during a period of over fifty years in the hardware business has been about as follows:

Table cutlery.—For a long time it was all imported, but under the tariff laws they have almost the entire control of the home market. Our sales are fully 90 to 95 per cent. American. Only a few fine carvers, and rubbers, and celluloid tables seem to be imported.

Butcher knives.—The bulk of the sales of these to the general public are American, but during all my business life the butchers have shown a very decided preference for the "John Wilson" knife of Sheffield, England. I think they would cling to them let the cost be what it might. An increase of the tariff would only increase the cost to them, instead of driving them to use the American. I think it is the only butcher knife that is hammer-tempered.

Razors.—This is one of the articles that the American manufacturers have made very little progress in, if they care to make them. It seems as though they ought to make better headway under a tariff of 50 per cent. The Wade & Butcher and Wostenholme razors are very popular, both for barbers and for private shaving.

Pocket Knives.—The Americans seem to have the market very largely on two-blade,

especially; they undersell all the others. In one, three, and four blade they have not succeeded so well.

Scissors.—There is something quite remarkable in regard to this article. While the Americans have almost the entire control of the market for shears (so much like scissors) they have made scarcely any progress with scissors. The Germans, at present, lead the world in scissors, in style, quality, and finish; they have driven the English almost entirely out of market. I doubt if an increase of duty would enable the Americans to get the market. The Germans seem to have a genius for scissors. For ourselves, we find it to our advantage not to keep in stock imported shears nor American scissors.

Very respectfully, yours,

E. E. FILLMORE.

Hon. WILLIAM MCKINLEY, Jr.,
Washington, D. C.

PROTEST AGAINST INCREASE OF DUTY.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman of Committee on Ways and Means:

DEAR SIR: Understanding that there is a movement on foot to influence Congress to increase the duties on pocket and table cutlery, razors, butcher knives, scissors, guns, etc., we beg to respectfully enter our protest against any increase in the rates on these goods, as we consider the present high rates as ample for revenue purposes, or for the protection of home industries.

Very respectfully, yours,

[The foregoing is signed by 325 individuals and firms representing nearly all the States of the Union.]

FIRE-ARMS.

[For additional Fire-arms, see *ante* page 65.]

VIEWS OF FOREHAND & WADSWORTH.

WORCESTER, MASS., January 24, 1890.

SIR: Having learned that you have closed all public hearings before your committee, and that hereafter whatever is said must be reduced to writing—

We are manufacturers of fire-arms, and like many other industries, suffer greatly in consequence of cheap importations.

Representatives of most of the arms manufacturers in this country appeared before the Senate committee in the last Congress and succeeded in getting the duties increased in the Senate bill, to the satisfaction of most of them, and we think to-day they would be content if you would embrace in your bill substantially the increase, as proposed in the Senate bill, on guns and revolvers, as set forth in paragraph 181, page 128, of the printed Senate bill. But we wish to call your particular attention to the fact that forged shotgun barrels are not made here in this country; not one, and there is a present duty of 10 per cent. ad valorem, and 35 to 45 per cent. when they are brazed or soldered together. But very few manufacturers here in this country possess the knowledge of making this class of barrels, and to establish a plant and manufacture them we would need a duty of 200 to 300 per cent.

Now we do not see the wisdom or justice of placing any duty whatever on these barrels, whether in single tubes or brazed or soldered together, if not finished, but left rough bored.

All the manufacturers here in this country who make single or double barreled shotguns, have to import their barrels. And why should we be forced to pay a duty when if placed on the free list it would interfere with no single manufacture here in this country?

If you will turn to Schedule C, metals, of the Senate bill, paragraph 135, you will see that a duty of 10 per cent. is proposed.

That is the present duty. And all forged shotgun barrels, whether in single tubes or brazed or soldered together, in an unfinished state, should be put on the free list, and we respectfully ask that you so place them in your proposed bill.

Our political opponents are demanding that more articles of importation shall be placed on the free list. No one can object to putting the above articles on the free list if the manufacturers so desire, unless it be some importer of finished shotguns, who would wish to see the American-made guns cost as much as possible.

Now what we have said we think that we voice the sentiment of the other manufacturers of fire-arms in this country who have occasion to use imported gun barrels.

Respectfully, yours,

FOREHAND & WADSWORTH.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

STATEMENT OF JOSEPH GALES

Mr. JOSEPH GALES, of New York, next addressed the committee.

The CHAIRMAN. Will you give your full name and residence?

Mr. GALES. Joseph Gales. I used to be well known in Washington some years ago. I am a general dealer in fire-arms, and I am also a director in the Marlin Fire-arms Company, of New Haven, Conn.

Mr. Chairman and gentlemen of the committee, I approach the matter without any prejudice. I have always favored a reasonable tariff, and I shall always be in favor of it until I find I am mistaken in the idea of reasonableness. I do not regard the Senate schedule in reference to fire-arms as a reasonable or necessary tariff. The statement which I will refer to and file a little later shows the tariff, as proposed on shotguns in that schedule, will run from 70 to 100 per cent., which certainly is not reasonable nor necessary. The strongest argument which I can make in regard to this is, that during the present tariff of 35 per cent. there have been at least twenty firms, manufacturing concerns, corporations, and individual concerns, and all of these with the exception of two or three, have been organized under this 35 per cent. tariff, by which, therefore, we may reason it was a protective tariff on fire-arms.

I think of twenty odd, fifteen are engaged in whole and part in manufacturing sporting shotguns, which is the matter of most interest under this schedule. Notwithstanding the facts stated, two additional concerns have been organized within the last year, small concerns, which, like the others, will gradually grow and develop. They are prosperous, varying in the degree of prosperity according to the management. We all know all concerns do not prosper equally well under the same conditions because they vary in management, but these concerns are all prosperous; all growing according to the amount of business they are doing. Notwithstanding this present tariff of 35 per cent., the manufacture of fire-arms are estimated in this country to be over \$3,000,000, certainly over \$2,500,000, while the imports of fire-arms I think were not \$1,500,000. Now take the schedule of rifles, where the tariff is 25 per cent. Representing a rifle manufacturing concern, I ask no increase of that amount; we do not require it. American rifles are the best in the world and are now exported. In regard to revolvers the present duty is 35 per cent., and there are very few revolvers imported, only comparatively few. The competition which the American manufacturers meet with is entirely of their own making. They compete pretty sharply, but taking the whole figure on the whole it is remunerative.

Mr. McMILLIN. Is it not a fact that there are very large exports of revolvers?

Mr. GALES. It is true we export both rifles and revolvers.

Mr. McMILLIN. What increase is proposed by the Senate bill—from 35 per cent. to what?

Mr. GALES. The Senate bill on revolvers proposes to advance it from 35 per cent. to amounts running from 65 to 100 per cent.

Mr. GEAR. Do you mean revolvers?

Mr. GALES. Yes, sir; American revolvers and rifles.

Mr. GEAR. Do you make shotguns?

Mr. GALES. No, sir. We import them and sell them. We are general dealers, and we sell both imported and domestic goods.

Mr. GEAR. Nobody can compete with the La Fevre and Remington.

Mr. GALES. I would go slow in reference to the shotgun question. The breech-loading shotgun question is the most important item on the schedule. Muzzle-loading guns are dying out and they are virtually a thing of the past. Sporting breech-loading guns are made almost entirely in this country. They retail averaging from \$9 up, which cost to make from \$5.50 up, leaving a good deal of margin for profit. The only single breech-loading gun is what is known as a transformed musket gun which is made of a foreign military gun. I understand these are held by one concern and when these are finished up that will be an end of them. On that the proposed duty makes them 127 per cent.

Mr. BRECKINRIDGE. Do we export any single breech-loading guns?

Mr. GALES. We do to a limited extent, the foreign demand is not large for them.

Mr. BRECKINRIDGE. Where we meet foreign guns in open competition?

Mr. GALES. Yes, sir.

Mr. FLOWER. There is no gun made in Europe made as good as the Parker and—

Mr. GALES. Not for the price. In the breech-loading guns, I would say in the highest priced guns, the Americans have the market almost entirely. I would estimate that of the guns averaging over \$30, 90 per cent are made in this country.

Mr. BRECKINRIDGE. Are you speaking of rifles?

Mr. GALES. I am speaking entirely of breech-loading shotguns, double-barreled, and I say that 90 per cent are made in this country of those averaging over \$30.

Mr. MILLS. Do you import the barrels?

Mr. GEAR. The barrels are imported almost entirely in the raw, and on these the duty, as you know, is 10 per cent., so that the American manufacturer has almost free barrels. These American breech loaders are all bought by men who can afford to buy a first-class gun.

Mr. BRECKINRIDGE. Do you import the barrels of the cheaper guns?

Mr. GALES. Do you mean the single-barrel guns?

Mr. BRECKINRIDGE. Yes.

Mr. GALES. They are largely made abroad also.

Mr. BRECKINRIDGE. When you export those guns, do you get a drawback?

Mr. GALES. In such a case as this it is not of sufficient amount to get a drawback; the barrels only cost about a dollar.

Mr. BRECKINRIDGE. Do you get a drawback on that dollar?

Mr. GALES. No, sir; that is not sufficient to make it an object.

Mr. MILLS. Why do you import those barrels? Why not make them here?

Mr. GALES. I am not a manufacturer of this class of guns. I sell these barrels to the manufacturers, and also sell the manufactured goods; but they can not make barrels as cheaply as they can import them.

Mr. FLOWER. I understand they are made from points of nails, etc.

Mr. GALES. These single guns are principally made of what is known as blued steel barrels, plain blued steel barrels, and not of the class of scrap iron, as Mr. Flower states.

Mr. GEAR. Let me ask you a question which is probably not exactly in this line. Are these barrels proven before they are brought to this country?

Mr. GALES. The barrels used by American manufacturers as a rule, I think, are not proven.

Mr. GEAR. Are they proven in this country?

Mr. GALES. I do not think they are.

Mr. GEAR. Are the English guns proven?

Mr. GALES. I would not like to make any false statement; what I mean to say is they are not proven by any Government proof. They may be proved by the manufacturers individually. The foreign markets have insisted that all barrels for home manufacture shall be proven before put in the guns and also proven after they are put in the guns. I think a penalty is imposed by the Governments of Belgium and England. I think the penalty imposed by Belgium is 300 francs for the first offense and 600 for the second and in England it is £20 for the first offense which is equivalent to \$100 per barrel, so the statement which has been made more or less before this committee that the cheaper guns which are imported are unsafe is entirely erroneous. These are some samples of cheap guns which I wish to show you. This class of guns is imported and sold to farmers' boys who can not afford to buy a high-priced gun, such as merchants, lawyers, and doctors can afford to buy. These cheap guns are perfectly safe. These are the cheapest guns made and they are such as we can not make in this country. We will not make it even if the proposed tariff law should go into effect, they would not be made here.

Mr. GEAR. Why will it not be made?

Mr. GALES. Because it is of such a character that our manufacturers would never attempt them. They would make goods that would pay them a better profit. The cheapest American gun is one which costs \$15.58. These guns are sold to general jobbers at \$19.24.

Mr. BRECKINRIDGE. What kind of a gun is that?

Mr. GEAR. It is a double breech-loading shotgun, known as the Syracuse gun, made at Octavia.

Mr. McKENNA. What would such a gun retail at?

Mr. GALES. The nominal price of such a gun would probably be \$30 and I suppose it would retail from \$25 to \$30, according to the closeness of the market. The Le-Fevre gun is a very excellent gun and a man who can afford to pay \$100 or \$200 for a gun, can get an American gun I think that would beat anything else.

Mr. GEAR. Are the best American guns equal to the English?

Mr. GALES. I think so unless it is an exceptionally fine English gun made piece by piece by hand, but for practical purposes for a gun over \$30 I should prefer an American gun, and the trades evidently do prefer them because 90 per cent. of the guns above that price are American-made guns. Now these samples which I shall take a moment to show you are the cheapest used or imported and are scattered over

the country and sold to our farmer boys and men who can not afford a higher priced gun. This is the cheapest gun sold, known as the "Zulu" gun. This is a perfectly safe gun and under the proposed Senate schedule it would make this gun 127 per cent. That is sold to farm hands who can not afford to pay more than four or five dollars for a gun.

Mr. FLOWER. None of these guns are loaded?

Mr. GALES. No sir. I do not want to lay particular stress upon that, but these low grade guns are sold to farmers' boys. It seems to me that if the farmer boys get the idea that their shotguns are costing from two to four and six dollars more on account of this tariff, is that not a reason that they will be inclined to vote against it.

Mr. MILLS. What kind of a gun is that?

Mr. GALES. That is a gun which costs on the other side \$6.17; the present duty is \$2.16; the proposed duty is \$6.16, being exactly 100 per cent, making an additional price of at least \$4.

Mr. FLOWER. What does this gun cost?

Mr. GALES. The foreign cost of that is \$6.17. This is a substantial looking gun; they are the cheapest breech-loading double guns imported. That cost \$3.57, the present duty is \$1.25 and the proposed duty is \$3.25, adding \$2 to the American consumer, making the duty 91 per cent. We call that the Lefouchaux gun.

Mr. McKENNA. Where is it made?

Mr. GALES. It is made in Belgium. These cheap guns are made almost entirely in Belgium. That gun retails in this country for \$8. Now I understood the chairman to say we did not come in here before the committee had made up their minds what to do.

The CHAIRMAN. I did not state that or give the slightest intimation of that.

Mr. GALES. I got the impression of it that way.

The CHAIRMAN. No, I did not state that. I simply said that you had an opportunity to be heard before.

Mr. McMILLIN. Your statements are calculated to change the minds of the committee even after they are made up.

Mr. GALES. I am glad I am mistaken, but it seems to me it would be exceedingly unwise to make a change in the tariff as proposed in view of the fact that I have shown these fifteen manufacturing concerns, twenty odd concerns manufacturing fire-arms including the fifteen, are in a prosperous condition with a growing business, and that the only effect that this duty upon sporting shotguns would be to increase the price to the consumer, other than the effect it might have upon the revenue.

The CHAIRMAN. Is there anything further?

Mr. GALES. I have nothing further.

The CHAIRMAN. Can you leave the papers?

Mr. GALES. I can not leave the statement as it is nothing but fragmentary notes.

Mr. McMILLIN. The general proposition of the Senate bill would not increase the higher priced guns very much?

Mr. GALES. The increase in the high-priced guns would be small.

Mr. McMILLIN. And it would be from 80 to 125 per cent. on the low-priced guns.

Mr. GALES. It would be from 65 to 100 per cent.

Mr. McMILLIN. And on that one there it would be 127 per cent.

Mr. GALES. Yes, on the single-barrel guns; but on the double guns it would be from 65 to 100.

Mr. SAXTON. If you will allow me gentlemen, I would like for Mr. Hawkins to give some information in regard to the prices paid in Solinger, Germany, as compared with those in this country. It slipped my mind before.

NEW YORK, February 18, 1890.

Statement showing the average rate of duty in per cent. if the Senate bill of 1889 is adopted.

[This statement is based on an actual assortment of breech-loading guns as imported from Liege.]

Quantity of guns.	Foreign price.		Total value.	Proposed duty.
	<i>Francs.</i>			
2,000	18.50	\$3.57	\$7,140.00	35 per cent. and \$2 per gun.
400	19.00	3.67	1,468.00	Do.
250	22.50	4.34	1,085.00	Do.
300	23.50	4.53	1,359.00	Do.
250	24.50	4.73	1,182.50	Do.
400	26.00	5.02	2,008.00	Do.
300	26.75	5.15	1,548.00	Do.
100	27.00	5.21	521.00	Do.
700	27.20	5.25	3,675.00	Do.
850	29.00	5.60	4,760.00	Do.
350	29.50	5.70	1,995.00	Do.
550	31.50	6.08	3,344.00	35 per cent. and \$4 per gun.
550	33.50	7.43	4,086.50	Do.
500	33.00	6.37	3,185.00	Do.
100	35.50	7.04	704.00	Do.
80	39.00	7.53	602.40	Do.
100	60.00	11.58	1,158.00	Do.
25	65.00	12.55	313.75	35 per cent. and \$6 per gun.
7,805	576.95	111.36	40,135.15	

Duty, \$40,135.15, at 35 percent	\$14,047.30
Duty, 5,900 guns, at \$2	11,800.00
Duty, 1,880 guns, at \$4	7,520.00
Duty, 25 guns, at \$6	150.00

33,517.30

Average rate, 83½ per cent., against 35 per cent., as at present.

BREECH-LOADING GUNS, DOUBLE.

[Present duty 35 per cent. on net value.]

Statement showing the duty in per cent. if the proposed Senate bill is adopted

Foreign price.		Thirty- five per cent.	Per gun.	Total duty.	Duty.
<i>Francs.</i>					<i>Per cent.</i>
18.50	\$3.57	1.25	\$2.00	\$3.25	91
20.00	3.86	1.35	2.00	3.35	87
22.00	4.25	1.49	2.00	3.49	82
24.00	4.63	1.62	2.00	3.62	78
26.00	5.02	1.76	2.00	3.76	75
28.00	5.40	1.89	2.00	3.89	72
30.00	5.79	2.03	2.00	4.03	70
32.00	6.17	2.16	4.00	6.16	100
34.00	6.56	2.30	4.00	6.50	96
36.00	6.94	5.43	4.00	6.43	93
38.00	7.33	2.57	4.00	6.57	90
40.00	7.72	2.71	4.00	6.71	87
45.00	8.69	3.04	4.00	7.04	81
50.00	9.65	3.38	4.00	7.38	76
55.00	10.61	3.72	4.00	7.72	73
60.00	11.58	4.05	4.00	8.05	70
65.00	12.54	4.39	6.00	10.39	83
70.00	13.51	4.73	6.00	10.73	79
80.00	15.44	5.41	6.00	11.41	74
90.00	17.37	6.08	6.00	12.08	70
100.00	19.30	6.76	6.00	12.76	66
BREECH-LOADING SINGLE GUNS.					
5.64	1.09	.38	1.00	1.38	1.27

REVOLVERS.

Senate bill.

Foreign price.		Thirty-five per cent.	Per pistol.	Total.	Duty.
<i>Francs.</i>					<i>Per cent.</i>
3.50	\$0.675	.236	\$0.40	\$0.636	94
4.00	0.772	.27	0.40	0.67	87
4.50	0.868	.304	0.40	0.704	81
5.00	0.965	.337	0.40	0.737	76
6.00	1.158	.405	0.40	0.805	69
6.50	1.255	.44	0.40	0.84	66
7.00	1.35	.472	0.40	0.872	65
8.00	1.55	.543	1.00	1.543	100
9.00	1.74	.609	1.00	1.609	92
10.00	1.93	.676	1.00	1.676	87
11.00	2.12	.742	1.00	1.742	82
12.00	2.32	.812	1.00	1.812	78

VIEWS OF HERMANN BOKER & CO.

NEW YORK, February 19, 1890.

To the Ways and Means Committee:

We respectfully protest against any advance in the tariff rates on guns, rifles, or revolvers, but more especially on breech-loading shotguns, which would be affected most seriously by the proposed duty as specified in the Senate amendment last year to the Mills tariff bill of 1888.

We urge that the present duty of 35 per cent. affords ample protection to the American makers, and, in fact, that on the great bulk of foreign guns now imported, if the duty were taken off entirely, it would not lessen the American production, nor harm the industry in any way. Our American manufacturers have nothing to fear from the competition of these low-priced foreign guns, as this grade of goods is not made nor attempted to be made in this country, the makers finding full and more profitable employment for their plant in the manufacture of better goods, and foreign guns of higher grades have already been almost entirely driven from our market by better and more popular American makes.

The guns seriously affected by the proposed change in the tariff (viz, those costing \$12 or less) do not come into competition with American guns. They are bought and used by farmers, mechanics, clerks, and others who can not afford to pay such high figures as even the cheapest domestic-made guns retail at (say \$25 each and upwards), and, to our minds, the simple effect of advancing the tariff, as proposed, would be to restrict the sale of the poor men's guns, seriously hampering our business and that of hundreds of other merchants throughout the country who deal in these goods, without helping the American maker in the least or adding to the cost of such guns as are bought by those who can afford to own more expensive guns, such as are made in this country. In other words, the importation of cheap foreign guns would not cease, but less of them would be sold, owing to the enhanced prices, and there would be no corresponding increase in the demand for American guns, as thousands of men who could pay as now (say \$9 and upwards for a gun that is practically as safe and serviceable as those costing double or treble) could not afford to buy an American gun costing (say) \$25 or upwards, and would either be compelled to go without a gun or to pay a considerably higher figure for the only sort that their limited means would admit of purchasing.

The proposed change in duties would raise the present rate of 35 per cent. to the minimum of 71 per cent., and on cheaper grades to 92 per cent., and as the Senate amended bill reads, the highest percentum of advance would be upon the cheapest and most popular of imported guns, so that the greatest advance would be upon the cheaper guns, and consequently the greatest hardship in this respect would fall upon that class of purchasers whose means are the most limited; in other words, the poorest men.

The specific duty which it is proposed to add to the present ad valorem duty, while only amounting in the importers' cost, to an increase of \$2, \$4, or \$6 per gun, as provided for in the bill, would, by the addition of the importers', jobbers', and retailers' percentage of profits (which naturally would be added to this increased cost) result in an advance to the party who finally bought the gun for use, of fully 50 per cent. additional. Thus a gun which would only cost the importer \$2 more than at present,

would cost the final purchaser not less than \$3 more, and a gun which would cost \$6 more, would probably cost the final purchaser \$10 more, and all this without helping in the least the gun industry of the United States.

We have not alluded specially to rifles, as the American makers have practically no competition abroad, and so far as we are aware, have not asked for any increase in the existing rate of 25 per cent., but as concerns revolvers, it would seem to us that the present rate of 35 per cent. should satisfy the most grasping of our home makers, as it is patent to any unbiased person who has knowledge of the fact, that the low-selling price of common American makes is unquestionably due to over production, and excessive, unreasonable competition among themselves, and is not due to foreign competition while the better American makes, such as "Smith & Wesson," and "Colts," are exported very extensively to all parts of the world.

As before stated, we think that the proposed change in duty on breech-loading shot-guns would be most detrimental, and we trust that Congress will consider the interests of the hundreds of merchants who deal in guns, and the thousands of farmers, mechanics, etc., of America, who buy these cheap guns, as being paramount to the unreasonable demand of a small minority of the gun manufacturers of the United States.

Yours, respectfully,

HERMANN BOKER & Co.

PETITION OF MANUFACTURERS.

The Committee on Ways and Means, United States House of Representatives :

The undersigned, manufacturers of fire-arms, representing extensive investments of capital, and employing large numbers of skilled mechanics, respectfully represent, that in view of the extreme low cost of labor in the foreign countries, competing against us for the markets of our own country, we believe the present tariff on fire-arms to be entirely inadequate to properly protect the industry represented by us, and we most respectfully and earnestly request that the schedule of duties on certain lines of fire-arms, approved and adopted by the United States Senate at the last preceding session, as follows: "Muskets and sporting rifles, 25 per centum ad valorem; all double-barrelled sporting, breech-loading shotguns valued at not more than \$6 each, \$2 each; valued at more than \$6 and not more than \$12 each, \$4 dollars each; valued at more than \$12 each, \$6 each; and in addition thereto on all the above, 35 per centum ad valorem. Single-barrel breech-loading shotguns \$1 each, and 35 per centum ad valorem.

"Revolving pistols valued at not more than \$1.50 each, 40 cents each; valued at more than \$1.50 each, \$1 each; and in addition thereto on all the above pistols, 35 per centum ad valorem," may be incorporated and made a part of the tariff schedule of duties on imports now being considered and prepared by your honorable committee.

HARRINGTON & RICHARDSON ARMS COMPANY, Worcester, Mass.

JOHN P. LOVELL ARMS COMPANY, Boston, Mass.

IVER JOHNSON & COMPANY, Worcester, Mass.

HOPKINS & ALLEN MANUFACTURING COMPANY, Norwich, Conn.

COLT'S PATENT FIRE-ARMS MANUFACTURING COMPANY, }
JOHN H. HALL, General Manager. } Hartford, Conn.

FONHAND & WADSWORTH, Worcester, Mass.

MERWIN, HULBERT & COMPANY, New York City.

PARKER BROS., Meriden, Conn.

HAND-SEWING NEEDLES.

VIEWS OF THE LONDON NEEDLE COMPANY.

NEW YORK, *January 31, 1889.*

SIR: In submitting the following request and proposition to your committee for consideration, we desire to direct particular attention to the importance and justice of the simple question involved and the beneficial results sought, as it interests all classes of people in this country and is peculiarly one which appeals to the protector of the rights of the poor and working class, in whose behalf the following application and appeal is especially made.

In view of the large surplus now in the United States Treasury and the sound and well-known cardinal principles that taxation is imposed only to support our Government, and to protect American industry and labor against the industry and labor of

the world, we respectfully submit, that when we earnestly petition the total removal of all duties on hand-sewing needles, and support that reasonable petition with what appears to us to be sound, just, and equitable reasoning, it can not be fairly claimed that the granting of such a request will operate as a menace or an injury to the protection principles which constitute the foundation and reasons for such taxation.

The necessity of said duties, from the stand-point of being needed to help meet and defray the current expenses of our Government, requires no consideration, in view of the present rate of taxation being more than sufficient to cover such demands. The main question at issue is, will the total deduction of such duties on hand-sewing needles in any way damage (by virtue of competition or otherwise) the trade or business of any of our home industries, controlling or interested in that style of workmanship? We answer emphatically, no.

It is an utter impossibility to injure our manufactures or home industry, because we have no manufactures of hand-sewing needles in this country; the complex process, labor and skill requisite, has sensibly deterred the people of our country from attempting that branch of work, for, as conducted at the present day, it is a pursuit in which remarkable manual dexterity is combined with very perfect instruments and appliances, and those who are employed in its various departments, though poorly paid, have been educated from childhood in the many stages which the simple needle passes through before the wire of which it is fabricated is turned out for use; in our country it would be unprofitable, and would necessitate the importation of skilled laborers to superintend and instruct in the mode of manufacturing the hand-sewing needle, and if attempted, our home labor would be injured by such unquestionable invasion.

No branch of business in this country could be injured by the total removal of the duties on hand-sewing needles; it would be no hardship or damage to any home manufacturer; no American industry would be tampered or interfered with; nor would it create any competition between said articles and any style of trade peculiarly belonging to our country; and our labor would in no way be tampered, curtailed, or diminished. Under no conceivable circumstances can it be claimed that protection is necessary in this case; there is nothing to protect unless it be the poor and starveling-paid working woman, such as the dress-maker, seamstresses, shirt-makers, and numerous other classes of men and women, with whom the needle is a necessity, and who most need our pity, aid, support, and protection; but by virtue of this unjust, inequitable, and unnecessary duty they are compelled to pay for that required article an extra sum to cover this duty, which if removed would injure none, and benefit many.

The broad statement is here made that, in view of the peculiar skill necessary, the facilities of foreigners to manufacture, and the history of the trade in this country, we will never see the day when these articles are manufactured here. It has been attempted and failed, and the law-making power can do nothing to encourage its commencement, growth, or progress, for if that were possible, we would have seen its success, either small or great, before this day; and this being positively so, why not strike off this duty and give the poor people, in fact give the people of every station in life, the benefit of the sum the Government now realizes therefrom. If the day should come when, for the benefit and protection of home industry, it is necessary to impose a duty and tax on these articles, then it will be the proper time to put it on, but until that necessity presents itself, let the absence of that unjust duty be enjoyed by those who now inequitably bear that unnecessary burden.

We trust and hope that your committee will give this petition due consideration, and recommend the removal of such duty; and if you honor us with the opportunity of being personally heard on this subject, on notification one of our officers will willingly go on to Washington, appear before your honorable body, and explain more fully the just grounds of this application.

Respectfully submitted.

LONDON NEEDLE COMPANY,
535-541 East 116th Street, New York City.

HON. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

TINSEL THREADS.

ARGUMENT OF EDWARD SIEGMAN, OF NEW YORK.

Referring to the possibility of your doing anything in the way of changing the present tariff on tinsel, tinsel threads, or tinsel products, I take the liberty to express my opinion, because I am a very large importer of tinsel, tinsel threads, and tinsel goods, and also manufacture here to quite an extent.

Any change, unless by the advice of experts, in this line (and which would be a very complicated matter) would in my opinion benefit only one, possibly two, and perhaps five manufacturers, taking the limit highest, and it will do a positive harm to the immense industry existing since a few years—manufacturing upholstery goods and upholstery trimmings, chenille curtains, fancy scarfs, trimming manufacture of every description in which tinsel is used to a great extent, embroidery manufacturing with the Bonnaz, and other machines, hand embroidery, etc.

It will be a hard blow to theatrical costumers, who at present suffer on account of the unjust personal-effect importation of ready-made costumes by American and European actors and actresses. Tinsel trimmings are used extensively by such costumers, and also by masquerade costumers, and any raise of tariff in tinsel products will be a further inducement for actors and actresses to spend their summer and their money earned in this country during the winter in Europe, and getting at the same time expensive outfits, which will cost them less than half that such can be made here. Furthermore, military trimmings, which can never be made here unless the tariff would be increased to 20 per cent., because not enough of one kind is used, would become very expensive; also society costumes, regalias, badges of all kinds would be affected.

Unless you would stretch the meaning regarding raw material, and would include cotton or silk threads spun over with flax, tinsel, or metal threads, the braid and cord manufacturers would have to pay the advance, and only two houses who manufacture with patented automatic machines these cotton or silk-threads spun over with flat or wire tinsel would reap the benefit and would get a monopoly to a certain extent.

Tinsel—flat tinsel, wire tinsel, is not a raw material, because it is made by alloying copper with other metals, drawing such into wire, and thereby making wire tinsel. This wire tinsel is flattened by running such through rollers; thereby the flat tinsel is made.

This flat tinsel is spun in different ways over cotton threads or silk threads; thereby tinsel round threads and tinsel brilliant threads are made.

This product is used mostly in this country, as well in fabrics, trimmings, braids, and cords, as in many other items too numerous to enumerate.

It would be an immense advantage to spinners if you would make a lower tariff on flax and wire tinsel and a higher one on tinsel threads and tinsel brilliant.

Either way you raise tinsel products you will hurt military, theatrical, society, badges, masquerade, regalias, church-vestment manufacturing, unless you exclude goods used for these lines.

The only reason why complaints about these goods have been made to you is because, since a year, fashion has introduced a few tinsel goods for ladies' dress materials, and also for trimming for ladies' dresses, and importers have brought in, under the 25 per cent. tariff, some goods from Europe, which could have been prevented by common-sense decisions of the Treasury.

At the same time, fashions of this kind will not be of long durance and it would be unjust to let other industries suffer on account of these few minor importations.

Let well enough alone.

Yours, truly,

EDWARD SIEGMAN.

Above is my honest and unselfish opinion, because I have no interest in what way the tariff is made, and only my desire to prevent monopolies has induced me to write this letter, and I hope you will give it due consideration, because I have not the time to appear personally before you.

STATEMENT OF HON. W. E. SIMONDS.

Hon. W. E. SIMONDS, a Representative from the State of Connecticut, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I have a little matter which concerns some constituents of mine. I will not read the paper, but I will state the substance of it. I understand the same matter was before a similar committee of the last House, and I understand it was agreed to, and that the same action took place before the Senate committee. These constituents of mine (J. R. Montgomery & Co.) carry on business at Windsor Locks, Conn. They make a variety of threads which are covered with gold and tinsel wire, a sample of which I hold in my hand. I believe one of the firm has invented a process which makes the production cheaper than it has been heretofore. It requires raw materials, cotton, silk, and woolen filaments, and then this tinsel has to be wound around it, so that when it is covered it makes this handsome article [exhibiting]. Now, in the schedule set out here the tinsel wire and the manufactured product have a uniform rate of 25 per cent., and the tinsel wire, which is my constituents' raw material, is not made in this country, and nobody can be induced to make it, as the demand is not large enough. Secondly, the process by which it is made is secret. My constituents would like a proper distinction between the duty on the threads (their raw material) and the manufactured article. The details of all this are set out very clearly and concisely in this paper addressed to the committee, which I would like to have printed.

The CHAIRMAN (Mr. Burrows in the chair). Leave that with the stenographer.

Mr. BAYNE. Do they suggest a formula?

Mr. SIMONDS. Yes; they suggest a formula for an amendment which is very simple.

Mr. BAYNE. Do you think it was adopted in the House bill of last Congress, and also in the Senate?

Mr. SIMONDS. I do not understand it was adopted by the House bill, but I understand it was submitted to the committee—I suppose gentlemen are present who know whether I am stating it properly or not—and the schedule desired was agreed to, but I think it was not incorporated in the bill.

Mr. BRECKINRIDGE. You think that the yarn that is wound around this is woolen yarn?

Mr. SIMONDS. He states, I think, that the central filament is of cotton, wool, silk, or other fiber made of any ordinary textile.

Mr. BRECKINRIDGE. And that is subject to a tax, and the tinsel is subjected to a tax of 25 per cent.?

Mr. SIMONDS. He notes that they are differently taxed.

Mr. BRECKINRIDGE. I am only asking as to the facts.

Mr. SIMONDS. He does not say anything about the tax on the interior filament. It is the tax upon the wire.

Mr. BRECKINRIDGE. And that statement is the tinsel was taxed 25 per cent.?

Mr. SIMONDS. Yes, sir.

Mr. BRECKINRIDGE. Then the tax on the completely finished article is 25 per cent.?

Mr. SIMONDS. It is just the same.

VIEWS OF J. R. MONTGOMERY & CO.

To the Committee on Ways and Means:

Under the present law fixing the duties on importations under Schedule N.—Sundries, the duty is fixed as follows:

“Bouillons, or cannetille, metal thread, filé or gespinst, and epaulets, galloons, laces, knots, stars, tassels, and wings of gold, silver, or other metal, 25 per centum ad valorem.”

This appears also in report No. 2332, H. R., 9051, Fiftieth Congress, first session, page 114, section 164.

In the above clause manufactured goods only are described. These goods are twisted or woven fabrics that are made of a combination of filaments variously assembled or brought together; for instance, the “metal thread” is made of a central filament of cotton, wool, silk, or other fiber, and a thin narrow ribbon, or a wire of metal drawn out flat or round, or approximating such shape in outline in cross-section. This tinsel wire of metal is wound about the central filament and forms what is known as the metal thread. Such goods as are recited in the above section of the tariff law and largely made in France or Germany, from which large quantities are imported every year, and on which a 25 per cent. ad valorem duty is

levied. The trade describe the metallic filament or tinsel wire used in making such goods as tinsel wire (English); lame (French); lahn (German).

Such metallic wire or ribbou (tinsel, lame, or lahn) has never been manufactured in the United States, and persistent efforts to induce workers of metal to undertake the business and make the goods have always failed.

The reason given by metal workers is that there is no demand for a sufficient quantity of such tinsel to warrant the outlay necessary for the establishment of a plant and experiments necessary to the production of the goods; and for the further reason that such tinsel is made by special processes abroad, the secrets of which are zealously guarded by the foreign makers.

The "metal thread" is manufactured here to a limited extent, and this new industry is one that needs a protective tariff in order that it may be permanently established. Once established the business of making this metal thread will give employment to hundreds of working people, and will result in the building up of a new home industry. A serious difficulty that prevents the building up of such a new industry is found in the fact that although the tinsel, lahn, or lame, is not recited at all in any part of the law, the customs department have ruled that this tinsel, which is a raw material, so far as the thread-makers are concerned, shall pay the same duty (25 per centum ad valorem) as is paid on the manufactured goods. The tinsel, as such, has no use in the United States, and can not be used except after having been further subjected to treatment in making it up into the classes of manufactured goods that are recited in the law.

The result of this ruling of the customs department is that the manufacturers of metal threads, filé, or gespinst, has to pay on an article necessary for use in making such goods, the same ad valorem duty that is paid by the importer on the finished goods.

The tinsel is sold by weight, and the metal (tinsel, lahn, or lame) forms about 80 per cent. of the weight of the finished thread, which is also sold by weight.

Your petitioner (J. R. Montgomery & Co., of Windsor Locks, Conn., manufacturers of yarns) respectfully represent that this industry is burdened by the rulings of the customs department that compels the payment of a 25 per cent. ad valorem duty on the tinsel, as it forces them to compete with the metallic threads made abroad by much cheaper labor and imported under the same duty (25 per centum ad valorem) as the maker of the thread here is compelled to pay for the tinsel—the metal part only—that he imports for making up into the metal thread.

It is further urged that it is essential to the proper protection of this industry that the duty on the articles recited in the above-quoted section of the law shall be subjected to increase of duty of 50 per centum ad valorem, the object of this increase of duty being to protect the manufacturer of such articles here from the competition of foreign makers of such goods.

It is suggested that the desired result may be accomplished by erasing the words "twenty-five" from the section of the tariff law above quoted and substituting the word "fifty," and by adding at the end of the last line of said clause the following: "The tinsel, lame, or lahn, when separate and as a distinct article shall enter free of duty."

Accompanying this paper are several samples on cards showing the tinsel, lame, or lahn, in the shape of round and flat wire, and also samples of metal thread. The latter are made here. The tinsel is a foreign product solely and can not be bought from any home manufacturer as none is made in this country.

J. R. MONTGOMERY & Co.

Mr. BRECKINRIDGE. I have a statement here of some gentlemen who want to ask for a hearing on the 21st of January—stove founders and people of that sort. Mr. Munsell represents a number of gentlemen who want to be heard on the 21st in regard to the stove industry. They want to have a personal hearing before the committee on that day, and I move that we hear them on that day.

Mr. BURROWS. The 21st is a good ways off. Why can not the gentlemen be heard now who are here?

Mr. BRECKINRIDGE. Because they have to be gathered from all over the country.

Mr. BURROWS. We had better wait and take up that question when the chairman is present.

STEEL PENS.

FROM THE ESTERBROOK COMPANY.

CAMDEN, N. J., *January 27, 1890.*

ESTEEMED FRIEND: In view of the preparation of a tariff bill this session, we ask that the duty on steel and metallic pens be continued as it now is, viz, 12 cents per gross specific. This is the rate as fixed by the Senate bill of last session.

We will not trouble thee with arguments at this time, as we have been through that before, but can furnish convincing reasons if needful.

Very respectfully,

ESTERBROOK STEEL PEN MANUFACTURING COMPANY,
ALEX. C. WOOD, *Treasurer.*

Hon. WILLIAM MCKINLEY, JR.,
Chairman Ways and Means Committee.

VIEWS OF IVISON, BLAKEMAN & CO.

MARCH 15, 1890.

SIR: We most respectfully ask the Committee on Ways and Means to consider the item in the tariff laws in relation to metallic pens.

The laws now impose a specific rate of 12 cents per gross on all pens, whether made of gold, silver, steel, brass, or any other metals.

Gold pens, cost to import per gross, average £25 (\$125); silver, £10 (\$50); nickel silvered and extra quality of steel, 10s. (\$2.50); fine steel for general use from 1 to 3s. (25 to 75 cents); good quality of steel for schools, 5d. to 1s. (10 to 25 cents).

The finest and highest cost pens, but few are imported; the importation of the medium cost pens has increased during the past four years; but few common or cheap grades have been imported, as the duty is almost prohibitory.

So great a variety of pens, differing in form, metals, and cost, we believe that, in justice to the manufacturers, dealers, and consumers, the specific rate is unjust. If an ad valorem rate is established, the percentage should not be less than 35 or 45 per cent., as in many articles either wholly or part made of steel.

We respectfully ask your attention to this matter, and will be glad to give you any information in our power.

Very respectfully,

IVISON, BLAKEMAN & Co.

Hon. WM. M. MCKINLEY, JR.,
Chairman Committee on Ways and Means.

BRASS BEDSTEADS.

VIEWS OF W. O. WHITCOMB.

NEW YORK, *January 4, 1890.*

GENTLEMEN: As directed by you, through Mr. John M. Carson, the clerk of your committee, I would state briefly the facts concerning the existing inequalities of the tariff concerning "brass and iron bedsteads," and ask that the manifest discrimination be removed in the bill now being prepared by you.

I attach a leaf from the report of the Senate committee on the tariff giving the testimony of Messrs. H. L. Judd & Co., of New York, and as they state the case exactly there remains little, if anything, for me to add.

I would state that I am now an importer by necessity, owing to the discrimination of the tariff. I would prefer to manufacture at home and am prepared to make large investments and furnish employment to a large number of hands if the inequalities are removed.

(1) The cased tube, or iron tube, cased in brass, of which the brass bedsteads are made, is not manufactured in this country, and I am compelled to import it. The present tariff exacts 45 per cent. duty, while the bedstead complete is admitted under some inconsistent ruling as furniture at 35 per cent., a direct discrimination against home production of 10 per cent.

(2) The same facts apply to the iron tube used for the composite (or iron and brass bedsteads), it is a special tube, not made in the United States, and is scheduled at 24

cents per pound, an especially high tariff, the complete bedstead of this class also comes in under the same ruling as furniture at 35 per cent., with the resulting serious discrimination.

(3) I think that considering the very large difference in wages paid (a matter of from 75 per cent. to 100 per cent.) that a duty of at least 50 per cent. should be put upon the manufactured bedsteads to afford anything like adequate encouragement to the industry in the United States. The bedsteads now sold in the United States are, practically speaking, all imported, owing to the tariff inequalities deterring their home production.

I think that the present ruling should be changed so that the raw material or tubes should be admitted at the lower rating and the bedsteads come under a higher classification.

Yours, very respectfully,

W. O. WHITCOMB.

The COMMITTEE ON WAYS AND MEANS.

VIEWS OF H. L. JUDD & CO.

We are manufacturers of brass bedsteads, also importers. We would prefer to manufacture all of the bedsteads we sell, but are forced to import owing to the inequalities of the tariff. On manufactured bedsteads we pay an import duty of 35 per cent., while the unfinished product (that is, the brass tubes of which we make the beds) is subject to an import duty of 45 per cent. You will see that this is a direct bounty to the English manufacturer of about $7\frac{1}{2}$ per cent., that being about the difference in the duty. We think it ought to be reversed, and that the raw material should be 35 per cent., and the finished product 45 per cent. Under the existing tariff it would appear that it was intended that brass bedsteads should bear a duty of 45 per cent., classified as manufactures of brass; but a ruling was made allowing them to be entered as furniture at 35 per cent. This ruling makes it difficult for American manufacturers to compete, as in addition to this difference in duty English workmen are paid from \$3.60 to \$5.50 per week, whereas we pay for same labor \$12 to \$18 per week. We think the duty on brass beds should be at least 50 per cent. to afford anything like an adequate protection to the industry in the United States, which is undoubtedly a growing one.

Respectfully,

H. L. JUDD & Co.

Hon. WM. MCKINLEY,

Chairman Committee on Ways and Means.

METAL POLISH.

CHICAGO, February 7, 1890.

DEAR SIR: We respectfully call your attention to the present duty now being charged on metal polishes imported into this country. The present duty is very low, and our understanding is that no duty is charged on the tin boxes containing the polish, only on the contents of the boxes. We think it ought to be increased to not less than 40 per cent. on the boxes as well as contents of same, or a higher duty imposed if you think it advisable to make it so. We ask this as a protection to home manufactured goods, and against a foreign article manufactured in Germany, known as "Putz Pomade," a paste polish. The United States is being flooded with it, and at such a low price we find ourselves unable to manufacture similar goods at the prices it is now being imported into this country.

Would add that we can not compete against cheap foreign labor and pay current wages as paid in the United States.

Very truly,

THE MATCHLESS METAL POLISH COMPANY.

Hon. WM. MCKINLEY,

Chairman Ways and Means Committee.

ARGENTIFEROUS ORES.

[See *ante*, page 55.]

STATEMENT OF HON. H. TOWNSEND, OF COLORADO.

Hon. H. TOWNSEND, a Representative from the State of Colorado, addressed the committee. He said:

I do not desire to detain the committee but a few moments, so far as I am concerned. This question, however, in our section of the country is a most important and vital question, especially since the decision of the Secretary of the Treasury, recently made, in which he holds lead ore to be silver ore when it contains more value in silver than in lead. That is a strange and most remarkable proposition to the mining people of the West, and from the miner who works in the mine clear through the whole list—the hauler, the sampler, the buyer, the seller, and everybody who has anything to do with it to the smelter and the reduction works, it is an absolutely unheard of idea. The Secretary, when he followed the original decision made in 1880 with reference to silver and iron ore and applied it to lead-silver ores, could not say that he had not been advised, that it was a new question, and he knew nothing about the subject. This book, which contains the testimony that was submitted to the Secretary when this hearing was had, contains an overwhelming amount of evidence; it is conclusive; it demonstrates beyond cavil or question that whenever there is sufficient lead in the ore to make it a smelting ore, then it is known and becomes a lead ore. This is the universal opinion throughout the West, of miners and everybody else. When ore contains 5 per cent. of lead it is known in the West as lead ore and has to be smelted for the extraction of the more precious metals. The difference in reducing iron and lead ore is, that the iron is not saved and the lead is, in the same process that extracts the silver.

The ruling of the Department in 1880, made in regard to iron ore carrying silver, was perhaps not an improper one, but to apply the same principle to lead ore carrying silver is manifestly unjust, for the reason that the conditions are wholly different, as just indicated by the result of reduction, the lead being saved and the iron lost in the same action. The first decision on the lead ores was made in 1883, after the tariff act of 1883 was passed, and if the committee will bear with me for a moment—I do not intend to take up any length of time, because the ground has been thoroughly covered by those gentlemen who have preceded me—I would call the committee's attention to the increase in the importations of lead ores that occurred after this ruling; it is perfectly wonderful. In 1884 there came in through El Paso, Tex., 1,805 tons; in 1885, 8,403 tons; in 1886, 22,045 tons; in 1887, 44,773 tons, and in 1888 about 70,000 tons came in. Now, that ore comes in and immediately goes into the market in competition with ore that is produced in Colorado and in the Rocky Mountain region. It is produced by labor that only costs from 25 cents to \$1 per day, which is the highest price, as I am informed, paid for miners in Old Mexico. It brings that poorly-paid labor into direct and immediate competition with the miners of our country in the West, whose wages are from \$2.50 to \$4 per day. Everybody knows this; it is too plain for argument; and if it is continued it will destroy the silver-lead mining of this country, which, as Mr. Carter says, has proven of vast importance in the West. It will close up the low-grade silver mines, which produces the bulk of our silver and the most of our lead. The low-grade mines of Leadville, which have produced from \$10,000,000 to \$15,000,000 per year, are almost wholly and entirely of this character.

The gentleman from New Jersey talks about these Mexican ores being necessary for fluxing purposes in the smelting of ores. Does he not know that all lead and galena ores are thus used? That the lead carbonate ores, galena ores, and other lead ores of Colorado, and the whole mining regions of the West are thus used. Recently, since this decision of the Secretary, various smelting men, mine owners, and men interested in the production of lead have had a meeting at Salt Lake City, Utah. They show by careful estimates that to-day there are fifty thousand miners employed in the West in mining the precious metals, and it is the labor of these men that supports the agricultural, commercial, and business interests of the entire Rocky Mountain region. I will file with the committee the resolutions and address to the president passed by the convention at Salt Lake City November 20 and 21, and ask that they be considered. You destroy the low-grade silver mines by entering into competition with this low-priced labor, and you destroy that country.

It is not only those people who have invested hundreds of millions of dollars in mines and in their development and their improvements and in various kinds of investments incident to mining, but all other industries and business in the mountain regions are dependent upon this vast mining industry for their prosperity, and even their existence.

Mr. McMILLIN. Have you any statistics showing the amount of silver-lead ore product which is imported from Mexico and the amount produced in the United States? I want to see how the proportion of imports compare.

Mr. TOWNSEND. I think, perhaps, I have something here.

Mr. CARTER. There were 157,000 tons of ore produced in the United States last year.

Mr. TOWNSEND. Here is a statement made by Mr. Dennis Sheedy, president of the Globe Smelting and Refining Company. In speaking of the admission of lead duty free, he says the consumption was 164,416 tons. By reason of this importation there were about 20,000 tons brought in in excess of the demand. His statement will be found on page 68 of argument before the Secretary of the Treasury, which I will file with the committee and ask the secretary to mark as an exhibit. I do not know that I care to go into anything further. The statement shows that about 90 per cent. of the lead produced from argentiferous ores, mostly low-grade silver ores, constitute the bulk of all mining. Take the mine in Leadville, mentioned by the gentleman on the other side of this question; it has been an immense producer of ore. It is one of the low-grade silver-lead mines that has been practically closed, because they are not able to compete with Mexican ores in price and keep their men at work at current wages.

Mr. BRECKINRIDGE. Do you state that 90 per cent. of the lead consumed is of domestic production, is derived from low-grade silver ore?

Mr. TOWNSEND. I could not say so much of it, but about 90 per cent. is produced from argentiferous ores, and the vast bulk of the ore, as Mr. Carter says, is low grade. In high-grade silver ore you seldom find much lead.

The ruling of the Department which is talked about as being made in 1880 was upon iron ore carrying silver. The decision in regard to lead ore carrying silver was not made until 1883, and not until after the passage of the tariff act of 1883. When the Judiciary Committee of the Senate gave their opinion in regard to the construction of the statute they assumed from the language of the case submitted that this lead-silver ruling had been made some years prior to the passage of the tariff act of 1883. This assumption, as a matter of fact, was not true. The opinion rendered by Mr. Edmunds and the members of the committee was upon the supposition that the ruling of the Secretary in regard to the silver and iron was also in regard to silver-lead ore, which latter decision was not made until 1883, and after the tariff act of 1883 had been passed, as I have before stated. I notice by the newspapers there is to be another meeting of the gentlemen interested in the lead question on the 7th of January. They are very much disturbed and very earnest in their protests. They feel that absolute ruination and destruction to their business will result unless this ruling of the Secretary can be changed.

Mr. McMILLIN. Because these importations cause a decline in the price of pig lead?

Mr. TOWNSEND. Yes, sir. I think the price of pig-lead in New York now is about \$3.60 to \$3.65.

Mr. McMILLIN. That is for pig-lead?

Mr. TOWNSEND. Yes, sir. The quotation in New York is \$3.60 to \$3.65, and I will file with the committee a statement of the average New York lead quotations per year since 1837, being the average quotations for fifty years; also the importations in the form of pig-lead during that time and the importations in the form of ore since 1886, and will ask that it be made a part of my remarks, together with the letter of the Globe Smelting and Refining Company to me. Lead in pig under the tariff act pays 2 cents per pound, while lead in ore pays only $\frac{1}{4}$ cents per pound.

Mr. LA FOLLETTE. Mr. Kean called attention to the fact that a certain quantity of lead was necessary for the fluxing of silver ores.

Mr. TOWNSEND. That is true.

Mr. LA FOLLETTE. And he informed us that it was eminently proper that a certain portion of this should come in free to be used for fluxing purposes. What quantity of lead in weight is required for fluxing a ton of silver ore in a smelter?

Mr. TOWNSEND. I can not tell you. In making up their charges in the furnaces the proportions are different according to the different combinations in the ore; this is my understanding. I do not claim any scientific knowledge upon the subject. I know, however, that with all dry ores they use lead in smelting.

Mr. McKENNA. Do you need the imported lead ores from Mexico for that purpose?

Mr. TOWNSEND. No, sir; we do not need anything of the kind. We have plenty of our own.

I would ask that, should any of the gentlemen in Colorado who are interested in this question and who may desire to submit any written arguments or statistics to the committee for their consideration, they be permitted to do so.

The CHAIRMAN. The committee will be glad to have them do so.

THE GLOBE SMELTING AND REFINING COMPANY,
Denver, Colo., January 6, 1890.

DEAR SIR: Inclosed herewith you will please find the average New York lead quotations per year since 1837, also the importations in the form of ore and in the form of pig-lead. Owing to the increased consumption of lead in the United States, which for the last four years has been in excess of the production from domestic sources, the importation of lead ores has only within the past few years commenced to tell on the price. In 1888 the lead produced from domestic ores was short of the amount consumed by about 6,000 tons. This shortage was provided for by the Mexican lead, and which in addition left a surplus of about 21,000 tons. Most of this lead was stored in New York and has been a constant hindrance to the lead market rising during the last year. We regret that we are unable to give you the importations for 1889. We hope you will succeed in your laudable undertaking, and are,

Very truly, yours,

THE GLOBE SMELTING AND REFINING COMPANY.
A. CHANUTE.

HON. ROSEA TOWNSEND,
House of Representatives, Washington, D. C.

*Statistics of average yearly price of common pig-lead at New York for the half century
1837-1889.*

Year.	New York quotations.	Importations.	Year.	New York quotations.	Importations.	Year.	New York quotations.	Importations.
		<i>Tons.</i>			<i>Tons.</i>			<i>Tons.</i>
1837.....	\$5.95	150	1853.....	\$6.40	20,613	1869.....	\$6.45	35,111
1838.....	5.30	75	1854.....	6.60	21,301	1870.....	6.25	28,000
1839.....	5.80	235	1855.....	6.80	25,333	1871.....	6.10	28,000
1840.....	4.90	230	1856.....	6.60	24,683	1872.....	6.35	26,355
1841.....	4.50	25	1857.....	6.00	21,408	1873.....	6.30	22,114
1842.....	3.80	None.	1858.....	4.95	18,406	1874.....	6.00	17,674
1843.....	3.60	Do.	1859.....	5.50	16,300	1875.....	5.95	7,305
1844.....	3.90	Do.	1860.....	5.65	21,425	1876.....	6.05	4,685
1845.....	4.05	Do.	1861.....	5.25	15,720	1877.....	6.05	*745
1846.....	4.75	Do.	1862.....	6.10	32,900	1878.....	5.58	*7,395
1847.....	4.37	Do.	1863.....	6.25	12,600	1879.....	4.18	*9,461
1848.....	4.25	1,200	1864.....	7.10	27,900	1880.....	5.05	3,228
1849.....	4.80	10,435	1865.....	6.60	13,600	1881.....	4.80	3,492
1850.....	4.80	16,470	1866.....	6.90	27,900	1882.....	4.32	2,508
1851.....	4.85	19,405	1867.....	6.50	29,330	1883.....	4.32	1,085
1852.....	4.80	16,760	1868.....	6.50	23,225	1884.....	5.73	2,508

* Exported.

Year.	New York quotations.	Lead importations.	
		In pig.	In ore.
		<i>Tons.</i>	<i>Tons.</i>
1885.....	\$3.95	2,682	8,800
1886.....	4.63	9,760	15,060
1887.....	4.45	4,312	27,018
1888.....	4.41	1,612	
1889.....	3.80		

ACTION OF THE CONVENTION.

At a convention held at Salt Lake City, Utah, November 20 and 21, 1889, at which were represented the States of California, Colorado, Montana, Nevada, and the Territories of Idaho, New Mexico, and Utah, Hon. George W. Cassidy, of Nevada, was elected chairman, and W. G. Van Horne, of Utah, secretary; and it was, among other things, resolved as follows:

THE LEAD REPORT.

Whereas the tariff law of 1883 provides for a duty of $1\frac{1}{2}$ cents per pound on lead ore, while ores of silver are admitted free; and

Whereas the Secretary of the Treasury has recently decided that lead ores carrying silver of greater value than the lead therein contained shall be classed as ores of silver and be admitted free of duty; and,

Whereas, this ruling is manifestly contrary to both the spirit and the letter of the law, and must operate to the great prejudice of the silver-lead mining interests of our country, especially, the great mining West: Therefore be it.

Resolved, That we call upon the executive department of the Government to correct this great wrong by judicial proceedings or otherwise, and upon Congress by proper enactment to cause the duty to be collected on lead ore in some form, and render it certain that our industry may receive the protection intended by said law of 1883 and promised us by the political party now in control of the administration of our Government; and

Resolved, That the following address be and hereby is approved, and that the same be presented to the President and the House of Representatives and Senate of the United States respectively.

We, citizens of the States of Montana, Nevada, California, Colorado, and Territories of Idaho, Utah, New Mexico, and representing the lead mining interests of those Commonwealths, appeal to the President and Congress to give relief to the great lead mining industry against the fatal competition of the peon-worked mines of Mexico.

Lead mining is the support and chief source of prosperity of the vast region of the mountain West, and many large districts draw their life from it. It employs at living wages about fifty thousand American miners, and directly and indirectly affords a livelihood to a large part of the population of the United States living in the intermountain region. For fifteen years past it has furnished at an ever-reducing price 90 per cent. of the lead consumed by this country, and, coming into competition with no other industry, has poured yearly into the coffers of the nation tens of millions of dollars' worth of the precious metals which are the life-blood of all industries.

To protect this beneficent industry Congress enacted laws providing for a duty of $1\frac{1}{2}$ cents per pound to be levied and collected on foreign lead ores imported into this country. This duty is not collected, and our mines paying a daily average wage of \$3 per man, are put in direct competition with Mexican and other foreign mines paying only from 20 cents to \$1 per day. As a result many American mines have closed down, throwing tens of thousands of men out of employment, and others only work on in hope of speedy relief. Such relief was sought from the previous administration without success, but after the national election of 1888 lead miners, relying upon the platform of the successful party in that election, with renewed hope again sought relief, and expected that the protection given by law to an industry which could produce yearly \$41,595,000 worth of precious and useful metals would be justly enforced. The appeal ignored by the last administration was noticed by the new administration, and a hearing set for the 15th day of May, 1889, of which hearing notice was given to all parties interested.

Those gaining their livelihood from lead mining appeared at great cost at that hearing to give to the Treasury Department conclusive evidence that lead mining was entitled to protection under the law, and that foreign lead ores were subject to duty. The existing rule of the Department was that when the imported ore had a greater value for its silver than for the lead contents, it was admitted free of duty as a silver ore.

The provisions of law which relate, or which it is claimed may relate, to the admission of silver ores and of lead ores, or both, are as follows:

- (1) On the free list: Ores of gold and silver. (Stat. at Large, vol. 22.)
- (2) Metals (Schedule E), lead ores and lead dross $1\frac{1}{2}$ cents per pound. (Stat. at Large, p. 500, vol. 22.)
- (3) Mineral substances in a crude state and metals unwrought, not specifically enumerated or provided for in this act, 20 per cent. ad valorem. (Stat. at Large, vol. 22, p. 501.)

The following are the rulings and opinions claimed as construing this law and affecting the classification of ores admitted free.

SILVER ORE—FREE ENTRY.

TREASURY DEPARTMENT, *January 14, 1880.*

SIR: The Department is in receipt of your letter of the 10th ultimo, in which you request instructions in regard to the classification of certain ore imported by Messrs. Groos & Callsen, at Eagle Pass, in your district, from the Sierra Majada mines in Mexico, and claimed to be entitled to free entry as silver ore.

The samples forwarded by you have been submitted for assay to the superintendent of the Mift at Philadelphia, who reports that the ore is an iron ore (hematite), containing 54 ounces of silver and a slight amount of copper to the ton of 2,000 pounds.

The value of the silver contained in the ore being largely in excess of the value of the iron, the Department is of the opinion that the ore is entitled to entry free of duty as "silver ore."

Very respectfully,

H. F. FRENCH,
Assistant Secretary.

COLLECTOR OF CUSTOMS, *Indianola, Tex.*

ORES, MIXED, SILVER AND LEAD—HOW CLASSIFIED.

TREASURY DEPARTMENT, *January 25, 1886.*

SIR: In reply to your letter of the 19th instant, relative to the dutiable character of ores containing precious and base metals, you are informed that the rule governing the classification of such ores, as established by Department's decision of January 14, 1880 (synopsis, 4391), and re-affirmed by Department's letter of the 11th instant (unpublished), is that when silver in any ore predominates in value it is considered to be silver ore, and, as such, is exempt from duty under the special provision in the free list for ores of gold and silver. Where, however, lead predominates in value, the ore is considered as a lead ore, and is subjected to a duty at the rate of $1\frac{1}{2}$ cents per pound under the special provisions in the tariff act for "lead ore and lead dross."

The question of classification, therefore, is one of fact, which can only be determined upon an examination of the importation, for the purpose of ascertaining whether it consists of silver ore or lead ore, as aforesaid.

Respectfully, yours,

C. S. FAIRCHILD,
Assistant Secretary.

E. A. CASWELL, Esq., *New York.*

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., March 29, 1883.

SIR: In reply to your letter of the 20th instant, you are informed that imported natural silver, so called ores of which silver is the element of chief value, are exempt from duty under the provision in the "free list" for silver ore. If, however, they are found to contain lead as the element of chief value, they would be dutiable at $1\frac{1}{2}$ cents per pound as lead ore.

Base bullion formed of silver and lead is classified under the tariff acts in accordance with the preponderance in weight of the constituent parts. If silver is found to preponderate the bullion would be exempt from duty as "silver bullion," but if lead preponderates, it would be dutiable as lead in pigs, bars, etc., at 2 cents per pound.

Very respectfully,

H. F. FRENCH,
Acting Secretary.

O. F. THORNTON, Esq., *Tombstone, Ariz.*

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., August 5, 1885.

SIR: In reply to your letter of the 30th ultimo, which was forwarded to the Department by Hon. H. L. Muldrow, Assistant Secretary of the Interior, I inclose herewith a copy of a decision of the Department in regard to silver and lead ores imported from Mexico, dated March 29, 1883.

It will be seen that the classification of such ores depends upon the question as to which metal is the component of chief value—that is to say, if silver is chief value the ore is free from duty as silver ore, but if lead is chief value it is liable to duty at the rate of $1\frac{1}{2}$ cents per pound under the provisions for lead ore.

Very respectfully,

C. S. FAIRCHILD,
Assistant Secretary.

A. MURDOCK, Esq.,
Columbus, Miss.

Letter from the Secretary of the Treasury, transmitting, in response to Senate resolution of May 14, 1888, information relative to the importation of lead ores.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., May 21, 1889.

SIR: I am in receipt of the following resolution of the United States Senate, dated the 14th instant:

"Resolved, That the Secretary of the Treasury be, and he is hereby, directed to inform the Senate, without delay, if there is any regulation of his Department under which lead ores which contain gold or silver are admitted free of duty; if so, under what law are lead ores put on the free list because they contain other valuable minerals besides lead; and also to inform the Senate what amount of lead ores have been imported into the United States during the past ten months of the present fiscal year, and what amount of silver ore has been imported into the United States during the same period, and what percentage of lead, if any, was contained in such silver ore."

In reply to such resolution, I transmit herewith copies of decision rendered by this Department under dates of January 14, 1880, and January 25, 1886, respectively, which are to the effect that ores containing precious and base metals, such as silver and lead, silver and iron, etc., are to be classified under the tariff acts in accordance with the preponderance in value of the metals contained therein—that is to say, if silver predominates in value they shall be classified under the provision of the statute for ores of silver; but if, however, lead should predominate in value they shall be classified as lead ores, the rule, it is understood, being based upon the generally accepted idea that the component metal of chief value of any particular ore rendered it commercially the ore of that metal.

There is no provision of law, so far as I am aware, putting lead ores on the free list because they contain other valuable mineral besides lead, unless, as heretofore stated, it is found that the valuable mineral is component of chief value, when, if it is silver or gold, the ore is entitled to free entry under the provision in the free list of the act of March 3, 1853, for "ores of gold and silver."

I have also to state that, in accordance with a report dated the 17th instant, received from the Chief of the Bureau of Statistics, a copy of which is hereby inclosed, the value of silver ore imported into the United States during the nine months ending March 31 last, was \$3,617,955, and that the amount of lead ores and dross imported during the same period was 131,640 pounds, valued at \$12,875. Such statistical information for the month of April last can not be given, inasmuch as the reports from collectors of customs for that month have not been fully received.

Respectfully, yours,

HUGH S. THOMPSON,
Acting Secretary.

HON. JOHN J. INGALLS,
President pro tempore United States Senate.

Report of Committee on the Judiciary.

Mr. Edmunds, from the Committee on the Judiciary, submitted the following report (to accompany resolution for inquiry as to duty on lead ores, etc.):

The Committee on the Judiciary, which was instructed by Senate resolution of the 11th June, 1888, "to examine and report to the Senate whether in their opinion under the provisions of the act of March 3, 1883 (22 United States Statutes, page 500), lead ore is exempt from duty if it contain gold or silver less in quantity but greater in value than the value of the lead in the ore," respectfully reports—

That it has had the matter under consideration.

The precise form of the question stated in the resolution described the ore as "lead ore." If such ore is lead ore in the legal and commercial sense, it would necessarily follow that it is not exempt from duty, for the statute in terms provides that lead ores shall pay a duty of $1\frac{1}{2}$ cents per pound. But from an examination of certain papers laid before the committee bearing on the subject it would appear that the real question of practical importance arises in regard to ores that are stated by the Treasury Department to have been for a long time known as silver ore or gold ore, as the case may be.

In the case of ores of this character, although they contain more lead in weight than either gold or silver, but more gold or silver than lead in value, the question is one of more difficulty, and the committee inclines to the opinion that they are not subject to duty in respect of the lead they contain. In the same act of 1883, in the paragraph relating to copper, special language is used imposing a duty upon copper found in any ore, and the same is true in respect to nickel. This change of phraseology would seem to imply that Congress intended to make a distinction in respect of imposing customs duty upon the lead that might be contained in ores usually known in

commerce as gold and silver ores, as compared with the provisions made in respect of copper and nickel.

This view is fortified by the fact stated in a letter of 26th June last, addressed to the chairman of the committee by the Assistant Secretary of the Treasury, stating that before 1883 these ores containing gold or silver, and lead, where the gold or silver preponderated in value, had been admitted under the free list as ores of gold or silver, and were known in commerce as such, and not as lead ores. This course of business and practice, it must be assumed, was known to Congress when it enacted the act of 1883, and taken in connection with the special provisions made in regard to copper and nickel, would, the committee thinks, in a legal sense show that such ores were not and are not dutiable as lead ores.

The committee is of opinion, therefore, that the class of ores herein mentioned are not dutiable under existing law.

The committee returns herewith the letter of the Assistant Secretary of the Treasury, and also a letter from the Director of the Mint, addressed to Mr. Maynard, the Assistant Secretary, and dated 23d June, 1888, on the subject.

All of which is respectfully submitted.

At the hearing it was claimed by the importers that the matter was *res adjudicata*, that the ruling of the Department and the opinion of the Judiciary Committee were conclusive on the Secretary; that the ores, even if lead ores, were also silver ores, and should be admitted free.

By the lead miners it was claimed, on the other hand, that the rulings of the Department were all made without hearing, that the opinion of the Judiciary Committee of the Senate was based on a misleading assumption of fact, and that the only question was whether such ores were lead ores, within the meaning of the statute. That if they were lead ores it made no difference if they might also be classed as ores of silver, they should still pay duty under Statutes at Large, 1881-'83, section 2499, page 491. "If two or more rates of duty should be applicable to any imported article, it shall be classified under the highest of such rates."

It was further claimed that the intent of Congress was to make lead ores dutiable and if the ores in question were not strictly lead ores they were certainly dutiable as mineral substances in a crude state. In decision 9400, the Secretary says:

"In all cases of ambiguity, or of conflicting statutory provisions, the familiar rule of construction requires that the intent of Congress should, if possible, be discovered and such a view adopted as will harmonize and not destroy the manifest scheme of the statute."

At the hearing an overwhelming array of proof was adduced by the lead miners showing beyond doubt that the ores in question were and always had been known as lead ores, and that what was and had been known as ores of silver, were such ores as are milled, and not smelted by the "lead process." This proof consisted of ninety-nine citations from the most eminent technical writers of this and foreign countries, of agreeing affidavits and statements of seventy-two men of repute who had for many years past been engaged in mining, transporting, sampling, assaying, smelting, and refining such ores. This proof was so impregnable that the importers in despair of meeting it admitted the fact that 250,000 affidavits could be obtained to the same effect.

The attention of the Department was called to the fact that importers under a ruling adverse to them had statutory relief by protest, appeal, and suit, while lead miners had no remedy if ruling was adverse to them.

The importers adduced only the affidavits of two men taken in the case at hearing, one of those two himself at the head of the importers, and making an affidavit erroneous and false in many particulars, as was shown to the Department, and the other making an affidavit contradicted by his own printed works, as was fully shown. The only other evidence relied on by the importers, was excerpted testimony given seventeen years before by three gentlemen in a case in court, where no such question as the one at hearing was being tried. An examination of the full record of the case showed that the testimony of the gentlemen aforesaid, taken as a whole, was in no wise in point as supporting the claim of the importers in the case before the Department, and that the case in which such testimony had been given was decided against the parties producing that testimony. After five weary months of deferred hope, the honorable Secretary of the Treasury decided as follows:

Classification of ores containing both silver and lead.

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,
Washington, D. C., October 18, 1889.

To collectors and other officers of the customs:

I have given due consideration to the arguments, both written and oral, submitted at and subsequent to the hearing at this Department in May last, upon the question of the proper classification of ores containing both lead and silver associated with

other substances in variable quantities and generally known as lead-silver ores, or as argentiferous lead ores imported from Mexico.

Upon examination I find that the decisions and practice of this Department have been uniform for a number of years. It was held by the Department, under decision dated January 14, 1880 (Synopsis 4391), with regard to the classification of certain ore imported at Eagle Pass from the Sierra Majada mines in Mexico, and which was claimed to be entitled to free entry as silver ore, that "the value of the silver contained in the ore being largely in excess of the value of the iron, the Department is of the opinion that the ore is entitled to entry free of duty as silver ore." This decision was reaffirmed in January, 1886 (Synopsis 7327), where it was held that "when silver in any ore predominates in value it is considered to be silver ore, and as such is exempt from duty under the special provision of the free list for ores of gold and silver. Where, however, lead predominates in value, the ore is considered as a lead ore, and is subject to a duty of $1\frac{1}{2}$ cents per pound, under the special provision in the tariff act for lead ore and lead dross. The question of classification, therefore, is one of fact, which can only be determined upon examination of the importation for the purpose of ascertaining whether it consists of silver ore or of lead ore, as aforesaid."

In a subsequent decision in May, 1886 (Synopsis 7543), reaffirming the principle previously laid down, it was stated that "ores composed of silver and lead and iron, or silver and lead, or silver and other base metals, of which silver is the component material of chief value, would, under the ruling of January 25, 1886, be exempt from duty under the provisions of the free list for 'ores of * * * silver.' It is immaterial in the entry and classification of such ores, whether the ores are imported for use as fluxes in the fusion of other metals, or on account of the metals themselves."

The dutiable or non-dutiable character of these ores was the subject of an investigation by the Judiciary Committee of the Senate, who reported on the 5th of July, 1888, in effect, that ores of the character mentioned, namely, ores containing more lead in weight than either gold or silver, but more gold or silver than lead in value, are not, in the opinion of the committee, subject to duty under existing law.

If the question presented were a new one, and had not been the subject of administrative construction fortified by the opinion of the Judiciary Committee of the Senate, I would feel at liberty to give greater consideration to the weighty arguments which have been adduced, tending to establish the dutiable character of all ores of this description containing lead in appreciable or considerable quantity, the more so if it had been satisfactorily demonstrated that these ores are not known nor entitled to be known commercially as ores of silver. It not having been so demonstrated, and it being the fact that since the original decision of 1880 on this subject, Congress has re-enacted the pre-existing provisions of the tariff with regard to lead ores and silver ores, respectively, I do not feel at liberty to set aside the existing classification. It must be assumed that the rulings and practice of the Department were known to Congress when it passed the tariff act of 1883. It must be held that the designation of lead ore and silver ore, in the tariff, in the absence of legislative definition, was that of existing decisions; that Congress intended the classification should turn on the question of value and not of quantity. It is therefore considered that this Department is without authority to change the Departmental and Congressional definition of these ores, and in faith of which large business interests have been established.

That Congress did not intend to impose duty upon the lead which might be found in the different ores, but only upon such ores as were then recognized under the decisions of the Department as lead ores, is gathered from other parts of the tariff act, for in paragraph 186 "copper" is made dutiable whenever found in ore, and in paragraph 191 "nickel" is also made dutiable whenever found in ore or in other crude form. In those cases it is clearly the metal contained in the ore which is made subject to duty, and had the same form of expression been used in reference to lead that metal would have been dutiable at the rate prescribed whenever found in ore. According to well-settled rules of statutory construction this difference in the form of expression must be deemed to indicate a different legislative intent, and to limit the authority of the Department to impose duty in such cases to the ore itself under existing rules of classification. I consider, therefore, that the present classification has attained the force of Congressional enactment, and that a change if desired must be sought in Congressional intervention. If, however, ores of this description are imported, which are distinctively known as lead ores in the legal and commercial sense, they would, as such, be dutiable.

It is deemed in this connection to enjoin upon customs officers a strict enforcement of the regulations of this Department intended to correct abuses which formerly existed in the methods of entry, sampling, and classification of the ores of the character mentioned.

WILLIAM WINDOM,
Secretary.

The injustice of this decision is shown by a comparison with the decision of the same officer in Decision 9400.

The Secretary was not and could not be precluded by any ruling of his predecessor, Solicitor of the Treasury Hepburn, in the worsted case No. 9400, says:

"Prior to the action complained of in this appeal this class of merchandise had been recognized by customs officers as subject to duty, under paragraph 363, as 'worsted' or as 'manufactures of worsted.' A ruling long persisted in, it is contended, ought not to be changed except for the gravest of reasons. Seemingly, it is thought by many engaged in this contention that a wrong, if hoary with age, gains such a status that it is almost impious to attempt its dislodgement.

"It has been suggested that a reclassification of manufactures, such as are involved in this case, is an 'alteration of the law,' and that such an 'alteration' would bring calamity to all business, and therefore that such 'alteration' would be criminal upon the part of the Secretary of the Treasury.

"Surely no sane person would contend that the Secretary or any other officer of the Government can 'alter the law.' Every one recognizes that power to be invested in the Congress alone, but it is made the duty of the Secretary of the Treasury to supervise the execution of the customs laws. He is charged with the duty and responsibility of properly executing these laws, and of course executing them as he understands them.

"This responsibility is imposed upon him by his official oath and by the statutes. He is not necessarily to execute these statutes as his predecessor understood them, or some other gentleman understands them, but as he understands them, and lapse of time, which an error has been persisted in, is not a justification for him when he is clearly satisfied that an erroneous construction has been given to the statutes by those who have preceded him. If an erroneous interpretation has been given of the act of March 2, 1867, or March 3, 1883, quiet will not come to the conscience of the present administrator of the law by the suggestion that the wrong may be nearly a quarter of a century old. When an erroneous interpretation is discovered, then is the opportune moment for its correction, and it is a gross perversion of language to say that he who follows the dictates of conscience and an enlightened judgment asserts what he believes to be the will of the legislature is guilty of the rank crime of usurping the functions of the legislature, and assuming to make alterations in the law."

In that case as appears by the honorable Secretary's decision, the theretofore existing ruling had been protested and argued against to the Department, just as in the lead ore case. "The question in the form presented by this appeal comes here for the first time, and is unembarrassed by any previous Department ruling upon it. After careful research, I am unable to find any decision of the Department which can serve as a precedent for the disposition of this case. It does, however, appear from the files of the Department that at least three times during the past four years application has been made in behalf of the domestic manufacturers of woolen cloths to the Secretary of the Treasury for instructions to the collectors of customs at the several ports of entry, to classify and assess duty upon importations of goods of this character under paragraph 362, as woolen cloths or manufactures of wool, it being represented that they were erroneously classified under paragraph 363, and elaborate arguments were presented in support of this proposition, but no decision upon the subject was ever announced by the Department."

If in the worsted case there was no decision of the Department neither was there in the case of lead ore.

Nor had the custom of the Department in the case of lead ore received the sanction of legislative enactment, as is claimed by the Secretary.

The first action of the Department in which lead ore is concerned took place twenty-six days after the last tariff act became law.

The supposed fact of a construction of the law being made by the Department prior to the passage of the tariff act of 1883, was the basis of the opinion of the Judiciary Committee of the Senate, and there having been no such construction, the opinion of that committee made under mistake of fact on erroneous statement from the Department and without other evidence becomes of no weight, notwithstanding the pre-eminent legal standing of the members of the committee.

The attempt by a Treasury Department, unfriendly to protection, to mislead the Judiciary Committee, by a statement that lead ores containing silver of greater value than the lead, were known to the Department as ores of silver where the only instruction theretofore given was on an import of an iron hematite ore containing 54 ounces of silver and no lead, should not be allowed to succeed under an administration elected as the champion of protection for American industries.

In the case of that import the silver was the only value saved, the iron was lost in reduction and did not come into competition as iron with the protected iron industry.

Nor is there any weight in the claim of the honorable Secretary, that it was not demonstrated that the ores in question "are not known nor entitled to be known commercially as ores of silver."

The proof was overwhelming that these ores were commercially known as lead ores, and not as "ores of silver." But even if it had only been shown that they were commercially known as lead ores, they would under the "similitude clause," section 2499, be dutiable even if they could also be classed as "ores of silver."

This clause is invoked by the honorable Secretary in decision 9400, "duty on worsted cloths;" why did he not also apply it in the case of lead ores?

The honorable Solicitor of the Treasury, in case 9400 above referred to, mentions the well-known "rule of construction that the parts of the statute shall be construed, if possible, as that the whole of it may be given a reasonable operation."

This rule was invoked in behalf of lead ores, and it was plainly shown that the construction contended for by the importers would practically nullify the statute fixing a duty upon lead ores, while the construction urged in behalf of American ore producers would enforce that statute and still allow ores of silver to come in free.

Nor is there more validity to the argument that because of the provisions of the statute with regard to "contained metals," these ores should be admitted free. The lead is not a contained metal; it is the chief mass and distinguishing characteristic of the ore, noticeable at once by inspection and touch. The contained metal is the silver which can only be ascertained by assay. Just as in the case of iron ores, they remain iron ores though containing a greater value in copper, and in addition to the duty as iron ore must pay a duty on the contained copper; lead corresponds to the iron, the silver to the contained copper.

The fuller argument of the points here briefly stated is contained in the briefs heretofore submitted to the honorable Secretary of the Treasury, which are herewith transmitted, and to which we call your attention and ask your careful consideration.

We also call attention to the letter of Rossiter W. Raymond, contained in the *Engineering and Mining Journal*, September 14, 1889, also herewith transmitted.

In the worsted decision, case 9400, the Secretary says:

"There is certainly room for very serious contention that the goods in question should be classified under paragraph 362 as well as 363, and in such cases it would seem to be the duty of the revenue officers to impose the higher rate. It is only in this way that in doubtful or balanced cases a judicial construction can be had. The Government can not apply to the courts for an interpretation of the law, but the importer can, if he deems the rate of duty imposed excessive or unlawful."

It was strongly urged upon the Secretary to apply this rule, and force the importers to protest, appeal, and suit, and thus get a judicial construction. We appeal to the administration to now take this course, or to provide means for bringing the matter before the courts for adjudication, and respectfully ask that you recommend to Congress a resolution in each house construing the law.

C. W. BENNETT, Utah,
W. G. GALIGHER, Montana,
JAS. RANDALL, Idaho,
J. GRANDEMEYER, Nevada,
F. W. BILLING, Colorado,
A. CHANUTE, Colorado,
O. W. WHITE, California,
Committee on Resolutions.

ORES FROM MEXICO.

KANSAS CITY, KANS., *February 25, 1890.*

At a regular meeting of the board of trade, held on the 17th instant, the following resolutions were unanimously adopted:

Whereas some apprehensions exist as to the policy to be adopted in the reciprocity treaty now being made between the United States and Mexico, relative to the importation of ores from that country into the United States; and

Whereas Wyandotte county, in the Argentine Smelting and Refining Works, possesses the equal of any similar institution in the world, turning out one-fifth of all the silver and one-fifth of all the lead produced in the United States, and which is forming the nucleus at this point of the largest smelting center in the world; that this institution is successful mainly because of the free importation from Mexico of certain silver-lead ores, and the imposition of an import duty on said ores would be distressing if not disastrous to the largest manufacturing plant in Kansas, by crippling the smelting industry at this point: Therefore,

Resolved, That the Senators and Representatives in Congress from the State of Kansas are earnestly requested to use every effort in their power to secure free interchange of the ores of Mexico and the corn of Kansas. A prohibitory duty on ores would seriously affect the manufacturing and agricultural interests of Kansas, and

the removal of the present Mexican duty of one-half cent per pound, or 28 cents per bushel, on Kansas corn would tend largely to relieve the present over-supply of corn. Of the importation of silver ore into the United States for 1888, two-thirds of the amount, that is about \$4,000,000, came to the Argentine Company, a Kansas institution, thus consuming about one-fifth of the entire importation of Mexico into the United States. We think Kansas should make a strong fight for free ore, which is building such a great interest among us.

Resolved, That a copy of this resolution be sent to each Senator and Congressman from this State.

J. D. CRUISE, *President*.

D. W. TROUP, *Secretary*.

STATEMENT OF A. R. MEYER.

MARCH 12, 1890.

A. R. MEYER, of Kansas City, Mo., addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I appear before you in behalf of a large manufacturing concern, the Consolidated Kansas City Smelting and Refining Company, of which I am president, and I am further authorized to speak for a majority of the smelting and refining works in the United States which are engaged in the smelting of lead-silver ores and the refining of lead and silver. We beg to ask that your honorable committee do not accede to the demands of a minority of smelters and miners in the west of the United States who seek the exclusion of Mexican ores by asking that you recommend to Congress the imposition of a duty which now does not exist nor which has ever existed in the United States, and which duty, if so imposed, will seriously cripple the mining and smelting industry of the United States and destroy important enterprises now in existence.

You have been told that the Congress which passed the present law intended to place a duty on all ore containing lead, irrespective of commercial classification, and that the law was and is intended to protect ores containing lead and silver such as are now mined in the west of the United States.

Under rulings first made in 1880 by a Republican Secretary of the Treasury, confirmed repeatedly by his successors, and also by a report of the Judiciary Committee of the United States Senate, made in July, 1888, ores containing both lead and silver have been classified as silver ores, and have been pronounced as not dutiable under existing law, provided the value of the silver contents exceeds the value of the lead contents.

On the faith of this law and the rulings thereunder important manufacturing enterprises have been built up and millions of dollars have been invested by American citizens.

It has been represented to your honorable body—First, that the existing law has been wrongly construed; and that it was intended to tax all ores containing lead, or all lead contained in ore. Second, that it is necessary to tax all ores containing lead in order to protect and foster smelting and mining enterprises in the United States. Third, that it is necessary to tax all ores containing lead in order to protect the American workman and to avoid his degradation to the level of the so-called peon labor of Mexico.

I shall be able to completely defeat all these propositions, and shall be able to refer you for all my assertions to the statistics of this Government. Silver ores are not dutiable under existing law, and never have been. The first law imposing a duty on lead ores was enacted in 1862. The law which placed the present duty on lead and lead ore was first enacted in 1864, and has not been changed by legislation since. This law laid a duty of 2 cents per pound on lead in pigs or bars, and 1½ cents on lead ore, not on lead in ore. It is self-evident that Congress never intended to lay a greater duty on the raw material than on the finished product, and hence it follows that Congress must have meant by "lead ore" an ore containing at least 75 per cent. of lead; for 75 per cent. of 2 cents, which is the present duty on pig lead, is equal to 1½ cents, the present duty per pound on lead ore, and under these conditions, therefore, lead would pay exactly the same duty in pig as in ore.

While this is quite plain, there is, however, another unmistakable proof of the intention of Congress. In 1864, when the law was first enacted, which is still in existence now, there was no ore produced in the United States containing lead and silver, and the smelting of such ore was unknown in the United States. It would indeed be remarkable if Congress, divining that some time such ores would be produced and smelted, had enacted a law in order to protect an industry yet to be created. Ores containing lead and silver were first discovered in workable quantities in Nevada, about the year 1867, and the smelting of such ores was first introduced about 1869.

Mr. McKENNA. How much lead must these ores contain to be profitable to reduce?

Mr. MEYER. That would depend upon the locality.

Mr. McKENNA. Well, generally how much?

Mr. MEYER. There is a vast difference in the cost of smelting as between the West and the East. In Missouri the cost of smelting is very low, I should say not to exceed \$4 per ton of ore, perhaps, whereas the ores in the West from which lead is also produced stand a very much larger smelting charge, amounting possibly on an average to from \$7 to \$8 per ton of ore, and in addition to that, these western ores from which lead is produced must be refined. That is to say, the silver and other metals contained in it must be taken out of the lead, which makes an additional expense.

Mr. McKENNA. That does not answer the question. What I want to know is, how rich in lead must these ores be to be profitable to reduce?

Mr. MEYER. As I say, it is difficult to answer you. It depends upon how far you are from the market. If it costs \$15 to bring lead to the market, it would cost in that case \$15 more than where the market is near at hand.

Mr. McKENNA. Do you mean the question can not be answered?

Mr. MEYER. I might answer it in this way: In Colorado the price paid to-day for lead in the ore is usually 2 cents less than the New York price. That would be \$40 a ton, total charge of freight and treatment per ton of lead.

Mr. McKENNA. You have given a mass of details instead of answering the question; if it can not be answered—

Mr. MEYER. It can only be answered in each individual case.

Mr. McKENNA. Then of course it is impossible to deduce any conclusion such as you deduce, such as the imposition of the tariff of 1864 by Congress meant lead ore containing 75 per cent. of lead.

Mr. MEYER. Congress must have intended to tax the ores only which were mined at the time when the present law was first enacted.

Mr. McKENNA. That is an entirely different argument, that perhaps stands by itself; but I mean the other proposition that Congress did manifestly intend to impose a duty on all ore containing 75 per cent. of lead.

Mr. MEYER. I should answer that it never could have been the intention of Congress to lay a heavier duty on raw ore than on pig-lead. The duty on the finished material is 2 cents a pound, and since the duty is $1\frac{1}{2}$ cents on lead ore it must necessarily follow that Congress meant by lead ore an ore containing 75 per cent. of lead; if not, the duty on raw material would be greater than the duty on the finished material, which does not seem to be logical.

In order to explain the second point it will be necessary to briefly refer to the sources from which the lead product in the United States is derived and to describe the present methods of treatment of silver ores.

About 20 per cent. of the lead product of the United States is derived from lead ores proper; that is, from ores which are mined and smelted for the sole purpose of producing lead, and from which lead can be produced at a profit. These ores are produced principally in Missouri, and to protect these ores the law of 1864 was enacted as stated. The mining of these ores is inexpensive, and the smelting is a simple and inexpensive operation. The remaining 80 per cent. of the lead product of the United States comes from ores which contain both silver and lead in varying quantities, and this lead is designated in the markets of the country as "desilverized" lead.

The principal methods for treating ores containing the precious metals are, first, amalgamation; second, smelting. In both these methods a base metal is used to collect the precious metals. In amalgamation quicksilver is so used. The ores are simply crushed and then brought into contact with quicksilver, which dissolves the precious metals at ordinary temperature. The process is inexpensive, but requires very pure ores, free from impurities such as arsenic, zinc, sulphur, and other base metals. The smelting process is adapted to the treatment of all ores. The base metal used is either copper or lead. In both cases the entire mass must be smelted, and the process is expensive. Of the two smelting processes that employing lead to collect the precious metals is most generally in use, and by this process the great bulk of silver ores are treated.

In the early stages of smelting and mining silver ores in the United States only the pure ores containing both lead and silver were treated by this process. The rapid development of mines, and the fact that probably 75 per cent. of the silver ores produced in the United States are either refractory or contain no lead at all, has made it necessary to economize the pure ores containing lead and silver, and containing the former metal in considerable quantity; so that these ores, now commonly known as "flux" ores, are used as a means to the smelting of the general run of ores, or, as we may call them, miscellaneous ores. The rapid increase in the product of miscellaneous ores resulted in the rapid enlargement of existing smelting works and the building of new ones, and as the proportion of miscellaneous ores to flux ores became more and more unfavorable the flux ores have been and are so much in demand

that they are no longer purchased as an ore from which to make a profit in smelting, but they are purchased as a thing necessary for the smelting of the general run of silver ores. The prices now paid for such ores leave no margin to the smelter, and in the case of the purer flux ores, similar to those coming in from Mexico, the prices paid result in a direct loss to the smelter of from \$5 to \$6 per ton. Since without these ores the miscellaneous silver ores can not be smelted the latter have to stand the bonus paid on the former, and as a consequence the cost of smelting miscellaneous ores has increased. Moreover, notwithstanding the importation of these ores from Mexico, the bonus paid on the American pure flux ores is constantly increasing, and the ability of American smelters to smelt American silver ores is short, decidedly, of the supply of such silver ores, on account of the scarcity of flux ores. I think it is therefore evident—

First. That the American miner of flux ores receives more than these ores are worth, according to their metal contents, and that notwithstanding the importation of Mexican ores his profits are constantly increasing.

Second. That the bulk of the miners in the United States, that is, those who do not produce flux ores, suffer from the excessive prices paid for these flux ores.

Third. That the American smelters are seriously interfered with in the development of their business. The smelters will tell you that their profits are entirely disproportionate to the risks that they take, and that their operations often result in loss.

Fourth. It is certainly not true, as has been stated before your honorable committee, that if Mexican ores were kept out a sufficient supply of flux ores would be produced in the United States; for if that were so, the bonus now paid for flux ores would be a sufficient inducement for the increased production of the same, and the opponents of Mexican ores forget that if by any means the supply in the United States of flux ores could be made adequate to the demand, the bonus paid on flux ores must speedily disappear; so that, instead of advantage, the flux ore miners would reap a loss.

I will read you now some statistics in support of the statements I have made. I refer first to the scarcity of flux ores. I have compiled from the reports of the Director of the Mint and of the Geological Survey for the year 1887, and from lead statistics published by E. A. Caswell, of New York, a statement which shows that twenty-eight mines and two mining companies in the United States produced in that year 65 per cent. of the entire United States product of desilverized lead. This 65 per cent. was distributed among the following mines: Eleven mines in Colorado, six mines in Utah, seven mines in Idaho, two mining companies in Montana, two mines in Nevada, and two mines in New Mexico.

While this statement in itself shows not only the great scarcity of this class of ore, but also that the mines producing the ore are controlled by a very few persons in the United States, the statistics collected by Wells, Fargo & Co. for the year 1887 will further show that the product of lead in the mining region of the United States west of the Missouri River is very insignificant compared with the total of metals produced in that region. According to the statistics of Wells, Fargo & Co., the total value of the product of lead, silver and gold for 1887 was \$92,965,024, of which only 10 $\frac{1}{4}$ per cent., that is, \$9,631,073, was due to lead. It is therefore plain that the lead cuts a comparatively insignificant figure as compared with the total metal product in the mining regions of the West; and further, that that small amount of lead is controlled by a few parties and produced by an insignificant number of mines; whereas twenty-eight mines and two mining companies have turned out 65 per cent. of the total United States product of desilverized lead, the great volume of the silver and gold has been the product of thousands of mines. The report of the Director of the Mint for 1887 deals with fourteen hundred Colorado mines, and gives the total product of the same of lead, silver, and gold as \$27,335,912, of which \$6,799,826 was lead. Out of these fourteen hundred mines eleven mines produced 65.4 per cent. of all the lead product of Colorado.

I will next give you some statistics showing the continued advance during the past ten years of prices paid for flux ores.

Fossett, in his History of Colorado, published in 1879, states that free-milling ores were treated in custom mills by the amalgamation process, at a charge of from \$2.25 to \$3.25 per ton, whereas all ores which required smelting paid a charge of from \$25 to \$40 per ton.

Mr. Emmons, United States geologist, in his report on Leadville for 1880, gives a table showing the treatment charges made for ores, which are identical with the present flux ores. The prices paid in 1880 were upon the proposition of a smelting charge of from \$15 to \$28 per ton, and the lead in the ore was paid for at an average rate of 25 cents for every per cent. of lead contained in the ore, this price, however, being based upon a market price of lead in New York of \$5.05 per 100 pounds, and the price paid for lead in ore was adjusted to the variations from the basis so established upon the New York quotation of lead. In 1889 the price for flux ores at Leadville was increased, so that instead of a smelting charge of from \$15 to \$28 in 1880, a smelt-

ing charge of only \$3.50 was now exacted, and instead of paying on a basis of \$5.05 per 100 pounds an average price of 25 cents for every per cent. of lead in the ore, the lead in the ore was now paid for at the rate of 40 cents for every per cent., and based upon a quotation of only \$3.75 per 100 pounds of lead in New York.

Not counting the immense advantage of the change of the basis for the payment of lead in ore, the advantage accruing to the producer of flux ores was still tremendous. In order to show a direct comparison it will be necessary to calculate the outcome on an average ore. We will take an ore containing 25 per cent. of lead, because that is the very grade of the ores coming from Mexico, and is a fair average of the Leadville flux ores. The average price paid for a 25 per cent. lead ore in 1880 was at a smelting charge of from \$18 to \$20, and an average payment for lead of 25 cents for every per cent. In 1889 the treatment was reduced to \$3.50, making, therefore, an increase to the miner of \$15.50 per ton. The simple increase in the payment for lead of 25 to 40 cents has given the miner an additional advantage of \$3.75, making, therefore, the total increase in the period from 1880 to 1889 \$19.25 per ton; that is to say, the entire advantages of the general development of this country brought about by the building of railroads, lower transportation charges, lower prices of fuel, cheaper money, improved methods of smelting, etc., have all and entirely accrued to the advantage of the miner. However, this is not all. I am informed by Mr. Anton Eilers that he offered for a certain flux ore in Colorado last month, that is, February, 1890, a price which provided for a treatment charge of \$1.50 per ton; that is to say, he offered to smelt the ore for even \$2 per ton less than was charged for smelting in the spring of 1889, and to which reference has just been made. However, Mr. Eilers was not fortunate enough to secure the contract, because smelting works located at Pueblo, Colo., agreed to purchase this ore without making any charge for treatment whatever, and this price was for ore delivered on the cars at Leadville—125 miles away from their works.

If I say to you that the cost of transportation from Leadville to Pueblo is \$4.25 per ton, it must be very clear to you that this contract has been secured at a tremendous loss. The contract is made for 150 tons per day, the total output of a group of mines, and this contract, I am sure, will result in a direct loss to the smelter of \$6 per ton, or \$900 per day, or the enormous sum of \$27,000 per month. This loss, of course, must be borne by the miscellaneous ores, for the smelting of which this flux ore is intended. You will ask, how can smelting-works deliberately make a contract representing so large a loss? I answer, that the possession of these flux ores is the key to smelting the miscellaneous ores, and since these ores can not be smelted without flux ores they must stand the cost of these flux ores, whatever it may be.

I believe the prices I have given you are abundant proof that the miners of silver-lead ores have not suffered from the importation of Mexican ore, but that the great majority of silver-ore miners have suffered and do suffer because of an insufficient supply of flux ores, even with the Mexican importations. However, I will give some additional information on this point.

I will now read you the following extract taken from the "Mining Industry," Denver, Colo., April 19, 1889. This is the principal Western mining paper:

"Mining in Colorado in proportion to the value of its product probably yields a higher per cent. of profit than any business in the world except a few patent monopolies. It is a notorious fact that agriculture on the whole pays only poor wages to those engaged in it. Banking, manufacturing, and merchandising are in a prosperous condition when they pay 10 per cent. on the capital invested and only under exceptional circumstances do they pay more than that. On the whole it is estimated that they do not pay more than 6 per cent. In mining the world has proof that over 12 per cent. of the total product is profit. It knows it because over 12 per cent. of the total product is paid out in the form of dividends by only a few listed properties. Every one knows that these listed properties are an insignificant proportion of the productive and paying properties. For instance, there were seven hundred and fifty-three productive mines in Colorado in 1887, while only twelve of the entire lot were included in the listed dividend lot. Every one knows there are scores of the best paying mines in the State not included in the list, and hundreds that pay well whose aggregate profits would show that probably 36 per cent. of the total product is clear profit. It is said that in Pitkin County over 60 per cent., and in Gilpin county over 50 per cent., of the total product is profit."

Now, gentlemen, I have stated that these ores are absolutely essential to the smelting of the general run of silver ores. I have shown here, and could bring considerable additional proof, that the prices paid for these fluxing ores have constantly advanced in the United States; that they have advanced in the very face of the importation of the Mexican ores of similar character. I have shown you a tremendous advance in the price to-day. That the advance has gone to the miner is plainly shown; also that the smelter has the reverse proposition to face. The charges which the smelter has been able to make for the treatment of ores have constantly declined, and it is a well-known proposition among smelting men that smelting does not pay, and

that the returns are altogether insignificant. In addition to that, smelters are unable to smelt all the general ores which are offered to them because of an insufficient supply of flux-ores. I have a letter here, written by Mr. Anton Eilers, who is general manager of a smelting company at Pueblo, Colo., and also general manager of the Great Falls, Mont., Smelting Works, addressed to the Hon. William McKinley, chairman of the Committee on Ways and Means.

I will read this letter in order to show you that the statements I have made are correct, that the smelters in the United States are suffering from the want of fluxing ores and from the high prices that it is necessary to pay for them.

THE COLORADO SMELTING COMPANY,
New York, March 10, 1890.

SIR: I am informed that your committee intends in its recommendations as to the tariff to follow substantially the provisions of the Senate bill of last session. In this bill the tariff on lead ores is fixed at 1½ cents per pound on the lead in the ore, which, no doubt, is equivalent to complete exclusion of all foreign lead ores. In this connection I beg to draw your attention to the following facts, which I give you from the stand-point of a manufacturer, whose smelting-works are located at Pueblo, Colo., and at Great Falls, Mont.

During the last year the supply of lead ores in the West has so constantly diminished that, although an amount equivalent to about 50 per cent. of former importations has entered the United States from Mexico, lead ores are now so scarce that Western smelters are seriously crippled in treating the amounts of silver and gold ores which their capacity would otherwise enable them to smelt. Not only are they compelled to smelt with an insufficient percentage of lead in their charges, but many of their furnaces have to be shut down entirely, since there is no lead ore at all to mix with the silver ores that might be treated in them.

It is the almost unanimous opinion of Western smelters, as far as my acquaintance with them enables me to judge, that Mr. Windom's ruling of July last had the effect which was most desirable for both the mining and smelting interests of the United States, *i. e.*, it allowed just enough lead ores to come into the United States to supply the wants of the smelter, while it saved us from being flooded with too much. That this has in no way injured the interests of the lead-ore miners of the United States is conclusively shown by the fact that, although the price of lead has not increased, that of lead ore is to-day so high that the smelters are treating it at an actual loss.

Under these circumstances I think that the total exclusion of foreign lead ores could only have the effect of shutting down more smelting works, since the lead ore to run them is certainly not available in the country. I would therefore respectfully recommend that the law in regard to lead ores be left, at least for the present, as it is. I am,

Respectfully,

A. EILERS,
General Manager.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

Mr. Eells, I think, has also a copy of a letter from Mr. J. E. Schwartz, president of the Pennsylvania Lead Company, of Pittsburgh, and also president of the Mingo Furnance Company, of Salt Lake City, Utah. He says substantially the same thing as Mr. Eilers. I will later on give a list of the smelting works of the United States, and pick out those who are in the same line of thought with us.

I have read the statements made before this committee by Mr. Oscar Keene, Mr. Thomas H. Carter, and others. These statements seem to me to rather create the impression that the lead coming into the United States in silver-lead ores from Mexico is that much clear gain to the purchaser, and that the lead so purchased at a low price enables the importer of these ores to undersell American lead. Nothing can be more erroneous. The ore from Mexico is not imported for the purpose of making lead, for the reason that it is not profitable to make lead from this ore. The ore is purchased for the distinct purpose of assisting in the smelting of silver ores, and is paid for in proportion to its usefulness in that direction, aside from its metal value. The lead which is incidentally produced from the Mexican ore costs the American smelter just as much as the lead in American ores, and the only reason why he goes to Mexico for this ore is because he can not supply himself in the United States. Competition among American smelting works is almost as severe for Mexican ores in Mexico as it is for similar ores in the United States. There is, therefore, no direct profit at all to the American smelters in these Mexican ores, neither in the lead or silver, nor in the operation of smelting, but these ores are used to smelt American silver ores.

It is also not true that the lead from Mexican ores takes the place of American lead

because six years out of nine, commencing with 1881, the total supply of lead in the United States, derived from native and Mexican ores together, has been short of the consumption, and during those years in which no Mexican ores were imported it has been frequently necessary to import pig lead from abroad. Since 1885, from which year the Mexican importations date, the consumption of lead in the United States has always been in excess of the supply derived from native and Mexican ores combined, excepting only in the year 1888. The reason why the consumption in 1888 fell off must be attributed to the reckless speculation of N. Corwith, who made an attempt to corner the lead market and advanced the prices of lead to such a height as to considerably affect the consumption of that metal.

In the year 1885 the total United States product of lead was 135,518 tons. It was necessary to import 1,780 tons, and then there was a total supply of 137,000 tons against the consumption of 145,000 tons, showing therefore an excess of consumption over the total supply of 8,000 tons. In 1886 the total United States production was 127,000 tons, and importations from Mexico 8,000 tons, against a total consumption of 141,000 tons, and in the year just passed, 1889, the total production, including 19,000 tons derived from Mexican ores, was 190,000 tons, whereas the consumption was 200,000 tons; so there was an excess in 1889 in consumption over the supply derived from American and Mexican ores together of 10,000 tons.

Mr. McKENNA. What are you reading from?

Mr. MEYER. These are lead statistics which have been collected by a New York lead broker, Mr. E. A. Caswell, and partly statistics collected by the Engineering and Mining Journal of New York.

Mr. McKENNA. How do they get the consumption of lead in the United States?

Mr. MEYER. They apply to all the producers of lead in the country, and receive from them the report of the total amount of lead they produce at the different works. They go then to the Bureau of Statistics, and get the importations of Mexican ores and the contents of the Mexican ores. I can give you some figures on that. The figures for the importation of Mexican ores are not absolutely complete, because the importations for December, 1889, have to be estimated. In 1888 the total importation of ore from Mexico was 120,000 to 140,000 tons, which contained 28,606 tons of lead, that is to say about 20 per cent. In 1889, estimating the month of December, the total importation was only 86,404 tons of ore, containing 19,225 tons of lead.

Mr. McKENNA. In other words, the producer and seller of lead finds out how much they sold, and then you get the importations from the Bureau of Statistics, and ascertain how much is imported. How does that tell you how much lead is consumed?

Mr. MEYER. The consumption comes from the consumers.

Mr. McKENNA. How?

Mr. MEYER. They address letters, for instance, to every consumer. They go to all the brokers, as lead is usually sold through brokers. These brokers of course keep accounts of their transactions. These statistics, however, are also collected by the United States Geological Survey, and while there is some difference between the statistics arrived at in different ways it is not material. In regard to the statement made that the importation of ores will degrade American labor to the level of Mexican labor I have this to say: The price of an ore is not based upon the labor which it takes to produce the ore, but the price is regulated by the demand for the ore. The Mexican mine owner does no more than the American mine owner share his profits with the workmen. In Leadville, which is acknowledged to be the most fortunate mining camp on earth by everybody who is familiar with mining, the wages paid to the miner have declined. They are lower to-day than in 1880.

Mr. McKENNA. What wages do they get?

Mr. MEYER. The wages, I think, are \$3 in the mines and \$2.50 for surface work. I, gentlemen, claim to know something about this matter, as I was one of the three who gave Leadville a name. I laid out the town and lived seven years in Colorado. The Consolidated Kansas City Smelting and Refining Company, of which I am president, have smelting works at Leadville, Colo.; we have smelting works at El Paso, Tex.; and we have smelting works at Argentine, Kans. If we were benefited in any way by the importation of Mexican ores to the disadvantage of the smelters in Colorado we should realize it. We would share in the disadvantage on account of our Colorado works. As a matter of fact, the scarcity of flux ore, notwithstanding these Mexican importations, is so great that we are compelled to run at very much less than our capacity, and that is the case with everybody else. The ores from Mexico have been directly responsible for the Argentine, Kans. and El Paso, Tex., works. This responsibility also largely extends to smelting operations carried on at other points in the United States, St. Louis, New Mexico, and Newark, N. J. These Mexican ores come in and supply a territory where smelting works are located that can not be supplied from Colorado or from the west, for the simple reason that these ores are not produced in sufficient quantities for home consumption of western smelters, and the western smelters pay for them, as I have shown you, \$6 a ton more than they are actually worth. The large trans-

portation on top of that, to ship ores from Colorado to Kansas City, would be impossible. The only opportunity we have for life at Argentine is through the supply of these Mexican fluxing ores, which will thus enable us to go into the western markets and compete with local smelters for the miscellaneous ores, of which there is an abundance. Now, Mr. Eilers in his letter states very clearly how scarce the flux ores are and that the smelters are not running at full capacity, notwithstanding the importations which are taking place from Mexico.

Here is a list of the principal smelting works in the United States. These works are engaged in the smelting of silver ores, using lead as a flux, and collecting the precious metals in lead :

American Smelting Works, Leadville, Colo.
 Argentine Smelting and Refining Works, Argentine, Kans.
 Arkansas Valley Smelting Works, Leadville, Colo.
 Aurora Smelting and Refining Works, Aurora, Ill.
 Chicago Smelting and Refining Works, Chicago, Ill.
 El Paso Smelting Works, El Paso, Tex.
 Germania Smelting and Refining Works, Salt Lake City, Utah.
 Globe Smelting Works, Denver, Colo.
 Great Falls Smelting Works, Great Falls, Mont.
 Harrison Smelting Works, Leadville, Colo.
 Hanaur Smelting Works, Salt Lake City, Utah.
 Helena and Livingston Smelting Works, Helena, Mont.
 Mingo Smelting Works, Salt Lake City, Utah.
 National Smelting and Refining Works, Turner, Kans.
 Omaha Smelting and Refining Works, Omaha, Nebr.
 Omaha Smelting Works, Denver, Colo.
 Manville Smelting Works, Leadville, Colo.
 Pennsylvania Smelting Works, Pittsburgh, Pa.
 Philadelphia Smelting and Refining Works, Pueblo, Colo.
 Pueblo Smelting and Refining Works, Pueblo, Colo.
 Rio Grande Smelting Works, Socorro, N. Mex.
 San Juan Smelting Works, Durango, Colo.
 St. Louis Smelting and Refining Works, St. Louis, Mo.
 Newark Smelting and Refining Works, Newark, N. J.

I have cited twenty-four works. Out of these twenty-four works, seventeen either controlled or managed through Mr. Eilers and myself or which have given us permission to speak for them, ask that the present law be left; or rather this, that no new law shall be passed which shall impose a tax that does not exist now. The works which ask this are :

American Smelting Works, Leadville, Colo.
 Argentine Smelting and Refining Works, Argentine, Kans.
 Arkansas Valley Smelting Works, Leadville, Colo.
 Aurora Smelting and Refining Works, Aurora, Ill.
 Chicago Smelting and Refining Works, Chicago, Ill.
 El Paso Smelting Works, El Paso, Tex.
 Great Falls Smelting Works, Great Falls, Mont.
 Harrison Smelting Works, Leadville, Colo.
 Mingo Smelting Works, Salt Lake City, Utah.
 Manville Smelting Works, Leadville, Colo.
 National Smelting and Refining Works, Turner, Kans.
 Newark Smelting and Refining Works, Newark, N. J.
 Pennsylvania Lead Works, Smelting and Refining Works, Pittsburgh, Pa.
 Philadelphia Smelting and Refining Works, Pueblo, Colo.
 Rio Grande Smelting Works, Socorro, N. M.
 San Juan Smelting Works, Durango, Colo.
 St. Louis Smelting and Refining Works, St. Louis, Mo.

Of the others, some of them I know to be in opposition. Of this class is the Omaha Company and the Globe Smelting Company, of Denver. The position of the remaining works is unknown to me.

Now, gentlemen, in addition to what I have said, I may as well now call your attention to the fact that these Mexican ores, which came in in 1858 to the extent of 140,000 tons, have supplied work to American labor, and have given large earnings to American railroads. The amount of money expended for freights directly and indirectly on account of the importation of these ores to railroads built by American capital amounts certainly to \$150,000 per month. The value of the lead which we produce out of these ores incidentally is 50 per cent. due to the work done by American labor and to transportation charges by the American railroads. As I have said to you before, it is not the point that those of us who are importing Mexican ores are

endeavoring to buy lead cheap and bring it into this country to sell it against American produced lead, but we are compelled to buy these ores for fluxing purposes and the lead in these ores costs us as much as the lead in the United States. If we had a sufficient amount of that lead ore in the United States there would be absolutely no object in going to Mexico for it.

Mr. BAYNE. How much do you pay for a ton of that ore that has \$5 worth of silver in it and 25 per cent. of lead?

Mr. MEYER. I should perhaps answer the question in this way: These Mexican ores are now bought on a proposition that leaves no smelting charge delivered at Pueblo, Colo. These are ores which are sold to American smelters by mines in Mexico. Mr. EELLS. It might solve the question in one way for you to state that you pay precisely for that ore what you pay for lead produced in mines at Leadville; you do not pay any more or less?

Mr. MEYER. Under recent contracts which have been made for Leadville ores, to which I referred a while ago, the prices have been raised since 1889, last month by \$3.50 per ton. The ores are bought first by paying for the lead contained in it on the basis of New York quotations, and by paying for the silver contained in it on the basis of New York quotations, deducting the usual loss in smelting, and the total working charge is then deducted at the point of delivery or shipment. Now the Pueblo works which have been importing ore from Mexico have been buying those ores on the proposition of no smelting charge delivered at Pueblo. Others may have been more fortunate. But as a general proposition, as far as lead itself is concerned, it is not a question of the American importer buying cheap lead and selling it in competition with American lead. He simply imports this ore because it enables him to smelt American ores.

Mr. BAYNE. What do you pay now for the lead in the Mexican ore?

Mr. MEYER. On the basis of 4 cents in New York. I think we pay about 40 cents for every per cent. on the basis of delivery at El Paso.

Mr. BAYNE. Forty per cent.?

Mr. MEYER. Forty cents for every per cent., equivalent to 2 cents a pound. This is the same price that is paid at Leadville for the lead. They pay at Leadville for the lead in the ore 2 cents a pound. However, lead is valued by instructions issued by Mr. Windom on July the 17th, 1889, at 3 cents per pound delivered at the Rio Grande River.

Now, gentlemen, there is one thing more I want to say and then I shall have finished. I find in the report of a hearing before this committee a statement by Mr. Frederick T. Dubois in which he says that the production of lead in Idaho in 1889 was 80,000 tons. The facts are that the production of lead in Idaho was not over 20,000 tons. The statistics which have been gathered, which are not quite complete, show about that amount. It may be somewhat wrong but it is not 2,000 tons out of the way. The product of Montana and Idaho together was 28,000 tons, and Montana produces 6,000 to 8,000 tons of lead.

Mr. BAYNE. What do you think of our natural resources in respect to the production of lead?

Mr. MEYER. I think the record of the last six or seven years shows that this country can not produce these ores in sufficient quantities. We are and have been holding out great inducements for increased production of this flux ore in the bonus that is paid for these ores. The following illustration will show what this bonus on flux ore means. Suppose it was necessary, in order to smelt 2 tons of ore containing no lead whatever, to use 1 ton of ore that contains 25 per cent. of lead. Suppose it was necessary further, in order that the smelters shall make a profit of \$1 per ton, that he should have \$8 a ton for smelting a ton of ore for every ton of ore he puts into his furnaces. Then you have this proposition. These 3 tons mixed together would require a smelting charge of \$8 per ton, or \$24 for all 3 tons. Now this 1 ton of fluxing ore costs \$6 per ton more than it is worth or than can be gotten out of it, consequently the remaining 2 tons have to stand the entire working charge, and also to stand the bonus which is paid on that ore. That makes \$30; consequently, 2 tons of miscellaneous ore pay \$15 per ton for smelting, whereas the average cost per ton is \$8, and that is where the difficulty comes in. The American miner of ore other than fluxing ore has to pay for this right along, and will continue to do so. The imports coming from Mexico, as plainly shown, have had no effect in the direction of reducing the bonus paid for this ore; on the contrary, the price has increased.

Mr. BAYNE. These Mexican ores have fluxing qualities?

Mr. MEYER. We produce these ores, but we do not produce them in sufficient quantities; that is the difficulty. The great bulk of all the ores in the United States, possibly 75 per cent., are ores that require fluxing ores to smelt them. For instance, when it was assumed last fall that the Secretary of the Treasury would exclude Mexican ores by changing the ruling, the charges for smelting dry ores went up at once, for the simple reason that the smelters that bought these ores had not sufficient flux ores and had to calculate on an advance in flux-ore prices.

Mr. BAYNE. What proportion of the imported Mexican ore has this quality?

Mr. MEYER. I can not make a positive statement but I think I can approximate it. The importations from Mexico at this time are said to be about 5,700 to 5,800 tons per month; of these, say 6,000 tons, 3,000 to 4,000 tons have fluxing qualities.

Mr. CARTER. I would like to ask a few questions that might possibly elucidate the difficulties with which we are confronted. You believe that the American miner would really be benefited by the admission of Mexican fluxing ore free of duty?

Mr. MEYER. That is, I say the general average of miners.

Mr. CARTER. That, then, would not hold good of those owning and attempting to operate lead-producing mines in the United States?

Mr. MEYER. That is a question I could not answer; it is an intricate question. It is a question the answer to which to be perfectly frank with you, would depend upon whether the Mexican ores have had any effect in the direction of reducing the price of lead. Now, as a matter of fact, if I may be allowed to refer to that, the statistics show that that is not the case. I have here the prices paid for lead for the two or three years preceding the Mexican importations, which prices were lower than those for the two years succeeding the importations. I thought I had the statistics with me, but I find that I have not.

Mr. CARTER. There has been a pretty heavy decline since 1880 in the price of lead?

Mr. MEYER. It has been fluctuating.

Mr. CARTER. You, then, do not wish the committee to infer from what you have said that it is your deliberate opinion that mines of the United States which produce lead in conjunction with silver, and lead without the silver, would really be benefited by the free importation of lead ores from Mexico, but that mining in general might be benefited.

Mr. MEYER. The mines which produce ores containing little or no lead, and even those containing lead perhaps in considerable quantity but which ores are refractory, I say will be benefited. An ore containing 20 per cent. of lead or even 25 per cent. of lead, but in the form of refractory ore, such as certain ores produced in Leadville known as sulphide ores, although containing as much lead as the Mexican ores, will be directly benefited by the Mexican importations, for while they contain lead, which is a useful product, they contain other deleterious substances which compel the additional use of fluxing ores. All ores containing no lead will be benefited by the importation of the Mexican ores. The question is, as I stated, an intricate one. I wish to repeat what I stated before. The American fluxing ores are enjoying protection inasmuch as they command a premium over value of \$6 per ton, and if any encouragement is needed it would seem that this premium is sufficient encouragement to produce the ores; but that encouragement does not bring forth the ores, therefore it is quite plain that these ores at least are not being hurt by importations from Mexico. On the other hand, if it were true that by the exclusion of Mexican ores sufficient fluxing ores could be produced in the United States it would only be possible, first, if the American smelters were compelled to pay a greater bonus, still more to the disadvantage of other miners, or if the price of lead advanced on account of that exclusion. The first means is undoubtedly undesirable. Granting that by the exclusion of these ores the price of lead would advance, which I deny, then still the producer of this class of ores would suffer against his present position, because if more ores are produced, sufficient to meet the demand, the bonus now paid must fall.

Mr. CARTER. So that as a matter of fact the American mines which now produce ores similar to those imported from Mexico would be really injured no doubt by the free admission of Mexican.

Mr. MEYER. I will not say that.

Mr. CARTER. To present the matter in a different shape. Assuming that your Mexican lead ores contain 50 per cent. of lead or 1,000 pounds per ton—

Mr. MEYER. Which they do not.

Mr. CARTER. Assuming that it is 40 per cent.

Mr. MEYER. Say 20; as an actual fact they contain from 20 to 25 per cent.

Mr. CARTER. At the present time that Mexican lead pays \$30 per ton for admission at the ports on the Mexican border.

Mr. MEYER. I do not know that I quite understand. The ores contain 25 per cent of lead.

Mr. CARTER. But if it is taxed at all it will pay \$30 a ton.

Mr. MEYER. If classified as lead ore under existing laws it would be.

Mr. CARTER. Now then, assuming that the American mines on this side of the border produced ore exactly equal in kind and find a market under that protection, do you assume to say that if the protection was entirely removed the markets for the American product would in no sense be affected?

Mr. MEYER. Yes sir, I claim that.

Mr. CARTER. Then protection does not protect in that case.

Mr. MEYER. Protection in this case, gentlemen, means to cut down your smelters in

the United States. It means that these people who risked their money, who created work for labor which the miner does not, to that extent will be seriously damaged. It will not only reduce the smelting capacity and the work of the existing smelters, but you will also lose by that "protection" what benefit the American laborers have in the treatment of Mexican ores. These ores, if excluded from the United States, will be smelted on the other side. You can not stop the Mexicans from producing the ores.

Mr. CARTER. This bullion will pay 2 cents a pound import duty before it competes with the American product.

Mr. MEYER. Yes, sir; if imported into the United States.

Mr. CARTER. But if it does not come in here, the lead produced in this country will probably bring a better price.

Mr. MEYER. No, sir; it will not.

Mr. CARTER. Its scarcity then will have a tendency to decrease the price.

Mr. MEYER. There is this much to be said on this proposition. The price of lead is not regulated entirely by the supply; the demand has something to do with it. We have a record here of 1888. There was a time when the price of lead was advanced and it resulted in the shutting off of those industries that used lead. I think any reasonable man, be he smelter or be he a consumer of lead in the United States, will tell you the price of lead can not be forced beyond 4 cents, and the importation of Mexican ores will not change that one iota.

Mr. CARTER. Do you pretend to say that the large consuming industries would cease to consume lead and thus decrease the price if it is forced beyond 4 cents a pound?

Mr. MEYER. Yes. I will explain why. For instance, white lead, which is the product of corroding pig lead, is used extensively in the manufacture of paint. That paint goes to the farmers in the West and all over the country, and is used in painting; and when the price of that article goes beyond a certain figure the consumption is reduced and what is known as "mixed paint" takes its place. This is a paint that usually has for its basis zinc, and it is a well understood fact that at certain prices lead paints are crowded out. In the West where I live, in Kansas, we have a great many new water-works constantly building, and when the price of lead is very high you will find inferior iron pipe is used in place of lead pipe.

Mr. CARTER. What are the wages of the miners who produce this lead ore?

Mr. MEYER. The prices paid to these miners—I can speak intelligently only in regard to mines which my company own—our superintendents and foremen are all Americans, and other employes are Mexican. The Mexican miners usually are given contracts, and the average price received per day is perhaps \$1.50.

Mr. CARTER. That is based on a contract arrangement.

Mr. MEYER. We employ them that way entirely, and it is the Mexican custom almost entirely. They receive there for driving a tunnel so much a foot. Gentlemen, that price of \$1.50 a day is higher than the price that is paid to American labor in the State of Missouri for the production of lead ore. I came across a statement in a paper not long ago—I haven't it with me, unfortunately—in which it was stated, St. Jo—

Mr. CARTER. Will you kindly answer, if you can, the direct question what you pay Mexican miners when you hire them by the day as they are employed in the Mexican mines?

Mr. MEYER. We do not hire them that way.

Mr. CARTER. All your labor is contract labor?

Mr. MEYER. Yes, sir. I came across a paper in which it was stated that the miners of the St. Jo., Mo., mines were getting very tired of receiving only from 75 cents to \$1.25 per day, and that the St. Jo. Company had declared a dividend in 1889 of 41 per cent. That statement was corrected subsequently, I think publicly by the management, in this respect. That while it was true that 41 per cent. dividend was declared, 20 per cent. or 30 per cent., I do not remember exactly which, was in the shape of a scrip dividend, but as a matter of fact that scrip dividend represented earnings of that company for the past few years and put into other operations. There are mines in Kansas where now the wages are about the same as I have stated. I live near there. They pay \$1, possibly \$1.50. The other day some gentlemen from Kansas City went down into Kansas to prosecute some suit. I understand the suit was against a mining company, and it developed that enormous profits were made in that enterprise. So when you come down to it, the price for good miners in Mexico is as high as the price paid for miners in localities in the United States equally situated. The Mexican mines are located largely among the agricultural districts, in districts which can be compared with Missouri and Kansas. Of course in the Rocky Mountain region, in Idaho and Montana, the miners receive higher wages.

The CHAIRMAN. Are these mines in Mexico from which lead ore is taken under the control of American citizens?

Mr. MEYER. A great many are.

The CHAIRMAN. I mean as representing the importations of ore.

Mr. MEYER. Our company is interested in mines there, and there are other Americans interested in mines. Our shipments of flux ore are largely from our own mines in Mexico.

The CHAIRMAN. Do smelters generally have mines there, American smelters?

Mr. MEYER. That is a hard question to answer. I could not answer it, but I know we own some mines there, and I know a number of American companies who do so also, but whether these Americans are also engaged in smelting or not I could not positively say.

The CHAIRMAN. How long have you been smelting the Mexican ore?

Mr. MEYER. I think we commenced in 1885.

The CHAIRMAN. What had you been doing previously?

Mr. MEYER. We had been smelting on a very small scale at Argentine, Kans. We projected the Argentine Refining Works, at Argentine, for the refining of so-called base bullion, but, incidental to refining, had to smelt on a small scale to work up products from our refinery. The ore-smelting works at Argentine, Kans., as they stand now, are entirely dependent upon the Mexican fluxing ores. Our works at El Paso, Tex., were built in 1887, and built entirely upon the proposition of bringing fluxing ores from Mexico to smelt the dry ores of New Mexico and Arizona.

The CHAIRMAN. Is that the same company as the Kansas company?

Mr. MEYER. It is the same company.

Mr. CHAIRMAN. When was that built in Kansas?

Mr. MEYER. In 1881, and the one at El Paso in 1887.

The CHAIRMAN. Can you tell the committee how much capital is invested in this country in smelting Mexican ores? I mean in the country at large.

Mr. MEYER. Our company has invested in American smelting enterprises and in mines in Mexico, due entirely to the condition now existing in the way of tariff legislation, \$1,500,000, and possibly over that. I mean to say that that investment was due entirely to the free importation of Mexican ores.

Mr. BAYNE. How much does fuel cost at El Paso?

Mr. MEYER. Unfortunately it is very high. It comes from Colorado, and it costs \$8.50 a ton for coke, and for coal about \$6, i. e., somewhere about that, from \$5.50 to \$6.

Mr. BAYNE. How much does it cost in Colorado?

Mr. MEYER. The coke would cost about \$3; in fact, we pay at the ovens in Colorado \$2 per ton. Coal, I think, costs at Pueblo and Denver from \$1 to \$1.50 per ton.

Mr. BAYNE. How much fuel would it take to smelt a ton of ore?

Mr. MEYER. About 25 per cent. on the ore of coke and in addition to the coal.

The CHAIRMAN. If a duty was put upon these ores, what effect would it have upon importation; would it diminish it if you imported it at all?

Mr. MEYER. We could not import at all; it would shut out the importations absolutely.

Mr. TOWNSEND. If I understood you, you said that the production of the lead in the silver lead mines of the Rocky Mountains had increased somewhat since 1889. Did you make that statement?

Mr. MEYER. Fluxing ores have decreased, but lead is also produced from ores containing lead in small quantities. A great many silver ores contain 3 or 4 per cent. of lead. I think the total lead production of Colorado, however, was about the same as last year.

Mr. TOWNSEND. I understood you to say that when it was reported the Secretary was going to change the ruling and enforce the law, the smelting men increased the smelting charges on dry ores, and that the reason of that was that the smelting men believed they would have to pay a higher price for fluxing ores.

Mr. MEYER. Yes, sir.

Mr. TOWNSEND. What does that mean; that miners would get a higher price for the lead, that the smelters would have to pay a higher price for the lead for smelting?

Mr. MEYER. No, it means that they would be willing to lose on these fluxing ores any amount of money that was necessary, because the dry ores would have to stand it. The proposition is about the same as if you were buying coke or other material. These lead fluxing ores really take the position of a material necessary for smelting. If the Mexican ores are shut out, the works at El Paso, Argentine, and elsewhere who now get ores from Mexico would then be unable to get those ores. The works at Denver have an abundant supply of miscellaneous ores, drawing them from different sections on account of railroad facilities, etc., and these smelters at Pueblo and Denver having, so to speak, the cinch, as it is termed in the West, could afford to pay good prices for the fluxing ores because they would make it up on dry ores.

Mr. CARTER. I see from a paper to-day the following :

THE LARGEST SALE OF ORE EVER MADE IN THE COEUR D'ALENE.

[Special dispatch to the Journal.]

SPOKANE FALLS, *March 5.*

The largest sale of ore ever made in the Cœur d'Alene mining district was consummated to-day. Fourteen thousand tons of ore are to be delivered this summer to the Omaha smelter. The ore will come from the famous Poor-man mine, owned by Butte City and Spokane parties.

Now, one mine furnishes 7,000 to the Omaha Smelting Company. How far distant is the Kansas City smelter?

Mr. MEYER. Six or seven hundred miles.

Mr. CARTER. You mean Omaha or Denver?

Mr. MEYER. I mean from Denver. The Omaha company, you know, have works at Denver, at Salt Lake City, and Omaha.

Mr. CARTER. Now, is it not true that you can go into the Cœur d'Alene country and purchase all the fluxing ore your smelting works require?

Mr. MEYER. No, sir; that is not true. I buy ores there; I use the best endeavors to supply myself in the United States, and I am unable to do so; and I will say that at the time I made a contract with the mines of the Cœur d'Alene district our company paid the highest price paid up to that time for any such ore. We have a contract with mines of the Cœur d'Alene region for 12,000 tons of ore during the year 1890.

Mr. CARTER. You say you have a letter from Mr. Anton Eilers, who is superintendent of the Colorado Smelting Company at Pueblo, Colo.—

Mr. MEYER. Yes, and he is also general manager of the Great Falls Smelting Works.

Mr. CARTER. What is the date of that letter?

Mr. MEYER. March 15, 1890.

Mr. CARTER. I would like, with the permission of the committee, Mr. Chairman, to read a letter from the same gentleman dated May 4, 1889. This letter I read for the purpose of having any comment you may desire to make at this time.

IMPORTATION OF LEAD.—LETTER OF A. EILERS.

THE COLORADO SMELTING COMPANY,
Pueblo, Colo., May 4, 1889.

Hon. EDWARD O. WOLCOTT, *Denver, Colo.:*

DEAR SIR: Your favor of yesterday is at hand.

Mr. Kirchhoff's statistics in regard to the importation of lead in ores from Mexico are reliable. They were published in the Engineering and Mining Journal, No. 15, Vol. XLVII, as follows:

"This office is indebted to the Bureau of Statistics for the following figures relating to the amounts of lead returned by collectors of customs as contained in silver-lead ore imported from Mexico during the calendar year 1888:

	Pounds.
Corpus Christi, Texas	5,629,780
Paso del Norte, Texas and New Mexico	41,647,291
Saluria, Texas	9,995,300

57,272,371

"In the calendar year 1887 the Mexican imports were estimated at 15,000 tons; so that the greater part of the enormous increase in 1888 is due to the receipts of lead in Mexican silver-lead ores imported duty free."

From the above you see that nearly 29,000 tons of Mexican lead came into the United States in 1888. This, together with the production of the United States in 1888, overstocked the markets badly and depressed the price of lead, so that very many of the lead mines in the West, which carry ores low in silver (from 4 to 10 ounces per ton), were forced to shut down. The consequence of this in retarding the settlement of the mining States and Territories, in diminishing railroad earnings and trade generally, you know better than I do. I mean to say that this is by no means simply a question of a few mining companies being affected, as some of the Eastern papers would have it, but really a question of the welfare of large communities.

You will meet the argument by certain railroads (probably the Mexican Central, the Mexican National, the Santa Fé, and certain roads of the Gould system) and by the Kansas City Consolidated Smelting and Refining Company, who are principally

interested, that the importation into the United States of lead ores means increased trade in merchandise with Mexico; but I think you will find, in looking over the statistics of Mexico's trade, that the bulk of their importations still comes from Germany and England, and will do so as long as our goods can not be made as cheaply as those of the countries referred to.

I do not know where you can get these statistics in so short a time unless the Salt Lake parties, who will also be present at the argument, have them. Possibly the Financial Chronicle in New York might have them. But it seems to me that the principal question in this matter is what the law meant which was passed in regard to the importation of lead ores.

Any unprejudiced person, it seems to me, must assume from its language that it meant "protection with a vengeance," for it puts a tax on not the lead in the ore, but the ore itself. In connection with this the question will of course come up, What is a lead ore? Now the metallurgist who runs a silver mill calls an ore containing only 5 per cent. of lead a lead ore, while the lead smelter begins to call a silver ore containing 10 per cent. of lead with that amount, and pays for the lead in it.

Sometimes on special contracts the lead is even paid for from 5 per cent. upwards. How the money value of the lead and silver in an ore can have anything to do with the appellation of an ore no mining engineer or metallurgist will be able to tell you; it remained for the Secretary of the Treasury (I believe it was Mr. Sherman) to make this unique definition.

I inclose E. A. Caswell's statistics for 1888, which are fairly reliable; those of the Engineering and Mining Journal you will find in one of its early numbers of this year, No. 2; those of Mr. C. Kirchhoff, jr. (editor of the Iron Age, N. Y.), I have not at hand, but by writing to him you can no doubt get them in time. His I consider the most reliable. They will appear officially in the report on mining statistics issued by the Geological Survey (Major Powell).

All of these statistics show that the large surplus of lead on hand at the end of 1888 is just about equal to the amount imported from Mexico.

That the average price of lead in 1888 was as high as it is shown is solely due to the manipulations of one speculator (N. Corwith), who broke under the load with a grand crash. Since his failure lead has been from \$3.60 to \$3.65, mostly, per 100 pounds, a price for which it can not be produced with profit under existing circumstances of high labor and materials. Hoping that under a Republican administration imports of lead ore would be stopped, the best situated miners and smelters have so far continued production, but there are ominous signs all around that they too must soon stop. The consequences of this, not alone to the large capital employed but principally to the working people and to trade in the far West generally, it is easy to foresee.

The West is full of strangers, now that only a portion of the mines and smelters have shut down; what will it be if the rest of them have to do the same? Nevada is a good example for a far Western State in which mining has virtually ceased. I hope Colorado, Utah, Montana, and Idaho will not share the same fate.

I shall probably be in New York about the 10th or 12th. If I can be of any service to you there, please address me at No. 7 Nassau street.

Yours, very truly,

A. EILERS,
General Manager.

What have you to say on this line of thought of Mr. Eiler's?

Mr. MEYER. In the first place I have to say that so far as the proposition contained therein is concerned that the production of lead fell off in the United States, the facts we have since gathered do no bear him out. The Engineering and Mining Journal, to which I have written for information, reported to me that the product of lead in the United States for 1889, including the Mexican importation in ore of 19,000 tons, was 190,000 tons in 1889. That leaves for the United States 171,000 as against the product of 157,000 tons for 1888. Evidently, therefore, the production of lead has increased. As to the other proposition I have this to say. Mr. Eilers operates large smelting works and I have read to you here the names of other large smelting companies. Here is Mr. Eells, of Cleveland, Ohio, who is largely interested in smelting, and we tell you—a majority of the smelting works of the United States, including those of Mr. Eilers—that it is impossible the present state of things should continue. I will read to you a portion of a letter from a gentleman interested in smelting at Leadville with whom our company jointly owned smelting works at that place. This is addressed to myself:

"As you are aware the present way of buying ores is not on a commercial basis and it is not a question of what a smelter can pay and have a small margin of profit, but it is simply a question of how much the last purchaser paid, and how much more must be paid to secure the ore. The Maid of Erin, not satisfied with the present exorbitant prices realized, is holding back for still higher prices, talking of \$2 treatment

and 40 cents a unit for lead. This cut-throat policy must be stopped or else all smelters will surely meet with financial ruin."

Do you wish to know the name of this gentleman? It is Mr. Charles T. Limberg, of Leadville.

Mr. CARTER. He is a party interested in the importation of these ores.

Mr. MEYER. No, sir; he is not. I beg your pardon, not in any sense is he interested. Here is another letter, dated December the 2nd, 1889:

"One thing is certain, things can not go on much longer as they have in the past, and while our concern has not done well this year, I know of others who have done worse. All plants seem to be anxious to run full and do a large business, and as long as the output of fluxing ores is not sufficient to give them all a fair percentage of lead in their charge at reasonable prices, it is bound to result in general disaster. You do not seem to share my anxiety about the Maid of Erin ore, but you will find, before long, I am correct."

Mr. TOWNSEND. You stated that smelters are in favor of having this?

Mr. MEYER. Yes, sir.

Mr. TOWNSEND. How about the silver lead miners west of Rocky Mountains? Do you know of any in favor of it?

Mr. MEYER. No, sir; I do not.

Mr. TOWNSEND. Did you see a statement of gentlemen interested in lead mining in Salt Lake, in which they stated that the continuance of this importation would affect 50,000 miners in the West?

Mr. MEYER. That is perfectly absurd.

Mr. TOWNSEND. You saw that statement?

Mr. MEYER. Yes, sir; I saw that statement. The fact is, gentlemen, if you are going to shut down mines, the best way to accomplish that end would be to shut out the Mexican ore. I presume you will shut down more silver mines by the exclusion of Mexican silver ores than you will open by the exclusion of Mexican silver ores. Mr. Eells, I would like to say, is owner of large works, and I should like to ask him whether he confirms the statements I have made so far.

Mr. CARTER. I should like to ask another question before that. You have undertaken to enumerate the smelters and have mentioned the Helena and Livingston. I will ask you—

Mr. MEYER. I did not mention them as being in favor, but I mentioned many others.

Mr. TOWNSEND. Is it not a fact that the Henrietta and the Maid of Erin were piling up ore on the dump, the same quality of ore as this: is not that true?

Mr. MEYER. No, sir; it is not. I will say to you in reply to that that I know indirectly from the manager of the Henrietta that they have only one year's supply of that class of ore in the mines; when that is gone they are through with that class of ore. This mine is the very one which made a contract for 150 tons a day to which I referred, resulting in a loss of \$900 a day to the smelter, and to the mines corresponding benefit.

Mr. CARTER. On that point just one moment; you desire to have the committee understand it is a loss for you to smelt lead ore, fluxing ores free of charge.

Mr. MEYER. I say—

Mr. CARTER. In treating ores free of charge.

Mr. MEYER. I say if the fluxing ores were treated by themselves at the prices we are paying we would lose a heavy amount of money, but we do not lose that money because we make the dry ores pay for it.

Mr. CARTER. Is it not true that you buy and use lime rock and many other things for fluxing?

Mr. MEYER. Yes, sir.

Mr. CARTER. You buy iron ore to use as a flux, and you do not undertake to make any profit on the iron, or to save it?

Mr. MEYER. That is true.

Mr. CARTER. That lead ore is used precisely as lime rock and iron is used as a medium through which to form a slag and it—

Mr. MEYER. That is exactly the point, Mr. Carter, and you could not have made a better argument for me.

Mr. CARTER. Permit me to ask you if it is not true that your product might just as well result by the use of lead from Joplin, Mo., as to go to Mexico and use the Mexican lead ore?

Mr. MEYER. No, sir.

Mr. CARTER. Why not?

Mr. MEYER. For the reasons I have stated. The only true lead ores, in a commercial use of the word, and under a sensible construction, are the ores produced at Joplin, Mo. These ores contain no silver. It is possible to produce a marketable lead direct from these ores. If we were to take these ores and mix them with silver ores, we would contaminate the lead with silver and be compelled to re-extract the silver at a very considerable expense, which necessarily would add to the cost of the lead; whereas

in using ores which contain lead and silver the conditions already exist, of the silver and lead being together. The other we could use technically but not commercially.

Mr. CARTER. Is it not true that the products of your smelters devolved from imported Mexican ore has so far depressed the price of lead in the Missouri market that the Joplin mines are in a condition of inactivity and on the high-road to ruin.

Mr. MEYER. The mines in the Joplin district are on the high-road to wealth; they are making more money. We find our farmers in Kansas who are losing money constantly brought face to face with the fact that these mine owners in the Joplin mines are making enormous profits. They are confronted with that beautiful spectacle.

Mr. KINSEY. You sell the lead you extract from this fluxing imported Mexican ore in competition with the Missouri lead at Kansas City?

Mr. MEYER. No, sir; I did not say that. The desilverized lead is used almost entirely, or at least to a large extent, in the manufacture of white lead, for which the Missouri and Kansas leads are not useful. The Missouri and Kansas mines produce the lead which is particularly useful for the construction of acid chambers and is called chemical lead.

Mr. KINSEY. Do you mean to say the Missouri lead is not capable of making white lead?

Mr. MEYER. If it is used, it is to an exceedingly small extent.

Mr. GEAR. Where does the White Lead Company of St. Louis get their white lead?

Mr. MEYER. From lead made by our works.

Mr. GEAR. They were in business long before these desilverized leads were known.

Mr. MEYER. That is true, but as a matter of fact it is a question very easily proven that desilverized lead is used for the manufacture of white lead.

Mr. GEAR. They have been in business for forty-odd years.

Mr. KINSEY. Is it not a fact that this Mexican ore is used as a flux and a profit got out of the valuable product of lead, besides the product of silver, by reason of saving that lead. Is not that true?

Mr. MEYER. Your statement is partly true and partly not. It is a matter of absolute indifference whether we make that lead. The product of lead with silver is merely incidental. The business of smelting is to make a manufacturer's profit from the process of smelting. We produce certain metals there, but so far as fluxing ores are concerned there is no profit in either the smelting or in the product of silver or lead from same.

Mr. KINSEY. But they do get a valuable profit out of that by using it as a flux.

Mr. MEYER. They enable us to smelt other silver ores at a profit.

Mr. KINSEY. The combined product of the smelters of this country is 19,000 to 20,000 tons of pig lead out of imported Mexican ores, and they sell this in competition with the American lead.

Mr. MEYER. Not in the sense that it is cheap lead. That lead costs the American importer just as much as lead in the West.

Mr. KINSEY. While you do not import this ore for the purpose of making pig lead, in fact you do get pig lead from it and sell the lead in this country in competition with our lead.

Mr. MEYER. That is a question of construction.

Mr. KINSEY. And thereby reduce the cost of smelting by reason of this valuable product that is incidental to this fluxing.

Mr. MEYER. I will answer that question by saying that in the year 1889 the consumption of lead in the United States was 10,000 tons in excess of the product of lead derived from America and Mexico combined. How, then, could the Mexican ore importations have hurt the price of lead in the United States? It was necessary to draw from other sources 10,000 tons to fully meet the demand. Now, in the years 1885, 1886, 1887, 1888, and 1889, during which these ores were imported, there was only one year, and that was the year 1888, but what the consumption of lead in the United States was in excess of the product derived from the home ores and the imported ores. So how could the imported ore have hurt the lead market?

Mr. TOWNSEND. If that 19,000 or 20,000 tons of ore were smelted beyond the Rio Grande in old Mexico, would it not pay 2 cents a pound to come in?

Mr. MEYER. If it came in; yes, sir.

Mr. TOWNSEND. But mixed up with a little silver it comes in for nothing?

Mr. MEYER. Assuming that to be the case; if smelting works were erected over the line and the lead came into the United States, would not that lead be produced by cheap labor? If you undertake to bring about that state of affairs you are doing the very thing you are claiming to avoid—instead of protecting American workmen you will hurt them, because you provide for the smelting by the cheap labor of Mexico, and Mexican works with cheap labor can afford to pay the duty of 2 cents. I wish to say one thing right here: The smelting works at Argentine, Kans., are paying the largest average wages of any manufacturing concern in the United States west of the Rocky Mountains. We are paying average wages there of \$2.25,

when right around us the agricultural labor receives 75 cents a day. How can we do it? We employ over 500 men. If you shut out these ores we simply can not give employment to these men. There is another smelting plant in the State of Kansas, getting ready to operate, and without these Mexican ores these works also will be compelled to shut down. There are works at El Paso, Tex., in New Mexico, at St. Louis, and works at Newark, N. J., in the same position.

Mr. CARTER. If you were willing to pay reasonable prices to the miner—

Mr. MEYER. We do pay reasonable prices. I am buying ores in Idaho to-day at high prices and I am willing to do it. We do not draw our supply from Mexico entirely. My company smelts about 200,000 tons per annum, and out of that we possibly import 40,000 to 50,000 tons from Mexico.

Mr. CARTER. Does Mr. Eilers state the truth when he says, "The consequence of this in retarding the settlement of the mining States and Territories into diminishing railroad earnings and trade generally you know better than I do"?

Mr. MEYER. I think he was sadly mistaken.

Mr. CARTER. That is your opinion.

Mr. MEYER. And the opinion of a great many others.

Mr. CARTER. Now, you stated you represented a large majority of the smelting interests of the country when you appear and ask that Mexican lead ores be admitted free of duty. Do you represent a single smelting interest north of the south line of Kansas or west of the west line of Kansas?

Mr. MEYER. Yes, sir; I represent other smelting interests. I represent one works at Pueblo, Colo.; I represent through Mr. Eells the Chicago Refining Company; I also represent the Newark, N. J., Company; one works in Montana—

Mr. CARTER. I deny your representing that.

Mr. MEYER. Here is the letter of Mr. Eilers, dated March the 10th, 1890.

Mr. CARTER. That is the same gentleman who wrote the letter that I have.

Mr. MEYER. That was a year ago, sir. Mr. Eilers says that during the last year the supply of lead ores in the West has so constantly diminished, etc.

Mr. BARTINE. Did I understand you correctly to say that about 80 per cent. of the lead production of the United States is produced from argentiferous lead ores?

Mr. MEYER. Yes, sir.

Mr. BARTINE. Would not that circumstance, in a measure at least, account for the fact that the most of the white lead is made from desilverized lead.

Mr. MEYER. No, sir; the desilverized lead having undergone very extensive metallurgical processes is purer.

Mr. BARTINE. Would not the simple circumstance that four-fifths of the lead produced in the United States comes from that kind of ores on the average at least account for the fact that most of the white lead is made from that kind of lead?

Mr. MEYER. I think not, for this reason, that the white-lead factories rarely buy Missouri brands.

Mr. BARTINE. I ask the question in view of Governor Gear's suggestion that the lead of Missouri was used for the manufacture of white lead before the advent of desilverized lead.

Mr. MEYER. At that time it may have been used, but I remember distinctly before the production of argentiferous lead in the United States amounted to very much that a large amount of lead was imported from Germany.

Mr. BARTINE. You do not say it can not be manufactured from this very lead, do you?

Mr. MEYER. I will say this much, it is possible that it can be manufactured by refining the Missouri lead.

Mr. GEAR. Were they not importing that from eastern sources before the advent of this argentiferous lead? Were not Spanish leads imported for that use?

Mr. MEYER. It is probably true. Granting that before the production of argentiferous lead the Missouri White Lead Works produced white lead out of the Missouri brands, it is quite possible that such product to-day would not be salable in competition with other brands made from the pure desilverized leads.

Mr. GEAR. This Missouri Company has been in operation for a long time. They used Galena leads and used them prior to the introduction of these other leads.

Mr. MEYER. That is probably true, but the production was not, perhaps, as large as now.

Mr. BARTINE. I understood you to rather deny that this lead which is imported from Mexico comes in competition with the American lead. Let me ask you this question: Does not every pound of lead that is sold in this country enter into competition with every other pound of lead sold here?

Mr. MEYER. It does in a certain sense, but if the lead were not produced by American smelters that lead would have to be imported into the United States from abroad in the form of pig.

Mr. BARTINE. And a duty would be paid?

Mr. MEYER. That is true, but where are the miners helped; if this lead is produced

abroad where is the American miner benefited? The mere fact that we collect the duty of 2 cents a pound does not help the miner or the smelter.

Mr. BARTINE. But it is a fact that every smelter upon the other side will be paying a duty of 2 cents per pound on every pound of lead that is sent into this country.

Mr. MEYER. Yes, sir; but it would be the product of cheap labor, and then you would be bringing into competition the so-called Mexican peon labor.

The CHAIRMAN. I understand that your claim is that this country can not supply itself.

Mr. MEYER. No, sir; it can not.

Mr. CARTER. Do you make this statement seriously that the United States can not produce lead enough to supply itself?

Mr. MEYER. We have the recorded facts; is it not sufficient evidence that for all these years consumption has exceeded production?

Mr. BARTINE. Do you know according to the tariff of the United States duties are imposed upon any other articles which the United States fails to produce does not fully supply?

Mr. MEYER. I believe so.

Mr. BARTINE. Why should exception be made against the lead producer on that account?

Mr. MEYER. That is not the proposition. We say this is no time to lay any new duties. These men coming from the West, men whom Mr. Carter represents, say here is a duty in existence which must be enforced. They say that the construction of the law by the Secretary of the Treasury is not just and is unwarranted. Then they tell you that Congress when it imposed a duty of one cent and a half a pound on the bulk of ore meant that should cover any kind of ore containing lead. This seems to me to be an absolutely ridiculous proposition. Take ore containing 25 per cent. of lead and that is 500 pounds to the ton. You smelt that ore on the other side of the Rio Grande and you produce 500 pounds of lead and you pay the Government 2 cents per pound duty, and that is \$10. If that ore was imported here in the form of raw material it would give employment to American labor; not only that, but it is ore which is absolutely necessary to smelt a vast amount of silver ore. They tell you that Congress meant that this ore should be taxed \$25 or \$30. It is plain Congress by imposing that duty of 2 cents a pound on pig, and one cent and a half on lead ore must have intended to protect only such ores mined in the United States at the time. Certainly Congress could not have intended to lay a duty on an article that did not then exist. I am willing to grant to Congress everything but the powers of divination, but I am not willing to grant them that.

Mr. BAYNE. Suppose the duty were placed upon that lead ore, that would be 500 pounds in the case you supposed, and the duty would be \$7.50.

Mr. MEYER. The duty would be \$30—\$7.50 on the ore.

Mr. BAYNE. No; on the lead in the ore.

Mr. MEYER. Yes; \$7.50.

Mr. BAYNE. How would it be an injury to your industry?

Mr. MEYER. Every dollar of duty you pay on that ore would be an injury. It would keep out the ore.

Mr. BAYNE. It would help to do it.

Mr. MEYER. The English people who have invested large amounts of money in Mexico are to-day endeavoring to get concessions for the erection of smelting works. If you place any duty on this ore you will shut it out.

Mr. CARTER. I understand you to say as a matter of fact that under the present ruling the law does not practically impose any duty upon that ore.

Mr. MEYER. Yes, sir; there is no law in existence covering the question.

Mr. BARTINE. You say you do not come here asking any change in the law, for the imposition of any new law. What difference does it make to the lead miner whether you ask for a change of the law or such an interpretation as will give him no protection—what difference does it make?

Mr. MEYER. That I do not know; he is more competent to answer that than I am.

Mr. BARTINE. Yet you claim that this importation of Mexican ore is to the benefit of the lead miner.

Mr. MEYER. No, sir; I did not make the statement that way.

Mr. BARTINE. How do you account for the fact that no miners look at it in that way?

Mr. MEYER. I did not make that statement. I did not say it was to the advantage of the lead miner. I said it was at worst a neutral proposition, and that the importation of these ores did not and had not adversely affected the lead ore miner.

Mr. BARTINE. How do you account for the fact that they do think it affects them?

Mr. MEYER. There are a great many explanations. For instance, there are certain works in Denver who have made a good deal of a fight about this thing. They are very anxious that the works at Argentine, Kans., should not live. They know very well that the Kansas proposition depended entirely upon the Mexican flux ores, and

they naturally argued if they shut these ores out the Kansas works could not come in competition for the other silver ores. Those were the views of the Denver smelters. So far as the lead miner is concerned, his position is very plain. It is simply this, that any man who has a commodity to sell has a selfish interest in reducing the amount of that commodity offered in any market, so as to advance prices. I have shown that in the year 1887 twenty-eight mines and two mining companies produced 65 per cent. of all the desilverized lead produced in the United States. Is it right treatment that you should protect twenty-eight mines as against thousands of other mines in the country?

Mr. CARTER. If all the other mines are willing that it should be done.

Mr. MEYER. I will assure you that I can bring you a list of mines that will surprise you. I will cite you the case of Colorado. Colorado produced in 1887 about 50 per cent. of the total production of desilverized lead of the United States. If you take eleven mines in Colorado out of a total number of fourteen hundred mines, you will find those eleven mines produced 63.4 per cent. of the whole lead production of the State of Colorado. Now whom are you protecting if you keep these Mexican ores out?

Mr. BARTINE. Now I want to ask you a question on another point? The great bulk of the lead is produced in what is known as the inter-mountain region, is it not?

Mr. MEYER. Yes, sir.

Mr. BARTINE. That is between the Rocky Mountains and Sierra Nevada?

Mr. MEYER. I think so.

Mr. BARTINE. Therefore they are the ones who must be injured, if there be any injury by the Mexican competition.

Mr. MEYER. Seventy-five per cent. of these mines are benefited and 25 per cent. not benefited.

Mr. BARTINE. Now, you say about 3,000 or 3,500 tons out of some 6,000 tons of Mexican ores imported are fluxing ores; then the remainder come in under the same ruling.

Mr. MEYER. Yes, sir.

Mr. BARTINE. They are not used for fluxing purposes.

Mr. MEYER. No, sir.

Mr. BARTINE. Then your argument does not apply to the other.

Mr. MEYER. These other ores do not have lead, you remember.

Mr. BARTINE. You say that American ores possess fluxing qualities, but there is not a sufficient quantity.

Mr. MEYER. That the production is not sufficient.

Mr. BARTINE. These Mexican ores which are used for fluxing purposes, being of the same character as American ores which are fluxing ores, are in competition, are they not?

Mr. MEYER. I think not; the demand is greater than the supply.

Mr. BARTINE. That may all be, but so far as it goes they are in competition, they are competitive.

Mr. MEYER. No, sir.

Mr. BARTINE. They are if they seek the same market.

Mr. MEYER. No, sir; there is the mistake. The people of Leadville can not get the Mexican ores.

Mr. BARTINE. But it is all sold in the United States?

Mr. MEYER. Yes, sir.

Mr. BARTINE. Then it competes with the general American market?

Mr. BRECKINRIDGE. Mr. Meyer's proposition is that so long as the supply is not equal to the demand there is no competition.

Mr. MEYER. I think that is clear.

Mr. BRECKINRIDGE. If the supply exceeded the demand, then competition would set in.

Mr. MEYER. Yes, sir.

Mr. BARTINE. Would not the supply of foreign ore have an effect upon the price?

Mr. MEYER. Well, I think you would very soon find a point where dry ore—

Mr. BARTINE. That is not an answer to the question.

Mr. MEYER. I beg your pardon, you did not take into account the bonus paid for these ores.

Mr. BARTINE. The point is this: You say because there is not a sufficient supply for the market, for the demand, that hence there can be no competition. Suppose the demand exceeded the supply and we imported 50,000 tons, would not that affect our prices?

Mr. MEYER. I claim not.

Mr. CARTER. You believe, then, as a proposition that this Government should not undertake to protect any article which we do not produce in sufficient quantity for home consumption?

The CHAIRMAN. I do not understand that Mr. Meyer has been discussing that

proposition. He says there is no competition in American lead because America does not produce sufficient lead for home consumption.

Mr. BRECKINRIDGE. I understand Mr. Meyer's proposition to be this: That the American production is now added to by the Mexican production; that we do not produce enough, and can not produce enough, and therefore you might make the tariff very high on the ore, and we would simply import the lead in a pure state, as we are now importing a large quantity.

The CHAIRMAN. That is the fact, Mr. Meyer states, that is in dispute.

Mr. BRECKINRIDGE. I am simply interpreting Mr. Meyer's statement.

Mr. McMILLIN. You say the result of any duty would be to close the works dependent on ores now brought in.

Mr. MEYER. Yes, sir.

Mr. McMILLIN. And it would cause the treatment of that ore to be made outside of the United States instead of inside of the United States, and give the labor to other people than citizens of the United States.

Mr. MEYER. Yes, sir.

Mr. TOWNSEND. Is it not a fact that smelters sometimes use bar lead for smelting?

Mr. MEYER. I should say—

Mr. TOWNSEND. Is it not a fact that they can use that?

Mr. MEYER. No; not economically. We occasionally put lead into the ore smelting, but it is wasteful to do so, and rarely technically effective.

Mr. TOWNSEND. As a matter of fact has it not been done frequently?

Mr. MEYER. No, sir; but it may have been done occasionally.

Mr. TOWNSEND. In other words, when they were lacking in lead ores they put in bar lead?

Mr. MEYER. No; I should not say one case in five thousand.

Mr. TOWNSEND. But it has been done sometimes?

Mr. MEYER. Not sometimes, I should say it would be nearer right to say one time.

Mr. GEAR. How would it do to make a smelter a sort of bonded warehouse and import your ores; and when you put the lead into consumption to pay the duty on the lead?

Mr. MEYER. It could not be done.

Mr. GEAR. Why?

Mr. MEYER. For this reason, that under existing conditions of transportation and everything else, it is a toss up whether it pays best to smelt these ores in Mexico and then pay the duty of 2 cents a pound to bring it into the United States, or to smelt the ores in the United States. That proposition will be very plain to you when I say that it costs to bring ore from the mines to the smelting works at Argentine, Kans., \$21 per ton; 75 per cent. of this ore is rock and 25 per cent. lead. If that ore is smelted in Mexico, the product to be shipped will be only one-fourth of the weight of the original ore and your freight charges will be only one-fourth, say \$5 per ton, thus there would be a saving of \$15 per ton. Now, the duty on 500 pounds of lead at 2 cents is \$10. If you deduct this duty from the saving in transportation, you have a net gain of \$5 by smelting this ore in Mexico. My figures when I first went into Mexico to buy ores, showed that it was a very narrow question whether it paid best to smelt in Mexico or to smelt in the United States.

I maintain, gentlemen, that you will accomplish the very opposite of what you intend if you keep these Mexican ores out. They will be smelted by cheap labor in Mexico and American labor will lose the advantage of being employed in the smelting of these ores. Under any circumstances, you will bring cheap labor in competition with the American product.

I thank you, gentlemen, for your kind attention.

STATEMENT OF MR. DAN P. EELLS.

Mr. DAN P. EELLS, of Cleveland, Ohio, next addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, after the very patient hearing which you have accorded Mr. Meyer I feel a delicacy in saying anything. I am interested in smelting in Leadville, and in refining works and smelting also in Chicago. I want to say in regard to the change of the condition of things which has resulted in the last year and accounts for the change of the view of Mr. Eilers which has been made apparent by the correspondence which has been read. Formerly almost all the ores produced at Leadville, carbonate ores, bore a large percentage of lead, and so long as that furnished lead enough to supply all the Rocky Mountain smelters that was all that was required, but as the mines have been sunk deeper the character of the ore has changed until now not more than one or two mines in Leadville produce any lead ore. The ores have become chloride and sulphide ores, very dry ores carrying a high percentage of silver and a very much smaller percentage of lead, and in

many cases the lead has almost entirely disappeared. There is one mine, the Henrietta mine, which produces more lead ore than any other mine, probably than all the other mines of the Leadville district together. The company with which I am connected had a contract last year for 50 tons a day of that ore. They smelted it at \$3 a ton. The cost of smelting is certainly not less than \$6 a ton to \$7. Therefore we paid for that ore a price of about half of what it costs to smelt.

When our contract expired, since the 1st of January, I was in Denver and I called on the president of the mining company in reference to a renewal of the contract, and he told us he could do better with his ore than to let us have it. We urged the necessity we were under for our lead ore and he said: "I am not to blame for the situation, and you know as well as I that there is not lead enough in Colorado to begin to supply the demand." When asked what was the best price we could get that ore for he replied that he would sell the ore at 40 cents a unit for the lead and nothing for treatment, and that any advance in the New York price of lead he was to get the benefit of that and not ourselves. We told him we could not make a contract on those terms and that we would have to loose the ore. The only way possible to cover the loss would be to add largely to the dry ore on the charges of the treatment of dry ores, and in that way we could recoup ourselves. I happened to know that Mr. Eiler's situation is precisely the same situation, but I feel a delicacy in saying what I know to be a fact. I had a conversation with him within a week and I know his views have entirely changed in regard to it. I will also go further and say, in reference to the Helena and Livingston, I think if Mr. Carter will correspond with Governor Hauser he will find his views have undergone a change. It is not possible for the large interests now invested in smelting and refining to live with the lead ores produced directly in this country. If these Mexican ores are shut out they will have to close down their works.

Mr. McMILLIN. Your conclusion is that the damage wrought by the imposition of a duty will not be confined to those concerns that are engaged in smelting Mexican ores, absolutely or as a flux with other ores, but that it is an attack upon the prosperity of all the works of this country.

Mr. EELLS. And to the mines. To every silver mine it is an absolute necessity. I have been going over in my mind an answer to the question propounded by the chairman as to the amount of money invested in these smelting works, and while I have figured on it I can only approximate it when I say I think there is from \$10,000,000 to \$12,000,000 invested either in smelting or refining works. I feel also sure that those gentlemen who have perhaps appeared before this committee who are interested in smelting works and who have labored under the impression and been of the firm opinion a year ago that we would be able to go along and operate the smelters with the lead produced in this country, have changed their views decidedly. I might give names if I felt disposed to do so or thought it would be proper. I know that many of Mr. Carter's constituency have changed their views from what they were a year or two ago, perhaps a year ago. I think if he wrote to Governor Hauser he would find his views have undergone a change. I think the Omaha and Grant people have changed theirs. I have been in a position to be pretty well informed in regard to the opinion of men who are engaged in this business and have a very large amount of money invested. It is not a question of the imposition of a new duty. It is simply a question whether the supply of an incidental production of ore shall be subject to a tax that has never yet been imposed upon it. If you put a tax upon lead you put a tax upon zinc and all the inferior metals that are imported in the Mexican ore, which is a considerable amount. It seems to me this is a question where the discretion of Congress can be very well exercised in favor of this very large manufacturing interest.

The question in reference to what effect would be allowing the present duty and relying continually in future on the lead mines of the country is a very important one, and I have no hesitation in saying if there was enough lead ore produced in this country to justify and meet the want, if there were no interest at stake except the interest of the lead-producing ore mines, I should say at once as a good Republican this duty ought to be imposed; but the fact is that with these importations the smelters are going to have just as much as they can do to keep their works running and take care of the silver dry ores.

The CHAIRMAN. You agree with Mr. Meyer we can not supply the lead ores sufficient for smelting purposes?

Mr. EELLS. Yes, sir.

Mr. CARTER. You stated that upon the principle that lead ores should be taxed as a bi-product of lead, zinc might also be subject to a duty as well as silver. I will ask now as a matter of fact, do you attempt to save the zinc ore in smelting?

Mr. EELLS. No, sir.

Mr. CARTER. Do you attempt to save the antimony.

Mr. EELLS. No, sir; although it is a valuable product.

Mr. CARTER. But do you save it?

Mr. EELLS. I am not a practical metallurgist and smelter, and probably Mr. Meyer could answer much better.

Mr. CARTER. But in regard to the zinc, as a matter of fact the zinc no more comes in competition with the production of American labor as turned out of your smelter than any other article arising from the ore?

Mr. EELLS. No, sir.

Mr. TOWNSEND. Do you say that Omaha and Grant people have changed their views?

Mr. EELLS. I think they have, but I would not like to state that.

Mr. TOWNSEND. I think not. Mr. Eddy was here a week ago, and from my information in regard to this I should think they had not changed their views.

Mr. EELLS. It is a mere inference on my part in reference to this firm. I had an impression that Messrs. Grant and Barton were in favor of this now.

Mr. TOWNSEND. Is it not the universal belief of the silver lead miners of the Rocky Mountain region that by the admission of free lead it means the absolute destruction of that industry throughout the Rocky Mountains; that if this continues it is simply a question of which should go to the wall, a few smelting interests that are interested in Mexican ores or the lead mines of the Rocky Mountain region.

Mr. EELLS. I think neither will go to the wall, but you should include with the smelting interest the dry ore interest.

Mr. TOWNSEND. You are probably aware that the estimate made by the Lead Association, which met last November, placed the number engaged in silver-lead mining at 50,000 who would be affected and were affected.

Mr. EELLS. I am not in a condition to contradict that, but I very much doubt if there are 50,000 affected.

SUNDRIES.

ATHYLIC ALCOHOL.

[For additional alcohol see *ante*, page 381.]

STATEMENT OF EMIL KLIPPER.

WASHINGTON, D. C., February 14, 1890.

Mr. EMIL KLIPPER, of Zylonite, Mass., appeared before the committee and made the following statement. He said:

Mr. Chairman and gentlemen of the committee, I want to speak of athylic alcohol, or colodian. Usually, about 50 per cent. alcohol is used to one hundred parts of colodian in conjunction with chemicals to dissolve it. In England, and everywhere abroad, alcohol can be produced at about 30 to 40 cents a gallon, whereas here we have to pay \$1.75 up to \$2.15 a gallon. We ask that alcohol used in the arts should be free from tax for this purpose. The objection is raised always that this can not be done without giving rise to frauds. I have investigated this matter for several years, and I can testify that no frauds are committed at all under the German law. The German law went into effect in 1878, and has worked perfectly ever since. Scarcely any frauds have been committed by manufacturers. In order to make it more strict, a clause might be provided that to methylated alcohol might be added bone-oil in such quantity that the alcohol would be thereby made entirely improper for use in beverages. In the German act, the quantity of bone-oil used varies according to the purpose for which the ultimate product is to be used.

Mr. BURROWS (in the chair). What are you speaking of now?

Mr. KLIPPER. I am speaking of alcohol for use in the arts. I have here the German law, and I will insert it in my remarks, as it would take some time to read it.

Mr. BURROWS. Leave it with the reporter to be inserted. Do you desire to say anything in addition?

Mr. KLIPPER. In this proposed bill, which I will insert, the German law has been followed very closely, only the German law goes a little more into details. In England they use only methylated spirits.

Mr. GEAR. Can you now use methylated spirits in making celluloid?

Mr. KLIPPER. Yes, sir. I stated that they use bone-oil so as to make the alcohol totally unfit for the purpose of a beverage.

Mr. GEAR. What is the difference in value between methylated spirits and alcohol in this country?

Mr. KLIPPER. We do not have any methylated spirits. Methylated spirits are 10 per cent. wood and 90 per cent. grain alcohol.

Mr. GEAR. What is the difference in value?

Mr. KLIPPER. Wood is 90 cents and grain is between \$1.95 and \$2.15. There are other reasons for wishing the tax removed. The reduced cost on the abolition of the tax will so encourage industries that certain classes of products now limited, would be revived, not only for home consumption, but for export abroad. This will be felt by the agriculturists in the increased demand for grain. I believe it is fair to state that the increased consumption of spirits for industrial purposes, if the tax were repealed, would so benefit us that the highest estimates would be greatly exceeded. A few years ago I looked up the amount of alcohol used in the arts, and I found that Commissioner Miller estimated the whole amount used at only 7 per cent; whereas other parties, manufacturers in the arts, who have facilities to know the amount used, put it as high as 50 per cent. for the artistical industries and for medicinal purposes. It was stated that in 1860, while our industries were at a very low ebb, there were 40,000,000 proof gallons used out of the total product of 90,000,000; whereas, under the present increased production only 10 per cent. of the total product of alcohol is used in the arts.

Mr. BRECKINRIDGE. Do you mean alcohol of all kinds?

Mr. KLIPPER. Yes, sir; on account of the high price.

Mr. GEAR. What industry would it encourage?

Mr. KLIPPER. Medicinal industries,

Mr. GEAR. Would people take more medicine?

Mr. KLIPPER. Medicine would be made cheaper. As soon as you reduce the price of any article, consumption will be greater. It would be used to a greater extent in varnishes.

Mr. GEAR. Is it a fact that only a small amount of alcohol is used in varnishes?

Mr. KLIPPER. Alcohol is not used, because we can not afford to use it now.

Mr. GEAR. Can you use wood alcohol?

Mr. KLIPPER. No, sir; it is too high priced. Europeans are able to make it at one-third the price we can make it for. On account of the high tax, it is controlled by the whisky trust, which is managed by one combination. The present tax enables the combination of distillers to increase the price to the consumer. Since the whisky combination two years ago, the price of alcohol has advanced from \$1.98 to \$2.16, which means 50 per cent. advance in the cost of alcohol in a short time; and this can only be done by reason of the high tax and the large amount of capital required in the business. I believe that is all I have to say on this point.

There is one other clause of the tariff bearing on the alcohol question: In the distillation of alcohol, there is a bi-product which is called fusil oil. It is a generic term for the waste which passes through at the high boiling point. The first of this alcohol is propylic; the next is butyric; and the third is anylic. In the present bill, the generic term of fusil oil is employed. This should be a little clearer; that is, each kind of alcohol should be specifically named, and not the generic term of fusil oil. It would be better to name the component parts of fusil oil, which are anylic, butyric, and propylic, in order to avoid trouble with the custom-house. If this is not done, they will come in under "articles not otherwise provided for;" whereas they ought to be placed on the same basis as anylic.

Mr. GEAR. Fusil oil is very cheap, is it not?

Mr. KLIPPER. It costs about 35 cents a gallon.

Mr. GEAR. What do you want done with fusil oil?

Mr. KLIPPER. Keep it where it is.

Mr. GEAR. That is not 10 cents a gallon?

Mr. KLIPPER. It is 10 per cent. ad valorem.

Mr. PAYNE. You ask no change in the duty?

Mr. KLIPPER. No; unless it be to change the designation to the component parts.

Mr. DINGLEY. It is now what is termed emylic alcohol, or fusil oil?

Mr. KLIPPER. No; that is wrong; it is emylic alcohol.

Mr. DINGLEY. Is the present duty satisfactory?

Mr. KLIPPER. Yes, sir.

Mr. BURROWS. Is there something else which you desire to say?

Mr. KLIPPER. Yes, sir; I have some matters in which I am interested. It is silic-brick, or fire-brick. There is a duty of 20 per cent. ad valorem.

Mr. BURROWS. What do you want done with them?

Mr. KLIPPER. We want a specific duty of \$10 a thousand. They are made with the very cheapest labor abroad. They are sold in this market for \$25 a thousand.

Mr. GEAR. Silic-brick are sold at from \$11 to \$30 a thousand?

Mr. KLIPPER. The regular fire-brick are now sold not under \$24.

Mr. GEAR. The West Virginia brick is the best in the world.

Mr. KLIPPER. That is not the brick of which I speak. Are those brick used for iron furnaces?

Mr. GEAR. They are used for nothing else; and they are the best in the world. I mean this Virginia Savage brick. They will stand an extreme heat.

Mr. BURROWS. You want a duty of \$10 a thousand?

Mr. KLIPPER. Yes, sir.

Mr. DINGLEY. What do they weigh?

Mr. GEAR. They are well burned, and weigh $7\frac{1}{2}$ pounds. I happen to know the weight of them, because I had 2,000 of them hauled, and I paid at the rate of 15 cents a brick for the hauling. I weighed every one of them, and I know the exact weight.

GERMAN LAW IN REGARD TO ALCOHOLS USED FOR INDUSTRIAL PURPOSES.

ARTICLE 1. Alcohol which is to be used in the arts, vinegar-making included, or for medical and scientific purposes, or for cleaning, polishing, heating, cooking, and lighting, pays no tax.

ART. 2. All alcoholic products which may be used for drinking are not exempt from taxes.

ART. 3. Exemption from taxes is only granted after the alcohol has been rendered unfit for drinking. Should such treatment be found to be inexpedient for certain manufacturing or medical purposes it may be supplanted by an appropriate system of government supervision.

ART. 4. The menstruum to be used in such treatment is the one prescribed in article 8, if there is not a special permit to use substitutes (article 10).

ART. 5. Persons wanting to employ a different menstruum (and claiming exemption from taxes) have to apply at the respective office by letter, stating location of storehouse and intended use. The office grants the permission after previous examination, reserving to itself the right of withdrawal at any time. To persons who have been previously convicted for offenses against the tax laws the request may be denied.

ART. 6. Persons contemplating this treatment of alcohol have to report to the respective office. They have to supply the menstruum as well as the necessary appliances and workmen.

ART. 7. Alcohol of less than 80 per cent., tincture or alcohol, which is perfumed or contains any other substances, is excluded from the privileges of this article. No less than 100 liters can be treated.

ART. 8. The menstruum for general use consists of two parts of wood alcohol, and one part of pyridinebases. Three liters of this mixture are added to 100 liters of pure alcohol. The substance named must stand the tests described in the appended supplement.

ART. 9. Only such menstrua may be used as have been produced in designated factories under Government supervision, tested by a Government chemist, and kept in vessels bearing the Government seals. Suitable vessels of glass, earthenware, and metal only are allowed. In case the seal is broken, the chief office may allow the use of the contents of the vessel, if the breaking may be supposed to have happened accidentally and the chemist's examination proves the menstruum to be of the right composition. The owner pays for the examination. Manufacturers who have been privileged to manufacture the menstruum must admit the Government's officers and chemists to the rooms where the compound is made and stored. The chief revenue officers are entitled to an inspection of all the books relating to the manufacture and shipping of the compound. A suitable room must be reserved, equipped with all the apparatus and reagents needed for testing the menstruum and its components, also necessary assistance has to be furnished.

ART. 10. Manufacturers may be allowed to mix alcohol for their own use with one-half liter of pyridinebases (of the prescribed quality) to 100 liters of pure alcohol, under such limitations as are described in article 9.

In the manufacture of vinegar this percentage of pyridinebases may be substituted by a mixture of 100 per cent. of water and 100 per cent. of vinegar, containing 6 per cent. of acetic acid (the hydrate) or of 100 per cent. of water and 50 per cent. of vinegar, containing 12 per cent. of acid. In calculating the amount of water to be added any excess of vinegar previously added and the quantity of water contained in the alcohol may be taken into consideration, if the manufacturer wishes so. For water, beer, or yeast, water may be substituted. Until further notice the following menstrua may be used:

In the manufacture of—

(a) All kinds of lacquers and varnishes (on the premises where the alcohol is treated): one-half per cent. of spirits of turpentine.

(b) Fulminate of mercury: one-half per cent. of spirits of turpentine or one-fourth per cent. of bone oil.

(c) Aniline dyes: one-fourth per cent. of bone oil.

(d) Chemicals.

(1) Alkaloids: one-half per cent. of spirits of turpentine or one-fourth per cent. of bone oil.

(2) Medicinal extracts, as f. i. jalap or scammony resin: one-half per cent. of spirits of turpentine.

(3) Chloroform, iodoform, sulphuric ether, antipyrine from acetic ether, hydrate of chloral: one-fourth per cent. of bone oil.

(4) Collodion, tannic acid, salicylic acid, and salicylates: 10 per cent. of sulphuric ether.

(5) White lead and acetates (sugar of lead): one-fourth per cent. of bone oil.

The above described ways of treatment may take place solely for the reported purpose and in the factory of the applicant. The sale of such alcohol is inadmissible.

ART. 11. The mixing takes place either at the Government domicile or on application at the place of business of the respective manufacturer, distiller, or wholesaler in the presence of two revenue officers, one of whom should be one of high rank, as a rule. The officers have to pay special attention that the alcohol be not previously sophisticated and that the mixing be performed in a thorough manner. If there is no revenue office in the place where the applicant is in business, he has to bear the whole expenses of the officer's visit, provided they have no other functions to perform in the place and are not on one of their regular trips. The mixing is done in conformity with the regulations on ascertaining the strength of alcohol and those quantities of alcohol for which a rebate is claimed when exported.

ART. 12. All manufacturers, with exception of the vinegar-makers, who have been granted permission to employ menstrua different from the ordinary, have to keep a

book, which accounts for all the alcohol coming in and going out. This book must be accessible to the revenue inspectors at any time. On request of the office a statement must be furnished. At least once annually an official inventory must be taken. In the case of discrepancies up to 10 per cent. the taking of legal steps is left to the discretion of the office.

If the interests of the revenue department should demand it wholesalers, too, and such manufacturers as use the ordinary menstruum, may be ordered to keep such a book.

ART. 13. Alcohol mixed with a special menstruum can only be stored in the reported place. In all those cases where the keeping of a special book has been ordered (article 12) it may be directed to store all the alcohol, treated with the ordinary menstruum, in one place, the location of which has to be reported.

ART. 14. Manufacturers using mixed alcohol, who at the same time are engaged in a business where pure alcohol is employed for which a return of the tax paid is not asked (*f. i.* manufacturers of liqueurs) are obliged to keep the branches entirely separate. The same applies to manufacturers who use in one department alcohol mixed with the ordinary menstruum and in another department alcohol treated with a special one. Exceptions may be granted by the revenue department, provision to be made for due supervision.

ART. 15. The officers of the revenue department have the right to enter the places at any time, where mixed alcohol is used, stored, or sold, to inspect the supplies, and to take samples. The interested parties are obliged to render the necessary assistance and on request to show the supplies and state their quantity according to special information of the department. Any desired information on the management of affairs must be given to the officers, the chief officers; besides, must be allowed access to the books, bills, etc., on their request.

ART. 16. (a) Vinegar-makers are allowed to have alcohol of less than 80 per cent. Tralles treated, the limit is 35 per cent. (b) In the building where vinegar is prepared, or in the adjoining buildings, no still is allowed. In cases of necessity the department may grant exceptions and establish due supervision. (c) If it is intended to mix alcohol for the manufacture of vinegar with water and vinegar, the application must be written on the blank of specified form. In this case there must be an immovable vessel in the establishment, standardized by the Department and provided with a gauge for reading off the level. The testing of the vinegar to be added to the alcohol is performed as described in the appended supplement.

Article 17 treats of the book-keeping of the Government's offices.

Article 18 of the penalties.

Article 19 treats of regulations for the period of transition up to October 31, 1887, when the above provisions become a law.

SULPHURIC ACID.

[See *ante*, page 354.]

ADDITIONAL STATEMENT OF THOMAS McDOUGAL.

CINCINNATI, *February 14, 1890.*

SIR: If all the sulphuric acid manufacturers who use pyrites were to make acid from sulphur ore, the entire quantity of ore used in the United States would not exceed 150,000 tons per annum. The entire amount of iron ore used in this country must be somewhere at least from 15,000,000 to 20,000,000 tons. As the pyrites ore iron cinder is only 40 per cent. of its contents you can see that the 50,000 or 60,000 tons of cinder, even if it could be used profitably as iron ore, could not affect substantially the iron ore industry of this country.

We do not seek to release the duty from iron cinder that might be imported into this country from England or elsewhere. We simply ask that the duty on sulphur ore, 75 cents a ton, be removed.

When I appeared before the committee I endeavored to state to the committee frankly and fairly the situation.

There is one concern in New York, Messrs. G. H. Nichols & Co., that uses exclusively copper pyrites, and is the largest acid manufacturer in the East. That concern imports its ore from Capleton, Canada, and is the owner of the only deposit of that class of ore on this continent, save and except the Eustis mine, which takes from the same vein. Other parties in Canada are endeavoring to find a like deposit, but have not succeeded to this date with such certainty as to warrant them in saying that it is there.

The Bergenport Chemical Company of New York, claims to have an ore which it

imports from Newfoundland, and views this matter substantially as the Nichols concern does.

The Pennsylvania Salt Company, of Philadelphia, imports ore from the Rio Tinto mines, Spain. That company pays the 75 cents duty per ton on the sulphur ore because the Spanish ore has less than $3\frac{1}{2}$ per cent. of copper. The Nichols concern claims that its ore which it imports has over $3\frac{1}{2}$ per cent. copper, and, therefore, does not pay the 75 cents per ton duty, but obtains the sulphur and iron contents of its ore free. The Spanish ore and the ore used by the Nichols concern has substantially the same percentage of sulphur and iron cinder. Yet under the law as it now stands, the importer that has the most valuable percentage of copper obtains his iron cinder and sulphur free; whereas the importer who has the less valuable per cent. of copper is additionally burdened with 75 cents per ton because of the iron cinder and sulphur contents.

The deposits in Virginia of pure iron pyrites that may be resisting the application of the parties represented by me are of such a quality and so limited in amount that the parties that I represent who have been using to some extent that ore have been compelled to look for other sources of supply to meet the present needs of their business, to say nothing of the future. They have found an ore in Canada, and irrespective of its copper contents, which are not yet of such a fixed character as to enable them to say definitely, desire the removal of the 75 cents per ton on the sulphur and iron contents. No reason at all can be assigned why the sulphur and iron contents of the iron pyrites should be burdened 75 cents per ton, whereas the sulphur and iron contents of the copper pyrites are admitted free. It is not possible, as far as we can see, for the importation of the ore to interfere with any of the existing deposits in this country. The quantity existing here is so very limited, and the rates of freight are such as necessarily to limit the territory which they can supply, that it seems unnecessary to argue that the entire United States, east, west, north and south, should not be affected by the small deposits confined to a limited territory, and protected by freight from any competition from Canada.

I recognize that those who use copper pyrites, and are thus favored in having an ore which has a larger percentage of copper than those who use what is classed as sulphur ore, are in favor of maintaining the 75 cents per ton duty on sulphur ore, because it makes it that much more expensive for their competitors.

In other words, the Nichols concern, not paying 75 cents per ton for its ore, because its ore claims to have 4 per cent. and over of copper, is interested in compelling the Pennsylvania Salt Company to pay 75 cents per ton on its ore, because it is that much in favor of the Nichols concern in competition in the open market. No such discrimination ought to be possible under any tariff law.

If there is to be a duty it should operate equally, and not favor one manufacturer against the other; and that, too, when the discrimination does not operate as a protection of any other industry in this country, but is exacted as a burden from a manufacturing industry in this country.

It must seem clear to the committee that that state of affairs should not exist; and it ought to seem equally clear, as we view it, that the solution of it is to remove 75 cents per ton duty on sulphur ore containing $3\frac{1}{4}$ per cent. of copper or less, while maintaining the duty on the copper contents.

I have endeavored to make this as plain as I could, and would be pleased to be furnished with a copy of any argument or statistics that have been furnished to the committee in opposition to the views we entertain.

Trusting to hear from you at an early day, with regards,

Yours truly,

THOMAS McDougall.

Hon. WILLIAM McKINLEY, Jr.,
Chairman Committee on Ways and Means.

BEVELED GLASS.

STATEMENT OF J. R. DONNELLY.

Mr. J. R. DONNELLY, of J. R. Donnelly & Co., 303 and 305 Park avenue, Brooklyn, N. Y., appeared before the committee on February 13 and spoke as follows:

Mr. Chairman and gentlemen of the committee, I sent a petition to you through our representative, Mr. Wallace; but coming to Washington I thought I would appear before you and perhaps explain some points with which you might not be familiar. Now, I asked in that petition for a specific duty. An ad valorem duty has been a great trouble to us right along. It places the goods, different grades, different valuations, on a basis hard to get at, and has been a great stumbling-block, especially where cut and beveled glass comes in.

The particular industry I represent is beveling on plate-glass. After plate-glass is made, it is beveled. Beveled glass is really cut glass and is the same price. Previous to 1883 beveled glass paid the same duty as cut glass, 45 per cent. ad valorem, and in 1883 importers discovered that there was a loophole in the tariff. Schedule B, paragraph 16, on page 13 reads: "Articles of glass, cut, engraved, painted, colored, printed, stained, silvered, or gilded, not including plate-glass, silvered, or looking-glass plates, 45 per centum ad valorem."

You see that little word "not" they took advantage of, and claimed that it included beveled glass.

Q. Suppose the provision read 16 inches by 24 inches square, 5 cents per square foot; above that and not exceeding 24 by 30 inches square, 8 cents per square foot; above that and not exceeding 24 by 60 inches square, 25 cents per square foot; all above that, 50 cents per square foot; and then that plate-glass, silvered or unsilvered, ground, enameled, beveled, edged, engraved, stained, colored, or otherwise ornamented should take 10 per cent. in addition to the rates I have read?

A. That is the very point; 10 per cent. is too low, we might as well have no duty; the 10 per cent. additional would be on the engraving, cutting, silvering, etc., and that would not be enough.

Q. This specific duty is levied on plate-glass?

A. Yes, sir; and we ask in addition to that a duty on beveling; but if you only give us 10 per cent. that is too low; it is really 10 per cent. ad valorem for the operation of beveling. The plate-glass—polished plate-glass in that state is raw material only to us. We take it then and bevel it.

Q. Now, take a square foot of plate-glass, how much would it cost to bevel that?

A. It is not beveled all over the surface, it is only 1 inch wide by 1½.

Q. How much would it cost to bevel 1 foot of square glass?

A. It would cost, say, 1 inch wide, 24 cents. Now we pay \$10 or \$12 a week for labor, and I should think that a specific duty of 45 or 50 per cent. would be fair. We ask no more protection than other industries have.

Q. Now suppose a specific duty on cast polished plate-glass, silvered, etc., of 6 cents per square foot?

A. That is raw material to us.

Q. How much ad valorem should be added to compensate for the beveling operation?

A. Well, 45 or 50 per cent. of the beveling in addition to the duty paid as plate-glass would be fair.

Q. How does beveling compare with enameling?

A. I can not say, sir; I am only talking about the interest with which I am concerned; but I think if you put a duty of 45 per cent. on enameled glass that you will bring that trade back to the United States. It has gone now. Now think, they bring this enameled glass in and pay duty as window glass, consequently the enameling comes in free; and enameled glass therefore comes in cheaper than ordinary window-glass. Thousands and thousands of feet are brought in here. I know a man in Brooklyn who has been in that business and gone out of it; and I am satisfied he could start again as soon as a duty was put on.

Q. What I want to know is what are different operations through which glass is put, common glass and plate-glass. One of the operations is crowning, another is enameling, another beveling, another edging, another engraving, another staining, etc.; now which of these operations is the more expensive?

A. I think edging.

Q. Which next?

A. I think cutting—I beg pardon cutting would come first; and they are importing cut glass and paying only ordinary duty.

Q. What I want to know is what is the difference between the expense of beveling, edging, engraving, staining, coloring, etc. Some of these operations are more expensive than others. What would be the difference between the most expensive and the least expensive?

A. There would be quite a difference, according to the work put on it. In the first place cutting would come; that is, cutting in the ornamental designs; next would be edging; next in my judgment, would be coloring; then would come beveling; after beveling would come roughing and engraving.

Q. Do you think the words in the text include cut glass?

A. I should put in the word "cut" also, I think. Now the fact is that a man would get from \$10 to \$12 a week here, where he would only get 35 cents a day on the other side; and hence an increase of but 10 per cent. would not benefit us. It should be 45 at least, in addition to plate-glass, and to cover all sizes.

Q. How much would that increase the price of glass?

A. It would increase it according to the work put on it.

Q. What would be the difference in looking-glass; how much would it add to the cost per foot?

A. If you put on cutting you could add \$1.50, or 50 cents per foot. I really contend that we would be just as well off without as with merely a 10 per cent. additional duty.

Q. How would 25 per cent. do?

A. I should have to be satisfied with what you say, but I think we ought to have 45 per cent. at least; we should have the same protection as other glass. Our industry is just as important and will grow.

I would like to say here something about German plate-glass. I believe a petition or paper has been laid before you asking for an advance. German plate is window-glass polished, polished the same as plate-glass. None is made in this country. Common window-glass plated, ground and polished is called "crystal," and when it is silvered it is called "German plate." Now the largest importers in New York city are Sessions, Bache & Co. They have a large factory on the other side, and when I was here before a committee of the Forty-ninth Congress one of the firm said to me, "Well, you want to shut out German plate, do you?" I replied, "That is what I desire;" and he answered, "Well, do you know what we would do? We would come over here and build a factory right in New Jersey and make all the German plate we wanted, and shut you out all the same." I said that is what we want. Bring it here and pay the same wages that we do and we will be satisfied. We are willing to have you do that; and if an extra duty would shut this glass out for the time being, they would soon come here.

Q. You say German plate is common window-glass polished?

A. Yes, sir; and there is none produced here or polished in this country.

Q. Why?

A. I don't know. I think our men are not acquainted with the trade.

Q. Do you know whether it could be produced here?

A. Yes, sir. Why not, when you can produce plate-glass? We can produce window-glass as well as they can. There is crystal plate on the one hand and German plate on the other; put a duty on the German plate and you will bring that industry to this country.

Q. What is your objection to letting German plate come in free?

A. Because if it comes in free it places beveled glass at a disadvantage. I go a step further, and ask a duty on beveling in addition to the regular duty. The fact is the industry of beveling is getting so great that we will soon shut out German plate.

Q. You say we don't produce it here?

A. No, sir.

Q. What is the present rate of duty?

A. The same rate as on plate-glass, fluted and polished.

Q. What per cent.?

A. It pays a specific duty, the same duty as polished plate-glass, cylinder glass polished, $2\frac{1}{2}$ cents a square foot.

Q. Now, what per cent. of duty is that, ad valorem?

A. I don't know; they have regular tariff for it.

Q. And sell it at a discount?

A. Yes, sir; sometimes at a discount of 20 or 30 per cent. off.

Q. What is the difference between German glass and plate glass?

A. German plate-glass is window-glass, thick window-glass, fluted first, then ground and polished. Plate-glass is glass that is cast, half an inch thick and beveled; it is without any veins, ground down and polished.

Q. Are the sizes different?

A. No, sir; the sizes are the same, but in large windows you have plate and in small you have crystal plate-glass.

Q. I mean German glass; are they different sizes?

A. In one place you can use plate-glass and in small houses you can use crystal plate-glass.

Q. Where would you put German plate-glass?

A. Use it in pictures and in windows.

Q. It does not compete?

A. Yes, sir; it is a finer grade of window-glass; it comes in competition with plate-glass as mirrors.

Q. You say it is not produced here at all; why not let it come in free?

A. Well, because it would interfere with plate-glass.

Q. German silver glass is common glass, simply ground, polished, and silvered?

A. Yes, sir; that is German silver glass.

Q. It is not made here, because the duty is so low that it enables the Germans to import it at a profit?

A. Yes, sir.

Q. Have we ever made it here, or tried to?

A. No, sir; it requires quite a plant to make it, and some capital, too.

Q. How much?

A. I don't know.

Q. As I understand it, German glass is that which is not clear or bright enough for ordinary purposes until it is ground?

A. No, sir; German glass is window-glass, cylinder glass; but it is good for window-glass. You see plate-glass has really to be a better grade of window-glass, as the polishing and grinding show up all the imperfections, air-bubbles, stains, etc.

Q. We make lots of window-glass here, don't we?

A. O, yes, sir. There is 15 per cent. duty on that.

CHEMICAL GLASSWARE.

STATEMENT OF R. M. TATEM.

WASHINGTON, D. C., *Friday, February 14, 1890.*

Mr. R. M. TATEM, of Philadelphia, Pa., appeared and addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I appear to speak on chemical glassware. The company of Whittall, Tatem & Co., of Philadelphia and New York, make chemical glassware. The industry is comparatively new. It grew out of the Centennial exhibit of 1876. Before that time this ware was generally imported.

Under the present ad valorem duty we are satisfied with our protection. But if this duty is changed to specific, and is levied on the weight of the glass, it will greatly injure the domestic manufacture; for it will practically put chemical glassware on the free list. This is because one of its essential characteristics is its light weight, which is required to make it stand high degrees of heat and quick changes of temperature without breaking. As compared with the weight of a common bottle, see sample of a bottle at 24 ounces weight and a beaker at 4 ounces weight; the bottle sells for 5 cents, and the beaker for 25 cents. At 1 cent per pound the tariff on the bottle is 33 per cent., and on the beaker is one-fourth of 1 per cent. And so of other shapes even more than this. When the Tariff Commission of 1883 recommended changing glassware to a specific duty, we called the attention of Senator Hill, of Colorado, himself a practical chemist, to this effect of chemical glassware. He said such an effect was not intended, and that it was a mistake to so rate it, and at his suggestion the phrase "chemical glassware" was inserted among other lines that were retained on the ad valorem list, and this was continued in the "Mills" bill. (See page 14, line 146.)

In the Senate bill used as a substitute for the "Mills" bill chemical glassware is omitted from the ad valorem list. (See page 98, section 109.)

It does not seem to be the intention of the present tariff revision to make a sweeping reduction in other lines of glassware, and we therefore hope this may not be the case with chemical glassware. We believe the light weight of chemical glassware has been overlooked in removing it from the ad valorem list, and we respectfully ask that it be retained there as heretofore.

Mr. DINGLEY. What did the Senate bill do with chemical glassware?

Mr. ATWATER. It was omitted from the Senate bill.

Mr. DINGLEY. What is the present duty?

Mr. ATWATER. It is 45 per cent. ad valorem, and entirely sufficient.

Mr. GEAR. Chemical glassware does not come under the head of vials?

Mr. ATWATER. No, sir; it is properly chemical glassware.

Mr. DINGLEY. You will be perfectly content to let it remain at 45 per cent. ad valorem?

Mr. ATWATER. Perfectly.

Mr. DINGLEY. The committee proposes to grant as much as that.

Mr. ATWATER. I am very much obliged to you.

FRENCH WINDOW-GLASS.

STATEMENT OF THEODORE W. MORRIS.

THURSDAY, *February 20, 1890.*

Mr. THEODORE W. MORRIS, of New York City, addressed the committee on February 20. He said:

Mr. Chairman and gentlemen of the committee, we appreciate the courtesy of the members of the committee in permitting us to be heard this morning in the interest of the importers of French window-glass. The importers of Boston, New York, and Philadelphia have requested a committee of three to avail themselves of your kindness to make a very simple presentation of the facts. The importation of French

window-glass in this country is an industry, we maintain, which deserves some consideration, and the importers have always very patiently and very gladly consented to whatever has been deemed the best policy on the part of the Government in reference to the duty on window-glass; but unfortunately there has been some misapprehension as to the extent of the duty levied upon imported glass and to the relations that exist between the imported industry and the domestic industry, and we have thought it desirable to briefly and clearly lay before this committee some facts that are susceptible of proof from documents that are in possession of the Government. The ad valorem equivalent in 1861 or rather the ad valorem rate was 15 per cent.

The CHAIRMAN (Mr. Burrows in the chair). What are you speaking of?

Mr. MORRIS. Of common window-glass. In 1861 the ad valorem duty was 15 per cent. and to-day—I am taking the experience of the three past years from sworn statements of seven or eight of principal importers of this country, representing probably 95 per cent. of the importation—it pays an average ad valorem duty of 100 to 130 per cent. That is the increase of 1861. We are informed without any positive authority that the American manufacturers have requested this committee to levy an additional duty upon this article, as I understand it, to restore it to the rate of the 1883 tariff, I think.

Mr. CARLISLE. To restore it to what it was before the 1883 tariff.

Mr. MORRIS. To restore it to the rate at which it was before the existing tariff. The existing rate on the four brackets, as it is technically known in the trade (it is immaterial to state now the nature of the bracket), is $1\frac{1}{8}$, $1\frac{1}{4}$, $2\frac{1}{8}$, and $2\frac{1}{4}$, and I think the effect of the restoration would be to add one-eighth per pound on each bracket.

The CHAIRMAN. This is the existing law.

Mr. MORRIS. Yes, sir, and as I understand the proposition made by the American manufacturers is to restore it to the old tariff, adding one-eighth of a cent a pound to each of these brackets. The importation of foreign glass is practically in competition no longer with the American. That is generally conceded by the intelligent majority of the American manufacturers. The importer certainly concedes the fact that they furnish 75 per cent of the consumption of this country.

Mr. CARLISLE. You mean the domestic manufacturers furnish that?

Mr. MORRIS. Yes, sir. The importers concede that fact. We probably furnish 25 per cent. of the consumption, and that is mainly of the higher grade of glass, with which there is but little if any competition by the American industry. Now here is a significant illustration in the fact that the current prices to-day go to confirm that statement that there is practically little competition between the foreign and the domestic. From my own experience in the contracting and purchase is that the American to-day is from 32 to 35 per cent. below the foreign glass.

Mr. BRECKINRIDGE. You mean the foreign value, duty paid?

Mr. MORRIS. Yes, sir; I mean the foreign glass is offered for sale here with duty and freight and all the incidentals, profits, everything added to it; that the selling price to-day of the American is from 32 to 35 per cent. below the selling price of the foreign glass.

Mr. BRECKINRIDGE. Of a corresponding class?

Mr. MORRIS. Of a corresponding class, corresponding sizes, showing conclusively there is a margin of 32 per cent in which the American glass is below the price of the foreign; that is true this very day. Now the foreign importers represent, as I say, but a small interest, contributing to the revenues of the Government probably a million and a half to two millions of dollars per annum, and probably employing four hundred to five hundred laborers; but it is not a foreign interest. We are not representatives of foreign companies or foreign capital. We are all American citizens, and some of us enjoyed the honor of service in the Army. We have our local reputation fixed and our interests are entirely in harmony with the great interests of this country.

Mr. BRECKINRIDGE. I wish you to state before you go too far from it a little more fully why it is that this imported glass does not compete with the American glass. Is it because the glass is of a different kind from any that we manufacture?

Mr. MORRIS. Yes, sir, I think I can answer that.

Mr. BRECKINRIDGE. Please bring that out a little more fully.

Mr. MORRIS. The principal reason why the difference is so great is because of the higher grades of the foreign glass.

Mr. BRECKINRIDGE. I am not speaking of the difference, I am speaking of a particular point, that the kind of glass we import does not compete with any glass that we make; show how that is.

Mr. MORRIS. That is because of that reason; because of its quality being much better.

Mr. CARLISLE. It is a matter of taste.

Mr. MORRIS. Not altogether, but it is a matter of taste to some extent.

Mr. GEAR. Is that plate-glass?

Mr. MORRIS. No, sir; common window-glass. For example, take a picture. If you

have a fine picture you want to frame, or fine engraving, you could not get the kind of glass that would suit you altogether made here, and you would prefer to frame that engraving with a pane of imported glass.

Mr. CARLISLE. Of French glass.

Mr. MORRIS. Yes, sir. By the way, the phraseology of the tariff act has always been a wonder to those in the trade by the use of the word "common." That has gone through successive tariffs as common window-glass. Why it is called that we have never had any idea, because it covers not only the smaller sizes and poorer qualities, but the same classification covers the best glass made in the world, that which is very extensively used for the best purposes, and yet it all comes under that classification as common window-glass.

Mr. GEAR. I suppose it grew out of the large use of small sizes.

Mr. MORRIS. I presume that is the explanation of it partly; I presume because the majority of the sizes consumed were smaller.

The CHAIRMAN. Do they not manufacture the better kinds of glass in this country?

Mr. MORRIS. The percentage of what is called the first quality is very small.

The CHAIRMAN. But can they manufacture it in this country?

Mr. MORRIS. I presume so, but I should think that if they could they would have done it, for it is a safe proposition to make if they could make the better quality they would get the larger net results from it, and that is a thing greatly to be desired.

Mr. CARLISLE. You say that the imported glass sells from 32 to 35 per cent. higher than the glass made here.

Mr. MORRIS. The imported price to-day over American glass is from 32 to 35 per cent.

Mr. BRECKINRIDGE. Does this relate to grades of glass you are talking about?

Mr. MORRIS. This is on the common grades, third quality.

Mr. BRECKINRIDGE. Which does not apply to the inquiries just made.

Mr. MORRIS. No, sir, but I presume the relation will be about the same.

Mr. LA FOLLETTE. Are you familiar with the foreign prices paid for the manufacture of this glass; I mean in regard to labor?

Mr. MORRIS. Not officially. I have a general idea that the higher grade of labor's compensation is about the same because their international labor association has charge of the matter, and the higher grades of skilled labor, I think, are paid very much the same in the two countries now, except possibly in England. I do not know in regard to England.

Mr. FLOWER. That is true in regard to the trades-union, where they protect themselves as against the manufacturer.

Mr. BRECKINRIDGE. Can you find out for us the selling price of this better grade of foreign glass you have just been talking about and the selling price of the American manufacture; I mean of the same kind?

Mr. MORRIS. Yes, sir; I think I have the list here and can get it for you in a moment.

Mr. GEAR. Is that single or double strength?

Mr. MORRIS. Both the single and the double show about the same; they are on the same basis.

Mr. GEAR. Will you furnish a list of the prices of both grades?

Mr. MORRIS. Yes, sir.

Mr. CARLISLE. Is there any glass made here of precisely the same grade as the grade you import?

Mr. MORRIS. I have not seen any.

Mr. CARLISLE. Therefore you can not make a comparison.

Mr. MORRIS. No, sir.

Mr. CARLISLE. It is the same size?

Mr. MORRIS. Undoubtedly.

Mr. CARLISLE. But not the same quality of glass.

Mr. MORRIS. No, sir.

Mr. GEAR. I wish you would please furnish the cost of all the sizes of the imported glass and the cost of the American glass.

Mr. BRECKINRIDGE. Governor Gear spoke of double-strength glass; I understand that does not mean glass of better quality?

Mr. MORRIS. No, sir.

Mr. BRECKINRIDGE. It was used in a connection that seemed to be the same we were talking about.

Mr. MORRIS. It is simply a heavier glass.

Mr. BRECKINRIDGE. We are speaking not simply of the weight, but of the character of the glass, its superior quality; but that may vary in weight, I presume, like any other grade of glass, and if you can not give us the difference in the price between these higher grades of glass and that which we import, at least give us the difference between the prices of this foreign glass of that character and such American glass used as a substitute, and which most nearly approximates it.

Mr. MORRIS. You mean the price of the foreign glass as we pay for it on the other side.

Mr. BRECKINRIDGE. No, sir; the market price here, and say whether or not the duty is sufficient.

Mr. GEAR. Let me suggest that he includes all these sizes: 8 by 10, 10 by 24, etc.

Mr. MORRIS. If I am not required to submit that at present I will take more pains with it and submit it later. I would like to say the question of thickness has nothing to do with the question of quality.

Mr. GEAR. Be sure your comparison is made like for like, and we want the price of both single and double.

The CHAIRMAN. You will make that statement and send it to the committee.

Mr. MORRIS. Yes, sir.

Mr. GEAR. What is the current rate of discount on foreign glass?

Mr. MORRIS. Seventy-five per cent., 10 per cent., and 5 per cent. I will provide that statement and send it here at a subsequent day. We trust that your honorable committee will not find it necessary to the life of the American industry to add additional burdens to those already laid upon the importers of window glass. It would seem to us that the existence of the American manufacturer need not demand the extinction of the American importer.

STRAW GOODS.

STATEMENT OF WM. T. BRIGHAM.

The Committee on Ways and Means of the House of Representatives:

Desiring to present my personal views regarding a change in the tariff upon the article of straw-plaits or straw-braids, and learning the preference your body has expressed for arguments submitted in writing, I take this method of presenting for your consideration a statement of facts, which may possibly bring your conclusions in substantial agreement with the sentiment, I think, of all of those whose business is identified with this article of commerce—that the tariff duties now imposed upon these goods should be entirely removed.

Protection implies, as the writer understands it, the discouragement of foreign competition, not the interference with home industry, and the enhancement of prices to the American consumer, the simple and safe rule in its application being to restrict foreign importation by a reasonable duty on what we can or do produce, and to exempt from duty that which we can not produce; and as straw-plaits (the raw material for straw hats) are in the latter class, they are, therefore, I think, entitled to come in free.

Straw-plaits, or as commonly termed, straw-braids, are made from the straw of cereals braided or plaited into lengths, expressly for manufacture into hats and bonnets, the straw being the exclusive product of the soil and climate of other countries, and is not raised in the United States of a quality to suit the requirements of trade.

The making or plaiting of the straw (the hand-work of the cheapest labor of foreign countries) is carried on by the poorest and least intelligent classes, and even if we could raise desirable material for its manufacture, straw-plaiting would never prove a profitable occupation to our people.

The countries from which straw-braids are imported are China, Japan, Italy, Switzerland, England, and Belgium mainly. Straw-plaits are used in this country only in the manufacture of hats and bonnets, but in Germany and France the article is converted into a variety of baskets, which are largely exported to the United States. These articles, by the reduction of duties upon straw-plaits, might be made in this country, and a new industry thus created.

The present rate of duty upon these straw-plaits is 20 per cent. The value of which annually imported into this country being rather above than under \$3,000,000, upon which the duties now paid to the Government are fully \$600,000.

The capital invested in the straw goods manufacturing business of the United States is estimated at \$4,000,000, and the annual output of manufactured goods \$12,000,000 to \$14,000,000.

Admitting straw-plaits free of duty, while not detrimental to any American industry, would greatly assist, encourage, and stimulate a steady-growing and important business of the country. It would help the manufacturers of straw goods to the amount now annually paid for duties, viz, \$600,000 or more, virtually adding that amount to the working capital of an important industry. This sum of \$600,000 going as an increase of capital would be quickly absorbed in investments, in additional facilities for the manufacture of straw products, thus giving increased employment to American labor, not only in the erection of buildings and machinery, but in the

permanent support of a thousand additional males and females to be employed in the new factories.

This argument, or rather plain statement of facts, should not be ignored as made in the interests of a class, for admitting straw-plaits free would favor the public, the laborer, and mechanic by a reduction to them in the cost of a necessary article of wearing apparel, and would not lay the slightest burden upon any class in the country.

In view of the possible advantages to result from the deliberations of the Americas' Conference, now in session, this question of duties upon straw-plaits is one of great importance.

Straw hats and bonnets are a necessary article for comfort in southern and tropical countries, and such countries afford a large trade in these goods, and with new facilities offered for trade with the countries of South America this should be one of the industries to be fostered. With the countries which are likely to extend to the manufacturers of the United States earnest and encouraging inducements to cultivate closer business relations, nothing would tend to check the chances of any successful trade with them in this line of needful products as a continuance of the present duties upon straw-plaits; on the contrary, allow straw-plaits to come to us free of duty, and with a corresponding fair reduction of the duties now placed upon hat trimmings we need not fear competition with England or France, who now supply all South American countries with hats and bonnets.

The United States rightfully claims to possess in the manufacture of straw goods some advantages superior to those of any foreign country. More extensive factories, superior machinery, and expertness in manufacture will allow our manufacturers to overcome any reasonable tax imposed upon hat trimmings that may be thought necessary to protect the industry of that class existing in this country, and at the same time meet foreign competition upon a fair if not equal ground.

These brief arguments are submitted in the hope that they may afford some information upon a subject which I have assumed you would be very glad to have the expressed views of others.

While not intending to diverge from the subject of my petition, I can not help adding a brief remark about the duties upon a kindred article in which the hat manufacturer is deeply interested, and which has been the source of so much vexatious trouble to the Government, as well as to the hat manufacturer. I refer to hat trimmings.

The law, as originally made, intended (and with a wise discretion) that hat-bands for men's and boys' hats should pay 20 per cent. duty, while to protect an American industry, ribbons should pay 50 per cent. duty.

I suppose all the arguments you desire to hear upon these articles have been presented, and, I judge, you are conversant with all the points relating to the fine distinction between hat-bands and hat ribbons.

Now, as the American silk industry is one entitled to protection, and while there are in the United States no makers of hat-bands, it will require some judicious construction of language to make the necessary "distinction without a difference," in order to dispense fairness and justice where they belong.

All of which is respectfully submitted.

WM. T. BRIGHAM,
Of *Brigham, Hopkins & Co.*,
Straw, Felt, and Silk Hat Manufacturers, Baltimore, Md.

We, the undersigned straw-hat manufacturers of Baltimore, indorse the arguments of Mr. William T. Brigham, and join in the petition to have straw plaits or braids entered in the revised tariff list as among the articles allowed free of duty.

WILSON, FRANK & HORNER.

TOWNSEND, GRACE & CO.

BRIGHAM, HOPKINS & CO.

OUDESLUYS BROS.

M. S. LEVY & SONS.

THOMAS D. STOKES.

SUMNER, THOMPSON & WHITNEY.

BALTIMORE STRAW-HAT WORKS.

WOLFORD & SHILBERG.

PIANO ACTIONS.

STATEMENT OF OTTO WESSELL.

THURSDAY, *February 27, 1890.*

Mr. OTTO WESSELL, of the firm of Wessell, Nickel & Gross, of 457 West Forty-fifth Street, New York, addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I represent the firm of Wessell, Nickel & Co., and also represent all the piano-action manufacturers of the United States.

In 1861, when the Morrill tariff became a law, the piano industry of America was in its infancy. Comparatively few pianos were made here and the actions used in those pianos were principally made by piano manufacturers themselves. Since that time the piano industry has developed to such an extent that more pianos and of a better grade are manufactured in the United States than in any other country. It is estimated that the annual production amounts to seventy-five thousand pianos. Each piano contains an action worth about from \$21 to \$25, and the grand one from \$36 to \$42. As a natural consequence of this rapid development a number of industries sprung up for the purpose of supplying the parts and materials for pianos, amongst which the piano-action manufacturing business is one of the most important, which gives employment to over two thousand people, mostly mechanics earning on an average of \$2.50 per day wages.

For the first above stated reason the piano actions were not especially enumerated in the Morrill tariff, and the European manufacturers of piano actions, seeing the immense opportunity of selling their goods here, have, during the last three to four years, made great efforts with considerable success, to sell their actions in competition with those of American make, entering those actions as "parts of musical instruments" and paying a duty of only 25 per cent.

As a matter of fact wages in European action factories are not even one-half of the wages paid here. One-half of the value of an action represents labor, the other half material, which latter again consists of 50 per cent. for lumber and 50 per cent. for metal goods, buckskin leather, and woollens (manufactures of wool), the metal paying 45 per cent. duty and the woollens about 78 per cent.

For the reason that the tariff does not protect the American manufacturers of woollen goods sufficiently, the American cloth manufacturer can not sell as cheap as the European, and the action makers are compelled to import the fine cloth which they use in their actions from Europe, paying 78 per cent. duty on the same.

It is certainly a glaring injustice that the American action manufacturer should pay (1) twice as much for labor as his foreign competitor; (2) forty-five per cent. duty on the metal goods which he uses, such as brass, steel, and iron; (3) seventy-eight per cent. on the woollen goods which he consumes, and then be expected to meet the competition of the foreign manufacturer, who pays only 25 per cent. on the manufactured product.

The importations of piano actions has continually increased during the last three years and is still increasing, and the undersigned pray Congress to insert in the new tariff bill a clause to the effect that "piano actions should pay a duty of 50 per cent. ad valorem," and further that the clause "parts of musical instruments" should be omitted in order to avoid any misunderstanding or complications in future.

Judge Blatchford rendered a decision stopping the importation of ivory as "parts of musical instruments," but we fail to see that this would apply to piano actions, which are in all respects a "part of a musical instrument."

This proper classification of piano actions in the tariff which is asked will have no effect on the home market regarding the price of American made actions. The home competition will take care of the regulation of the prices of piano actions. In view of the fact that the eight hour labor day will surely be introduced at a not far distant period, and considering the American manufacturer will be compelled to pay the same wages for eight hours as he now pays for ten, the European manufacturer will have an additional advantage over the American manufacturer, and unless the American manufacturer gets the proper protection from Congress, this great industry, which promises much more for the future, will be seriously crippled, if not eventually extinguished.

It is hardly necessary to mention that, besides the advantage of lower duties on his finished product, and the lower wages, the European manufacturer has also the immense advantage of lower rates for his factories, and consequently lower expenses for his insurance, a lower rate of interest for the capital employed, besides the fact that a factory in Europe can be run with one-half the capital that is required in the United States. We would further mention that in our estimate of labor in Europe we considered the wages for men, while as a matter of fact two-thirds of all the

hands employed in European piano action factories are girls, earning from \$1 to \$2 a week, or seventy-two hours work.

I am engaged in the manufacture of piano actions, and am senior member of the firm of Wessell, Nickel & Gross, in New York City. I am here to represent the piano action manufacturers of the United States by their authority, acting jointly with my firm in presenting our case and the facts to you for your favorable consideration in the legislation to be enacted, I trust, for our protection and the continuation of our business, to which we have given years of labor and the investment of large capital to create one of the most important and growing industries of our great country. Of course we must look to our legislators and officials for this protection, so that we may have the encouragement for our business in the future, and the safeguard of law for our investment of capital, which, in common with all the great manufacturing industries that go to make up the backbone and strength of the United States, need similar consideration against shrewd, cunning, and adroit opposition among those manufacturers of other countries who so skillfully seek to compete with us, and add immensely to our difficulties. I am a mechanic in the line of piano actions, having worked from the bench since I was seventeen years old as an apprentice, all through the various branches of our business. Hence I can truly say I believe with due propriety that I regard myself as thoroughly practical, and besides can view the question of protecting this our industry, which may be justly classed among the "infant ones," from the two-fold standpoint of employé and employer, when the views of its protection are to be taken into consideration, on broad-gauge principles of national policy, as well as justice to labor and capital in their joint fields of development of the resources and prosperity of the country. Our firm now employs steadily about five hundred men, and has a capital engaged in our factory of about \$550,000, and there is invested in the business, all told, in the United States, above \$2,000,000 by parties engaged in it.

We have been devoted to the manufacture of piano actions for about sixteen years past, and were the first to undertake, in the face of great discouragement, the manufacture in the United States of upright and grand piano actions. We invented and perfected machinery, and successfully achieved the manufacture of upright piano actions in this country for the first time, which had not been accomplished before generally. Up to that time the manufacture had been exclusively controlled and carried on in Europe. The square action preceded this kind of action, and was in general use almost exclusively. This was one of the advances, mechanically and scientifically made, as to upright pianos in this country in the way of progress in our line, and we had to invent all our own implements and arrange them after much trial and expense so as to work smoothly. The upright piano then came into demand among our people. The result of all our sixteen years of labor, experiments, and the investment of capital, making it a success, is now entirely applied to our factory business and constitutes the sum and substance of all our efforts. All this is now at the mercy of the laws of the United States, excepting in so far as natural shrinkage and variations of trade may affect it. From our success other upright piano action manufacturers have sprung up in New York, Massachusetts, New Jersey and Connecticut, thus illustrating what may be accomplished in this country when our business interests are protected by the laws, and the continuance of that protection is assured, to capital invested and to the enterprise which directs it into the channels of that great power of development, the manufacturing industry.

I therefore respectfully request on the part of the manufacturers of upright piano actions in the United States, that the following clause be adopted by your committee in the bill now under consideration:

"Piano actions and parts thereof, 50 per cent. ad valorem."

Mr. LA FOLLETTE. Are piano movements imported into this country completely manufactured?

Mr. WESSELL. Yes, sir; ready to be put into the piano. It needs putting the stems on the butt, and putting the hammers on, so as to adjust, finish, and regulate it.

Mr. LA FOLLETTE. You do not ask any change in the rates of the materials from which you manufacture?

Mr. WESSELL. No, sir.

Mr. LA FOLLETTE. Did you say that the movements now pay a duty of 25 per cent.?

Mr. WESSELL. Yes, sir.

Mr. LA FOLLETTE. How much of the works of the movements is hand labor?

Mr. WESSELL. You mean hand labor?

Mr. LA FOLLETTE. Yes.

Mr. WESSELL. Of course, every machine requires a man to work at it with his hands. I should say it is about one-half.

Mr. MILLS. We export a great many pianos?

Mr. WESSELL. No, sir; a very few.

Mr. MILLS. One piano manufacturer in New York City told me he exported a large amount of his manufacture to England; that was Mr. Steinway.

Mr. WESSELL. Very few are exported from here. It is mere talk of the trade, usual in it, to boom the business of the piano manufacturer in regard to this export.

Mr. MILLS. If you make the piano cost more it will stop the exportation?

Mr. WESSELL. This will not make the pianos cost more. We have competition enough now, and we are merely trying to keep out this foreign competition in the action.

Mr. MILLS. But you are asking for an increase of duty on the movements, that will make the pianos cost more.

Mr. WESSELL. It will not make them cost more than at present. If they would not encroach any more on our business in some new regard, and we are protected as I now request on behalf of the piano-action manufacturers, we could afford to let the present price we get for a piano action remain the same, and in time we could afford to manufacture and sell cheaper in accordance with the healthy effects of good trade and increased business. By the protection afforded to us in the tariff as now asked by me for piano actions we would feel encouraged to continue our business as it is now, and keep our plant intact, otherwise not.

Mr. LA FOLLETTE. What does the movement of a piano cost?

Mr. WESSELL. About \$21 to \$25 in an upright piano action; and for grand \$36 to \$42.

The CHAIRMAN. Do you know what that costs abroad?

Mr. WESSELL. They sell it here at from \$17 to \$19.

The CHAIRMAN. What does that action cost here?

Mr. WESSELL. That action costs here about \$21 to \$25; that is, when it is manufactured here.

The CHAIRMAN. So the difference is \$4 or \$6 in its first cost.

Mr. WESSELL. Yes, sir.

Mr. LA FOLLETTE. That is, it is sold at that price here duty paid.

Mr. WESSELL. Yes, sir; about \$18.

Mr. LA FOLLETTE. Is it superior to the American movement?

Mr. WESSELL. It is a good action, but we can make just as good actions here and better. If you allow me, I will explain to you how this business came to be developed. In former years there were a few uprights made. They were almost all square, and a few grand. Since 1864 the upright pianos have come into use and favor.

Mr. MILLS. I see from this book here (Statistical Report) we exported last year five hundred and eighty-nine pianos, worth \$191,316.

Mr. WESSELL. There were manufactured about seventy-five thousand pianos in the United States.

Mr. MILLS. Precisely. What was imported?

Mr. WESSELL. There were probably four or five times as many imported as were exported; there are a great many more imported now.

Mr. MILLS. Do we import pianos?

Mr. WESSELL. We import pianos, but I do not know the exact number yearly.

The CHAIRMAN. Is there anything further?

Mr. WESSELL. What I want to state is, that when the upright pianos came into use in this country formerly there were only squares, and at that time the action cost from \$6 to \$10, and of course there was no market for the European goods here. They were mostly made by the manufacturers themselves here. From 1874 the upright piano came into use constantly more and more. The action cost at that time \$30, and of course the Europeans saw then that they could get a market here and they gradually encroached upon us. We started our factory in 1874. I was formerly employed in Steinway's piano factory as assistant to the foreman. We have got a pretty good factory, but the European manufacturers are coming down upon us all the time, and we have to lower our prices so that we can not really employ good labor generally, and will have to stop altogether if it continues. I could state how much capital is invested in manufacturing piano actions in this country.

Mr. LA FOLLETTE. Give us that.

Mr. WESSELL. It is about \$2,000,000.

Mr. LA FOLLETTE. How many hands are employed?

Mr. WESSELL. About two thousand.

Mr. DINGLEY. That is in piano actions exclusively?

Mr. WESSELL. Yes, sir, exclusively.

ADDITIONAL STATEMENT OF OTTO WESSELL.

TUESDAY, March 4, 1890.

Gentlemen, I appeared before you at the Ways and Means Committee Thursday last in regard to piano actions, and have since brought an action on here to explain how difficult it was to commence this new industry. In the United States, 1874, it was said at that time the upright and grand actions could not be made in this country. My two partners and myself started manufacturing, and we said, "What foreign labor can make American labor can make, and better."

This upright action is made in this country—the fruit of sixteen years' hard labor. At that time we three mechanics stood alone to lay the foundation for a new industry in this glorious country. At that time the French and German piano-action manufacturers had the advantage of fifty years' experience in manufacturing upright and grand piano actions. We had actually to teach lumber men how to saw wood on the quarter to gain more silver grain—this is a technical expression in our trade which I here explain. A number of holes are bored into each piece of a piano action, bushed, and a pin driven into the hole; the wood must be silver grain on the side or it will split.

There was no hardware made in this market at that time for the upright and grand actions. Machines had to be invented, for instance, cutting thread on this back-catch wire; the shape to bending this bridle wire; for making a damper lifter and spoon; for making brass bracket to hold regulating rail; for stamping a brass damper wire and rounding it on each end; for making all these kinds of springs.

After many years of struggles, hard work without any satisfactory results as to profits, we finally succeeded in overcoming the prejudice with which every new "home-made, article" is met, and from our humble beginning a large industry has sprung up as stated to you before.

We therefore think that our request deserves your recognition fully, since every particle of material which we use in our actions is properly protected by the tariff, while the entire product—the ready-made action—is not.

Referring to my testimony already given before your committee as to actions for pianos, and asking that the duty on them, especially so enumerated, may be increased for the protection of the piano-action manufacturers of the United States, I respectfully beg leave, for the information and guidance of the committee, to make a brief explanation further as to what a piano-action movement is. To that end I have brought on this full movement to be submitted to you here, showing all the parts making up such action as you now see it before you.

Outside of the mere fact that we desire protection for this manufacture, it is not pleasant to calculate the possibility that our interests shall not receive the protection which certain necessary parts of it receive in the tariff if they can be identified with our production, while the competitive article in the lump, as a movement, is left to the sole protection of 25 per cent., and hence comes in as a menace and bar to our future business.

Why should the parts which go to make up our actions in all its compound nature be more liberally treated as to protection than the whole construction 25 per cent.?

Now, gentlemen, here you have a full piano action, one of the best made and fit for one of the best pianos. By this I can show you everything it is made of.

The largest amount of value used is the metal, as follows: It is composed of wood, iron, steel, nickel, felt, morocco buckskin, leather, and German silver.

The chief article of value is metal. The amount is about 55 per cent. of the whole, the balance is labor. Every article which I show you in detail is produced by our own inventions and contrivances which we had to arrange after invention to suit the work of our factory so as to have our actions produced economically, regularly, and faultlessly, for you will see that our work is all of the most delicate character in its construction, measurement, and arrangement, so that each small part will fit most thoroughly in its place.

STATEMENT OF PIANO-FORTE MAKERS.

NEW YORK, March 15, 1890.

To the Committee on Ways and Means:

An argument has been presented to your committee by certain piano-forte action makers of New York to increase the duty on piano-forte actions (now classed among non-enumerated articles) to 50 per centum ad valorem.

The undersigned, piano-forte makers of the United States, would protest against such advancement of duty as being unjust, obstructive, and fatal to the piano making industry of this country.

Finished pianos and other musical instruments now enter under a duty of 25 per centum ad valorem.

To exact a higher rate of duty on piano actions and other parts of musical instruments would not be in keeping with the policy of the present Government, to protect and foster American industry.

Piano actions and other parts which enter into the piano-forte or other musical instruments should rather pay a less rate of duty than finished instruments, so as to enable the manufacturers of piano-fortes and other musical instruments to produce as cheaply as possible and meet foreign competition.

There appears to be no good reason for a higher rate of duty on piano-forte actions, since the manufacturers of this article in this country have been highly successful, having made large fortunes within a comparatively short time under the present protective duty.

There are but twelve action makers in the United States, employing in all from one thousand five hundred to two thousand hands; whereas there are nearly two hundred piano manufacturers who employ from ten thousand to fifteen thousand men.

To raise the duty on piano-forte actions would simply mean to create a monopoly for a few action makers at the expense of hundreds of piano makers, and invite and make possible the importation of finished pianos on an extended scale.

It has been the aim of Congress to encourage and protect American industry and put the manufacturer who desires to import the various parts and put them together in this country on an equality with the importer who, in the main, imports the completed article.

This intention is shown in the tariff by the classification of other merchandise; such as clocks and parts of clocks (section 414); carriages and parts of carriages (section 412); watches and parts of watches (section 494); chronometers and parts of chronometers, and other goods the parts of which pay precisely the same duty as the finished article; also, the classification of all kinds of kid gloves (section 436), which pay the same duty whether wholly or partially manufactured.

We can not believe that it is the desire of the present Government to deviate from this policy, and would therefore ask that if the duty on finished pianos and other musical instruments shall remain as at present, 25 per centum ad valorem, then the duty on piano-forte actions and other parts should be less, say 17 per centum ad valorem, or positively not higher than the duty on the completed instruments.

We would further call the attention of your committee to the fact that by a recent ruling of the Treasury Department all parts of musical instruments (piano actions included) are now classed as non-enumerated articles on which discriminating duties are assessed, based on the materials of which they are composed.

This ruling causes great inconvenience and hardship to the manufacturers of piano-fortes and other musical instruments in the United States—

First, because under this ruling many parts of piano-fortes and other musical instruments now pay a higher rate of duty than the finished instruments;

Second, because the great variety and varied construction of these parts make it exceedingly difficult to determine the rate of duty they shall pay, and therefore the entry of such goods is much more complicated than formerly; and

Third, because of the difficulty of properly classifying these goods will lead to many errors, especially in less important ports of entry, and give the unscrupulous importer an opportunity to underclassify, greatly to the disadvantage of the manufacturer for whose use such parts are imported.

We would therefore urgently recommend that the duty on finished musical instruments and all other parts thereof be made as nearly uniform as possible by establishing a classification for all parts at a uniform rate of duty which shall be less, and certainly not higher, than the duty on finished instruments.

This would simplify the entering of these goods considerably, avoid mistakes and frauds in their importation, and be equitable to all concerned.

This is respectfully submitted to your favorable consideration.

[Here follow numerous signatures.]

PEARL BUTTONS.

[For other testimony on Button, see *ante* page 704].

STATEMENT OF HON. HERMAN LEHLBACH.

Hon. HERMAN LEHLBACH, member of Congress, from New Jersey, addressed the committee as follows:

Mr. Chairman, I come before the committee on behalf of the pearl-button industry, in which my constituents are largely interested, and I ask that the duty on pearl and shell buttons, whether wholly or partly manufactured, shall be 4 cents per line, button measure, of one-fortieth of 1 inch per gross.

I will say, Mr. Chairman, to the committee that this industry has been almost completely prostrated. About twenty years ago, I think, the industry was flourishing in this country, but the competition at that time was almost altogether with England. Since that time the manufacture of pearl buttons has been introduced into Austria and Turkey, and the importations come from those places. Labor in Austria is paid from \$2 to \$2.80 per week, and the evidence before the Senate Committee was that not alone was free labor employed but that convicts were largely employed in the manufacture of pearl buttons. Since the importations from Austria have commenced the industry has steadily declined, so that in my own district, where we had formerly twenty factories engaged in the manufacture of pearl buttons, there are now only two or three in existence, and they work only at the higher grades of goods.

Mr. LA FOLLETTE. Do you know to what extent convict labor is employed in Austria?

Mr. LEHLBACH. No; I understand that there are several thousand near Vienna. I will refer the committee to a petition printed in the Congressional Record.

Mr. LA FOLLETTE. I knew it was quite extensive, but I did not know what the numbers were.

Mr. LEHLBACH. This industry has been endeavoring to obtain relief from Congress for the last eight years. My predecessor introduced the bill, which I re-introduced this session, asking for a specific duty of 4 cents per line; but on account of their not being any tariff legislation of course it was not considered. The Ways and Means Committee refused to consider any single article. Last session when the tariff bill came up in the House I introduced an amendment, which was voted down. The Senate, however, amended the tariff bill so as to read: Pearl and shell buttons, 2 cents per line, button measure of one-fortieth of 1 inch per gross, and in addition thereto 25 per cent. ad valorem. The 25 per cent. ad valorem is the present rate of duty. After the Senate committee had adopted this amendment a committee of manufacturers and working-men came before the Senate committee and endeavored to show to the subcommittee that this duty was not sufficient to protect them against the underpaid labor of Austria. But the Senate, however, adhered to their schedule. When the bill came back to the House, Senator McPherson and myself went before the subcommittee of the Ways and Means Committee, and the bill reported by Mr. McMillan, being House bill No. 12597, included a clause adopting the Senate amendment. The House committee were satisfied that this industry should have relief.

Now, what I desire to urge upon this committee is to give to this industry the protection which they need of 4 cents per line, making the entire duty specific. Both the Senate committee and the House committee last session of Congress agreed that this was a case where relief ought to be granted; but they did not make the duty high enough. I will say that it is high enough to protect the higher grade of goods, but not to protect the lower. Labor in Austria, as I have said, is paid from \$2 to \$2.80 per week, and in Bohemia, where they are now engaged in the manufacture of pearl buttons, the pay is still less, being about one-half of what the contractor usually pays for convicts when they are employed under the contract system in our country.

Now, gentlemen, we have in our own State from one thousand to fifteen hundred men engaged in this industry, and I have no doubt that if this protection is given, merely overcoming the difference in the wages paid here and on the other side, that this industry will have twenty thousand men engaged in it.

Mr. LA FOLLETTE. Are you familiar with the process of manufacture?

Mr. LEHLBACH. It is all hand work.

Mr. PAYNE. How large a percentage of labor is required?

Mr. LEHLBACH. I think it is about 80 per cent. I will state to the committee that I will file a statement with regard to this matter. The manufacturers were to appear before this committee, but I held a conference with the chairman, Major McKinley, and I thought that as they had appeared before the Senate committee at a considerable expense, and, being poor men, that I would not put them to the expense

of coming down here and arguing this case. I told them that I would present it before the committee for them.

Mr. GEAR. The Philadelphia pearl-button manufacturers have been here.

Mr. LEHLBACH. The bone men have been here but not the pearl manufacturers. I do not know that there is anything more for me to say; but I would refer the committee, if they wish to look further into this subject, to the evidence before the Senate committee which, I understand, will be printed in a few days.

Mr. GEAR. I understood you to say that you would file a paper yourself?

Mr. LEHLBACH. Yes, sir; I will file a paper with regard to the matter.

CORKS.

(See *ante* page 808.)

STATEMENT OF JOHN ROBINSON.

JOHN ROBINSON, a resident of New York, addressed the committee as follows:

Mr. Chairman and gentlemen, I was before the committee yesterday in the interest of the cork manufacturers. I left a written statement with the committee giving our standing generally. I omitted to state, however, that before the Senate committee of last year the argument was advanced to show that a specific duty would bar out the low grade of goods. I beg leave to say that these goods are not imported and would not be imported if the duty was free. We have goods in the store at New York of a low grade which we have had on hand for eleven years, and we could not sell them now for the amount of duty that was paid upon them. Should that argument come up when you are determining this question I would like to have you take into consideration the fact which I have stated, that low-grade goods will be debarred, and that they would not come in if there was no duty at all, because there is no demand for them.

Our main reason for asking a change of duty from the ad valorem duty to the specific duty is the impossibility of getting competent appraisers to appraise the goods, that is, a competent judge of the foreign value. During the past few years the two gentlemen who were here with me yesterday and myself have devoted at least one-third of our entire time to appraising goods coming into New York for the appraisers of the seventh division. It is for this reason we would like to have a change, as an experience of thirty years has demonstrated the absolute fallacy of an ad valorem duty for the reason that competent appraisers can not be had. They can hardly be had in New York; but it is absolutely impossible to get them in the West and other places. The only party who knows the foreign value is the party who is interested having them come in under value.

IVORY.

[For other testimony on Ivory, see *ante* page 687.]

ADDITIONAL STATEMENT OF OTTO GERDAU.

JANUARY 11, 1890.

OTTO GERDAU, a resident of New York City, occupation an importing merchant, addressed the committee as follows:

Mr. Chairman, I yesterday petitioned you for a reduction of the duty on ivory for the manufacture of piano keys. It is now 30 per cent., and it is advocated in the Senate bill that it should be increased to 40 per cent. I telegraphed to New York for a set of pianokeys, and have it here. It shows you that it is simply cut out by a saw, and there is no hand-work at all about it. Such a set of keys as this would cost about \$8.80. I do not think it is necessary for you to be expert in the business in order to say that a duty of 10 per cent. would about cover the difference in the cost of the labor, and there is nothing else in regard to the matter to be considered. It is cut by a steam saw, and nothing else is done to it.

Mr. LA FOLLETTE. How many factories are there which manufacture these keys?

Mr. GERDAU. Only one in Hamburg, but there are others in Berlin.

Mr. LA FOLLETTE. How many in this country?

Mr. GERDAU. There are three.

Mr. LA FOLLETTE. Do you know how many men they employ?

Mr. GERDAU. No, sir; I do not know. It is a very few because the steam saw does away with the necessity for hand labor.

Mr. LA FOLLETTE. It requires somebody to operate the saws?

Mr. GERDAU. Yes, sir.

Mr. LA FOLLETTE. And some body to handle the ivory as it passes from the saw?

Mr. GERDAU. Yes, sir.

Mr. LA FOLLETTE. Then each set of ivory keys must be polished?

Mr. GERDAU. No, sir; it is not polished. That is for the piano-maker to attend to. This is just as it leaves the saw, and it is very smooth. The ivory saws very fine.

Mr. LA FOLLETTE. Does it require a great deal of skill to saw these pieces?

Mr. GERDAU. No, sir; anybody can do that. The saw is set at a certain gauge, and the piano-makers have got to plane them down to the exact width.

Mr. LA FOLLETTE. Do you know of any piano-maker who has petitioned to have this duty reduced?

Mr. GERDAU. Yes, sir; I myself petitioned a few years ago. I got up a petition when I was in New York at the Windsor Hotel, and every piano-maker to whom I applied signed it.

Mr. PAYNE. Do you import this ivory under the present duty?

Mr. GERDAU. Yes, sir.

Mr. PAYNE. To what extent?

Mr. GERDAU. To a very small extent. This business is principally in the hands of the German manufacturers. It is on the piano ivory that I have petitioned to have the duty reduced to 10 per cent. Now, on ivory which is unmanufactured, I noticed yesterday that Mr. Brown and Mr. Sheeney, both, in the Senate bill, claimed a duty of 40 per cent.; but when it comes to the pinch they are quite satisfied to accept 15 per cent.

Now, I want to show you that in a material so expensive as ivory a duty of even one-eighth per cent. imposed on this raw material would be destructive. Yesterday I showed you a small tooth, such, for instance, as this [exhibiting an ivory tooth]. This is a very small one, and would weigh probably about 2 pounds. We have them weighing up to 150 pounds. Now, one of these tusks of 100 pounds each, would cost at the rate of from \$2.50 to \$3 per pound, so that there is a value of \$300 to a tusk. We sell the hollow part to the brush manufacturer; he must use the hollow part. To another man, the umbrella manufacturer, we sell the solid part, and he makes the handle of an umbrella or a knife handle out of it. To another man we sell the center part, and they make out of the center part billiard balls, etc. Now, if the tooth were cut across in this way [indicating] they would have to pay for a simple saw cut lasting one second, a duty of 60 per cent. Now, surely it can not be contended that this saw cut costs any more in this country than on the other side.

Mr. PAYNE. Why can't you saw it here as well as you can on the other side?

Mr. GERDAU. If you had all the factories in the whole world, you could.

Mr. PAYNE. It does not require a factory to do that?

Mr. GERDAU. Yes, sir; it does; you can not do it by hand at all.

Mr. PAYNE. A 6-inch saw will cut it.

Mr. GERDAU. But I am an importer, you see. There are only two importers of raw ivory. We supply all the turners, the little turners, of America. The small turners must of necessity buy the ivory of this one form. There are, in fact, not many engaged in this business. We send out our own caravans to Africa, and it generally requires a period of several months before we hear from them.

Now, I want to call your attention to these handles for pistols. The Secretary of the Treasury decides that this is unmanufactured ivory. It is sawed both ways. When this very innocent-looking phrase was introduced into the Senate bill, I have no doubt that the members thereof thought that when the word "sawed" was employed it referred to ivory such as this; and they certainly never intended that it should be construed as "sawed" ivory where it was only sawed directly across like this [indicating]. But, if such a phrase were to be introduced in the tariff bill, my Connecticut friends would insist that there was in your mind this kind of sawed ivory, and I am sure you do not want to put a duty upon material like this.

I have one other thing to suggest. Yesterday knife-handles were alluded to. This is something which I am going to show to the Secretary of the Treasury, because I contend that there ought to be a duty on these knife handles. Now these are the knife-handles [exhibiting the handles] and they pay a duty now. That is sawed ivory, in my opinion, as this [indicating] in sawed ivory. But if you were to allow such a phrase to go into the tariff bill as is now contained in the schedule, "Ivory not sawn, or otherwise manufactured," then I claim that the Connecticut men would say that this ivory [indicating], being sawed, must pay a duty of 40 per cent. I think you will say that a simple saw cut should certainly not be chargeable with that duty. For instance, take a log. Suppose you put on the free list "logs not sawn." According to this language I may claim that if the log is sawn crosswise, across the grain, it would have to pay a duty. That one word

"sawn" will make a great deal of mischief, because I am certain it never was intended to put this kind of ivory in the schedule as dutiable ivory. Therefore I claim that the tariff ought to remain as it heretofore has been, "vegetable ivory, not manufactured," and then let the Secretary of the Treasury decide, as he always has done, what is manufactured and what is unmanufactured ivory.

Mr. PAYNE. Is there anything further?

Mr. GERDAU. I would like to call your attention to one other article. The Secretary of the Treasury decides that knife-handles such as these [indicating], cut out of mother-of-pearl shell, are free of duty, and he decides that these knife-handles [indicating] made from a tusk are dutiable. I agree with him that these knife-handles are dutiable because they are sawed or manufactured. He, however, contends that these [indicating] are not dutiable, because in the free list is mentioned, 'mother-of-pearl free,' and also shells free. Now, he claims that mother-of-pearl can not be had except to cut into the shell. I have written him several letters in order to show him the error of that, but I have not succeeded. I shall call upon him to-day to show him that it is not necessary to cut into the shell in order to get mother-of-pearl. The whole shell is mother-of-pearl, and you will certainly get mother-of-pearl if you only grind off the back. I am going to show that to him to-day. I therefore claim that in your free list you ought to say simply "mother-of-pearl," in order to avoid this wrong interpretation with regard to unmanufactured mother-of-pearl.

LUMBER.

[For additional Lumber, see *ante* page 778.]

STATEMENT OF JOHN A. EDGET.

TUESDAY, February 18, 1890.

Mr. JOHN A. EDGET, of Saginaw, Mich., addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I am here at the instance of a great number of manufacturers of lumber in the Saginaw Valley, in eastern and northern Michigan especially. You are all aware there has been an export duty upon logs levied by the Dominion of Canada amounting at the present time to about \$2 per thousand feet, log measure. Indeed, the act of parliament under which the export duty is levied delegates to the privy council of the Dominion the power to fix and regulate this export duty from time to time, and from 1881 to 1885, as I understand it, the duty stood fixed at \$1 per thousand feet. The result was a great many Saginaw men and those along the eastern shore of Lake Huron commenced to make large purchases on the Canadian side along the Georgian Bay for the purpose of towing logs across Lake Huron and manufacturing them at Saginaw and at other points. As nearly as can be estimated now, the holding of Michigan men in standing timber in Canada that will be tributary to Michigan points and would be manufactured there is 2,000,000,000 or 3,000,000,000 feet. After the purchase had been made, with the expectation of bringing the logs at those points I have specified, this privy council put the export duty up to \$2 per thousand. Subsequently they were placed up to \$3 for pine logs, so as to make it practically prohibitory, and that after these men had commenced to cut the timber and were engaged in lumbering operations. For some cause they have changed the duty now to \$2 per thousand, and there it stands fixed at the present time; but, as I have said, it is in the power of this privy council, without any consultation with any one, from time to time to regulate and fix it as they choose. They can put upon it any duty, so as to make it prohibitory or otherwise, that they see fit to place upon it.

Now, of course we have no export duty upon logs or upon raw material of that description ever since I can recollect; the figures of course will show. There have been large firms and corporations in Quebec, Montreal, and Ontario and other points who have removed timber from Michigan, northern Ohio, Wisconsin, and all the border States. That is especially true of oak, walnut, spruce, pine, and all timber of that sort that could be used for ship-building and exportation to Europe; and right there, in demonstration of the fact, there has been in the last ten years something like \$12,000,000 worth of timber exported on which there has been no duty or any charge. They have gone in without restriction and cut it as they chose, the same as if they were citizens here. Now, while the United States charges an import duty of \$2 a thousand for pine lumber from Canada, and the Canadians respond and charge \$2 a thousand for export from the United States to Canada, we have no legislation of any kind that protects upon the log or timber in the rough, while they upon their part, as I have said, have established this duty of \$2 a thousand upon the exportation of logs, and in addition they leave the arbitrary power in the hands of the council to

regulate, to lower or raise it as they see fit, and they have been accustomed to use it as a bludgeon for the purpose of injuring, if not entirely destroying, this large producing interest of Saginaw and Michigan markets, provided they can get it there. Now, it is perfectly feasible to tow logs from the Georgian Bay, across Lake Huron, to these lower districts in Saginaw. It has been done, and done there with a trifle over a dollar a thousand, and done safely, and there has been no great loss in transportation of logs on account of storms and otherwise. So it is just about as cheap to bring them that entire distance of 200 miles across the water as to float them down the rivers and boom them out upon the rivers on our own side and carry them to the places of manufacture.

Now let me say further. On the east shore of Michigan, and especially in the Saginaw Valley, we have got (speaking of the valley alone) \$10,000,000 to \$15,000,000 invested simply in milling plants. We have got, in addition to that, the largest salt-producing territory in the United States. These salt manufacturers are dependent, as the committee are aware, upon the supply of fuel from those mills; so if the mills are cut off from their supply of logs it will destroy the fuel supply of the salt manufacturers, and that will also cease. So that the two great industries, the saw-mill industry and salt-producing industry, the planing-mills and factories, and all that class of business are entirely dependent upon the supply of timber. In round numbers now our output is 2,000,000 to 3,000,000 bushels of salt. We have 800,000,000 or 900,000,000 feet of lumber, the largest lumber manufacturing territory in the United States or in the world, and it has been for a great number of years. But since 1883, when the maximum cut was reached, there has been a constant diminution from a 1,000,000,000 feet cut in that year down to about an average of 800,000 feet now, and we have now got to a point where we can see almost year by year when the limit must be reached, when the entire cut of timber will disappear; that is, the home supply in Michigan. Now, stating it in round numbers, for the coming year of 1890, there will not be timber for the Saginaw mills, cut tributary to the Saginaw waters, to exceed two-thirds of the entire cutting capacity of the mills, and probably for the next season (I think I speak within limits) there will not be over a half. Is not that right, Colonel Bliss?

Mr. BLISS. I think that is correct.

Mr. EDGET. So that we are faced with the special necessity in our case here of securing further tributary timber if we can to help out these other industries. We have there, in round numbers, a population of 50,000 people and ten or fifteen thousand workmen dependent upon the supply of logs in the first instance.

The CHAIRMAN. Right there permit me to ask you, at the rate you are now exhausting the home supply, how long will it be, in your judgment, before the output will be exhausted.

Mr. EDGET. In the territory of which I have been speaking, from Saginaw as far north as Mackinaw on the Lake Huron shore, I speak within limits when I say that five or eight years will exhaust all the pine timber in that territory.

Mr. FLOWER. How much lumber in the log do you import from Canada now?

Mr. EDGET. At present the importation is very small because of this duty that has been raised and lowered, and the action of the Government has been so uncertain respecting it that no man could go in there and cut his timber. There was a time when, as Mr. Loveland here can state, the lumber-export duty was only \$1 a thousand, when they cut and skidded the logs, got them ready and exported them, when immediately the duty was plumped up to \$2 a thousand, and subsequently to \$3 a thousand.

Mr. FLOWER. If we put sawed lumber on the free list, would it remedy that?

Mr. EDGET. I am coming to that after awhile, and speak of the proposition we have. I only want to detail facts and the special circumstances surrounding them.

The CHAIRMAN. When I interrupted you, you were saying the entire capacity of the mills was not over two-thirds supplied now.

Mr. EDGET. That is true now, and as I said, the supply is constantly diminishing. Now, I will revert to the statement that I think at the present time the holdings in the Canadian waters that are tributary to Saginaw, which we are unable to export and manufacture, is from two to three thousand million feet of standing lumber.

Mr. FLOWER. A good deal of which is owned by Americans?

Mr. EDGET. It is held entirely by Americans. Parties resident in the State of Michigan have bought with the expectation of being able to bring them over to be manufactured. There are large mills besides these salt works and manufactories, costing from \$150,000 to \$250,000, enabling us to manufacture 15,000,000 to 25,000,000 feet per year; and the expectation is to tow these logs to the United States for manufacture as I have said, and I speak of this lumber when I say perhaps 15,000,000 feet more could be obtained, making a total of over 4,000,000,000 feet that could be made tributary to the Saginaw waters, provided we could reach the logs. By doing this, we can prolong this industry at Saginaw for almost an indefinite period by utilizing the

lumber bought there by establishing yards, by building up sash, door, and blind factories, and diversified industries that are dependent upon log-cutting.

Now the proposition of these gentlemen who submit their memorial to the committee is (and it has been mooted for a long time) that there should be some retaliatory measure taken on the part of the United States Government, which will compel the Canadian Parliament to suspend the imposition of this export duty, and the proposition has been made, and is now submitted, that in any revision of the tariff that you submit at the present time, there should be incorporated a provision that, to the amount of any import duty that Congress may fix, there be added an amount of export duty upon the Canadian log with a view to compel, as I have said, the entire repeal of that export duty. Now, on the face of it—

Mr. FLOWER. When that duty shall be just as large as the export duty—

Mr. EDGET. No; that the amount of that duty shall be added to the amount of any import duty charged upon their own lumber.

The CHAIRMAN. (To Mr. Mills.) That is substantially the same as your bill.

Mr. MILLS. We aimed to reach the same thing, but in a little different manner.

Mr. EDGET. I will come to that very thing presently, and I will be just as brief as I can. Now on the face of it, if that remains right there, it would probably raise unnecessarily an import duty upon Canadian lumber. Now, we do not stand contending it shall have any such result as that. All we do contend in the face of the experience we have had is, and upon the statement made of important lumber concerns of Canada, and the action of the Dominion Government, it will lead to an immediate repeal of the statute. Now, let me say that the Board of Trade of Quebec, of Montreal, and of Toronto, and the Lumbermen's Association of Canada, have all united, as early as 1889, in a petition to the Dominion Government to repeal this statute, because, at the time when the Mills bill was pending here, they understood there would be some retaliatory measure taken by Congress that would result in the raising of the import duties upon Canadian lumber exported here, and it was to their interest to prevent any such action on the part of Congress by immediately repealing that obnoxious duty, and I have here, and I will submit to the committee an address made by Mr. John Charlton, a leading member of the opposition in Parliament in the Dominion, in which he presents this petition of a delegation of the Lumbermen's Association in Canada, in which they take this very position. Now, it appears the entire production or output of Canada identified for home market and European demand is a little over one-half the production; nearly two-thirds is exported to the United States. I notice by an examination of the figures something like \$6,000,000 worth was imported from Canada into the United States in 1889.

Mr. CARLISLE. Sawm lumber?

Mr. EDGET. Sawm lumber, exclusive of bass woods and other woods, not pine. That represents, I judge, about 500,000,000 to 600,000,000 feet, or about one-thirtieth of the entire production of the United States, so it cuts no very large figure when you come to discuss the question in regard to producers and consumers; but it is all important to have, because, as I say, two-thirds of the entire production of Canada must seek this market in the United States, and anything which will affect the import duties which are charged upon that lumber goes directly to affect the profits of the Canadian producer; so they are extremely sensitive upon the question. Let me read a brief extract from this statement of Mr. Charlton, in which he discusses this very phase of that case.

There is the statement of it, and it ought to be perfectly independent of this statement. There is already an anticipation of a measure of that sort being passed by Congress by the power given to this privy council to absolutely suspend and repeal the statute, so as to meet this adverse legislation, and not subject the Canadian producers to a loss or inconvenience of such retaliatory measures as we would impose. Now, that of course is one way of dealing with the question, and, it seems to us, representing as we do the largest lumber-cutting interest in Michigan, it is only a proper protection we are entitled to have; but it will certainly result in prolonging the industries we have there and increasing the amount of output of the American market by bringing this lumber from Canada to an extent, as I have said, of 5,000,000,000 feet, covering in its manufacture a large term of years.

Mr. MILLS. Do I understand that they import from us four times as many logs as come in here?

Mr. EDGET. Yes; it is taken from New York, Maine, Vermont, and takes in very largely the Red River districts.

Mr. MILLS. I want to ask one question here. In cutting the timber are they careful to cut nothing but the large timber in the pineries and sparing the young timber, or do they just sweep it all out?

Mr. EDGET. The young timber can not be spared. The better practice has been found from experience to be to sweep everything clean as they go, in order not to go back and go over it again.

Mr. MILLS. That is the way they do in my district.

Mr. EDGET. If they go through and simply cut out the large timber, the fires will run through there and destroy all the small timber.

Mr. McMILLIN. Is it your experience after a fire has swept through you can produce a second crop of timber, or that the fires continue from year to year?

Mr. EDGET. These fires utterly annihilate the timber, and leave nothing. In every case it is a very serious loss. Every time timber is cut, the tops and butts or ends are left in the woods, which furnish a means of spreading the conflagrations.

The CHAIRMAN. After a fire has run through a forest like that, most of the timber would be worthless.

Mr. EDGET. As I understand, the worms commence work the first of the season and destroy the sap, and from that time on the timber will decay and rot and be a loss. Let me say in addition to this that if any revision might be made of the tariff, and this remedy or relief that we now ask for is not furnished, then there certainly ought to be that full measure of relief that was guaranteed by the original Senate bill, that is, a provision in the event there was any reduction made in the existing tariff in the Senate bill upon lumber, that the reduction should have no application to any country which insisted upon keeping this export duty upon the logs. That would accomplish the same purpose in a limited way.

The CHAIRMAN. That was the provision of the Senate bill.

Mr. EDGET. That was the substance of the provision.

The CHAIRMAN. Would that be satisfactory?

Mr. EDGET. As I have said, the lumbermen of the Saginaw Valley have stood upon the present tariff. The representatives stand here pledged to continue that, and it seems to me they are reasonable men and recognize in the Senate amendment to the House bill fixing the limit of the duty at \$1.50, which by way of compromise it might be needful to accept, but at the same time we are not here to advocate any reduction of that sort.

The CHAIRMAN. What I allude to particularly is whether that provision of the Senate bill sought to correct this difficulty.

Mr. EDGET. I think it would be adequate to correct this difficulty in a large measure.

Mr. MILLS. You said just now that in the course of six or seven years the pineries would be exhausted.

Mr. EDGET. I said that within five to eight years the timber in the Saginaw district would be.

Mr. MILLS. What are we going to do for lumber if they insist upon keeping the duties on Canadian lumber? What are you gentlemen going to do for lumber to saw? We are trying to get the export duty off.

Mr. EDGET. There is nothing I can say that will enlighten a committee of this sort upon a general tariff question. I am simply here to discuss the facts in the matter.

Mr. FLOWER. You said the representatives of this district were under pledges to stand by the tariff. If you were not under those pledges would you not vote in all common sense to put lumber on the free list?

Mr. EDGET. I do not mean to speak of it as strongly as I have said. I know the Republican doctrine, and my friend Mr. Bliss was elected on that platform, and as an honest man he is supposed to carry out that doctrine as near as he can; commencing with the industries in the Saginaw Valley—

Mr. FLOWER. Would he not be willing to put it on the free list for the benefit of the manufacturer?

Mr. EDGET. I do not understand it so.

Mr. CARLISLE. You want logs on the free list; you would be willing to have a customs duty imposed upon logs.

Mr. EDGET. I have stated to the committee the attitude these memorialists occupy, and I ought not to go beyond that.

Mr. CARLISLE. You want to retain logs on the free list, and to induce, if you can, the Dominion of Canada to reduce their duty.

Mr. EDGET. My proposition is that for years and years we have been exporting out of this country four times as much as we get in the shape of timber.

Mr. CARLISLE. That we can not help. You know the ultimate result will be to break up the trade between this country and the Dominion in lumber and in logs. In other words if we were to impose an additional duty upon Canadian lumber on account of the fact that they impose this export duty upon lumber, might they not then put a still higher duty upon logs and upon coal, and upon lumber which we send there, because we send lumber there?

Mr. EDGET. I rely entirely as I said upon the fact that the Canadian has got to market two-thirds of his lumber in the United States, and upon these petitions by the boards of trade and the entire lumbermen's associations of Canada, in which they take the unqualified ground that this duty ought to be repealed.

Mr. CARLISLE. If we increase ours, will they not increase theirs?

Mr. EDGET. That is by charging additional import duty upon lumber.

Mr. CARLISLE. Lumber and other things.

Mr. EDGET. That would be virtually immaterial to the lumber produced in the United States.

Mr. CARLISLE. The lumber industry is an important one, but it is only one of many that are carried on in this country, and if a policy of retaliation is to be entered upon by one government, we can have no assurance it would not be continued by the other.

Mr. EDGET. The policy was originated by them, and it was supposed to be to their interest and was supposed to be for their protection; but they have apparently seen their mistake, and they would repeal it as soon as they saw the United States demonstrated some ability to take care of their own citizens.

Mr. FLOWER. Do you think this \$2 per thousand on logs coming to and from Canada and the United States is necessary to protect you in the difference of labor between that country and this country?

Mr. EDGET. I will say just this, and I speak now of my own personal judgment, and I do not represent anybody in my statement. That is that when it appears that twenty-nine times as much lumber is manufactured in the United States to supply the United States market as is imported from any foreign country, that perhaps the importation might not have any effect upon the market to increase or decrease the prices.

Mr. FLOWER. The point I ask is do you believe that the difference in labor between Canada and the United States is such as would require a duty of \$2 a thousand to protect our labor?

Mr. EDGET. Yes, sir; I do emphatically believe that, from living upon the border as I do, and the communication I have had with both sides.

Mr. FLOWER. They have planing mills, so far as mills are concerned, as far down as Ottawa, but they have no large mills except in Ottawa.

Mr. EDGET. Ottawa is a manufacturing district of Canada.

Mr. FLOWER. Yes, sir; but it is away back one hundred and odd miles from the coast. Will not that make a difference in the labor between this country and Canada?

Mr. EDGET. That will not cut much of a figure, since they have commenced to trade by rail in consideration of the rates upon the long and short haul. It cuts a small figure.

Mr. FLOWER. So that if the Canadian mills had the same volume as ours would that difference of freight make up the difference in wages, provided even we had free lumber?

Mr. EDGET. Mr. Flower and Mr. Chairman, living as we do upon the border there, and having been interested for years and years in the question, and coming in competition with the Canadian lumber, I think I have spent as much time in the examination of the prices and cost of production in the two markets and labor and material as any one engaged in the lumber industry—

Mr. MILLS. How much does it cost to produce 1,000 feet of lumber here and 1,000 feet there? What is the difference?

Mr. EDGET. Do you mean the cutting?

Mr. MILLS. No; I mean the entire cost of production. You say you have gone through the entire thing.

Mr. EDGET. I am speaking of the cost in wages, and I should say in round figures there would be a difference of at least 25 per cent. between the prices paid Canadian labor and the prices paid American labor.

Mr. MILLS. Do you pay the American labor by the piece?

Mr. EDGET. No, sir; by the day.

Mr. MILLS. Does the American workman do more work than the Canadian?

Mr. EDGET. Not that I am aware of. It requires just so many hours' work at a certain machine per day. The average day's work is eleven hours in the mills of Saginaw—Colonel Bliss could tell you.

Mr. BLISS. It has been put down to ten hours now.

Mr. FLOWER. Is that a fair statement of the difference of the cost of American labor and Canadian labor?

Mr. EDGET. I think it is.

Mr. FLOWER. How much labor enters into the sawing of 1,000 feet of lumber?

Mr. EDGET. I must beg you to consult Colonel Bliss, who is manufacturing, or Mr. Loveland, who is a manufacturer. They can give you the details. I would like a statement of Mr. Loveland, who has been engaged in this export.

The CHAIRMAN. I understand you have a written statement.

Mr. EDGET. I would like to file with the committee the speech of Mr. Charlton, and also a printed statement covering these remarks.

The CHAIRMAN. That permission will be granted.

STATEMENT OF R. A. LOVELAND.

Mr. R. A. LOVELAND, of Saginaw, Mich., addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I think Mr. Edget has covered the ground so well that there is no use in my going over it.

Mr. MILLS. Please just state the cost of the production of 1,000 feet of lumber in the United States and the cost of the same in Canada.

Mr. LOVELAND. I should differ a little, perhaps, from the Judge. My experience has been a little different from that. It costs a little more to lumber in Canada than it does here. They are not as favorably situated as we are in the lumber peninsula of Michigan, and it costs them a little more. Their expenses of freighting are a little more than ours, and I have means to know. We have a mill in Canada and saw there, and we also log in Michigan.

Mr. MILLS. What do you pay your hands in Canada, and what do you pay them in Michigan?

Mr. LOVELAND. Judge Edget came pretty near it, but I hardly think there is 25 per cent. difference in the labor here.

Mr. MILLS. Are they about equally efficient; do the laborers do as much?

Mr. LOVELAND. No, sir. We have had a great many French who came over to Michigan.

Mr. MILLS. Do not the French and Canadians do as much work as the Americans?

Mr. LOVELAND. No, sir; their manner of doing business is different. Our firm built camps and ran there as they did in Michigan, but they found they could not put in logs as cheap as people there who had cheaper camps and furnished the men with much less to eat and drink. The men there would go in and out of the camps to get something to eat perhaps ten times a day. That was their way of doing business.

Mr. MILLS. Do you pay for what they eat?

Mr. LOVELAND. No, sir.

Mr. MILLS. He buys that himself.

Mr. LOVELAND. The owners pay it; oh yes, sir. We have a different method; we have meals at regular times, but in the other case the men would run in and out of the camp; and they did not do anything like the work in Canada that the men in Michigan did in the camps.

Mr. MILLS. How much more would our fellows do over here than there? One-third, one-fourth, one-fifth, or one-sixth?

Mr. LOVELAND. We would feel the difference in putting in the logs in regard to—

Mr. MILLS. Give us an estimate of how much more efficient our men are than the Canadians. Is it a fifth, a sixth, or more?

Mr. LOVELAND. I should say one-fifth.

Mr. MILLS. Do they cut the logs with machinery there as we use machinery here?

Mr. LOVELAND. It is done with the same kind of machinery we use here.

Mr. FLOWER. The mills are not near as large as ours except at Ottawa.

Mr. LOVELAND. They have good mills in Michigan.

Mr. FLOWER. No; I did not mean Michigan, I meant on the other side.

Mr. LOVELAND. I meant in Canada. They have large mills on the Georgian Bay. Our firm stocks one mill, which is quite a large mill.

Mr. FLOWER. Do you think they have got as good mills? Do you call them as good mills as ours?

Mr. LOVELAND. Yes, sir; they have as good mills as we have, but perhaps not quite so large. When you get down to Ottawa—

Mr. FLOWER. There you are getting away from the coast where the freight will help you.

Mr. LOVELAND. On the Georgian Bay there are a good many mills.

Mr. MILLS. How many hands will it take to bring from the forests 1,000 feet of lumber and freight it to the mill? I mean to take it from the stump.

Mr. LOVELAND. It would vary from \$3 to \$4, according to the location.

Mr. MILLS. Say you had to go a mile for it.

Mr. LOVELAND. Almost all the timber is drawn to the rivers and floated down to the mills. Very little timber is hauled right to the mills.

The CHAIRMAN. Let me ask you if there is any difference in the cost of stumpage between Michigan and Canada?

Mr. LOVELAND. That is a very difficult matter to tell.

The CHAIRMAN. The policy in Canada is to lease the lands.

Mr. LOVELAND. We go into Canada and we buy limits. The government puts up limits for sale and the highest bidder takes the limits on government lands. Then they are frequently repurchased. A purchaser will purchase these lands and sell them again. We have a limit in Canada which we bought at second hand. These

limits bring from \$1 to \$3 per thousand for stumpage. I know some Michigan people have paid more than \$4 for stumpage.

Mr. FLOWER. What do you mean by stumpage?

Mr. LOVELAND. I mean for the timber standing; and in addition to that we pay \$1 a thousand feet royalty to the government.

The CHAIRMAN. You pay that for what lumber you take off, and that is in addition to the license.

Mr. LOVELAND. This is the license, and this is in addition to the amount you pay. They issue the license to cut. They do not state when or how you shall cut, but when we do cut they have a government ranger who looks after it very sharply, and then we have to pay a dollar for stumpage.

Mr. McMILLIN. In addition to this privilege they bid for it originally.

Mr. LOVELAND. Certainly.

Mr. FLOWER. You would think then this Government would not be ruined, needing as she does the protection of her forests, that she ought to admit logs and sawn lumber.

Mr. LOVELAND. While they charge \$1 stumpage there, they have the right to put it up to \$5 if they choose. That is under the charge of the privy council.

Mr. FLOWER. Even after it is purchased?

Mr. LOVELAND. Even after it is purchased. They give us license from year to year and we pay \$3 per square mile rent for taxes and they issue that license, and we go on and cut for that year, paying \$1 a thousand feet stumpage. That has been the established process in the Ontario government. They charge more than that in the Quebec government, but they are liable at any time to change it, and therefore a great many people are afraid of this.

Mr. FLOWER. There comes in another general argument of admitting sawn lumber free of duty.

Mr. LOVELAND. That is the way stumpage has acted there?

Mr. FLOWER. I am not talking about stumpage. I am talking about bringing these logs over; I am talking about bringing lumber over as well as logs. Certainly it would be protection to our forests.

Mr. LOVELAND. I was an old Henry Clay Whig, and I believe in protection.

Mr. FLOWER. It is protection to the forests. You have got on the wrong end of the horn. You want to protect these water-ways up through that country. That makes Wisconsin and Minnesota valuable. You know the cutting of the timber around the headwaters of the Mississippi has made navigation so uncertain, that they want large appropriations to clean out bars of the Mississippi along down where the Black River and streams below there empty into the Mississippi River.

Mr. LOVELAND. Yes, sir.

The CHAIRMAN. You say these limits are sold to the highest bidder?

Mr. LOVELAND. Yes, sir.

The CHAIRMAN. And you say they cost \$3?

Mr. LOVELAND. No, sir; that \$3 is a tax. We call them a tax here, and they call them a ground rent there.

Mr. EDGET. The average run will be more than \$3.

The CHAIRMAN. I want to know what that \$1 to \$3 means?

Mr. LOVELAND. They generally sell it by berths. A berth is a township. For instance, that township contains 50,000,000 feet of lumber. That would sell for from \$50,000 to \$200,000. The Government would get that for it, and that is what is called stumpage.

The CHAIRMAN. Then you pay in addition to it \$1 a thousand feet when you take it off.

Mr. LOVELAND. Yes, sir; but they are liable, as I stated, to increase from \$1 to \$2, \$3, or \$5. It has not been their policy to do so, although in the Quebec government they have advanced it.

Mr. McMILLIN. You stated awhile ago your logging cost you more in Canada than in the United States.

Mr. LOVELAND. It would under the same circumstances.

Mr. McMILLIN. You stated you had mills in both, if I understood you correctly, and your experience was that your logging was more expensive in Canada than in the United States.

Mr. LOVELAND. It is.

Mr. McMILLIN. What per cent. is it greater; about what?

Mr. LOVELAND. From 10 to 15 per cent.

Mr. McMILLIN. After getting the logs to the mill, which is the most expensive, to convert it into lumber in Canada or the United States?

Mr. LOVELAND. They do it a little cheaper in Canada.

Mr. McMILLIN. How much cheaper?

Mr. LOVELAND. Well, 10 per cent.

Mr. McMILLIN. Then as the logging is from 10 to 15 per cent. more in Canada and

the conversion into lumber is about 10 to 15 per cent. more in the United States, the combined cost of logging and converting into lumber in the two countries is about the same.

Mr. LOVELAND. I should think so. One circumstance is that we are nearer the market and it costs less to market our stock.

Mr. McMILLIN. I speak of producing it. It is about the same, but if anything, it is a little more expensive in Canada.

Mr. LOVELAND. Yes, sir.

Mr. DINGLEY. With the same location for logging, would the expense be the same in this country?

Mr. LOVELAND. I think it would not be as much.

Mr. DINGLEY. That depends upon the location. Some places are very hard to get lumber from and others are easier.

Mr. LOVELAND. Take the Georgian Bay country. It costs more to lumber there.

Mr. DINGLEY. Then you have to pay more for labor in this country both in logging and at the saw-mill.

Mr. LOVELAND. There is not so much difference in labor as people imagine.

Mr. DINGLEY. Therefore if it costs less at any particular point here for carrying on logging operations, it is simply because they have got a better berth, is it not?

Mr. LOVELAND. That has a good deal to do with it.

STATEMENT OF P. B. LAIRD.

To Chairman McKinley and Members of the Ways and Means Committee:

SIRS: In behalf of the granite manufacturers, with their millions of capital invested, and the thousands of men in this industry, we ask an increase of duty on finished granite from 20 per cent. to at least 60 per cent., for the following reasons:

First. In behalf of the manufacturers, as they are paying 90 per cent. higher wages than the foreign producer. The freight averages 75 per cent. higher from domestic quarries to New York than from Liverpool. Granite is shipped as ballast in vessels, and shipments have been made at times 300 per cent. less from Liverpool than it could be brought from Eastern quarries. Prior to the tariff of 1861 we were practically importing all our granite monuments, with not two hundred men producing them here. After searching the principal cemeteries in the State of New York, I find only one granite monument made by Americans before 1861. No man wanted to invest money in a plant to compete with the cheap labor of Europe. The tariff of 1861, though small, encouraged us to invest in plants with much better machinery than they had in Europe. This advantage, with the premium on gold, which was practically so much addition to the duty, enabled us to build up one of the great American industries, employing upwards of twenty thousand men. The English reduced the price more than the amount of the duty, but when we came in competition with them in selling a monument, they could not give it away to break us down, as they were obliged to pay a tax of 20 per cent. for the privilege of selling it in our market. As the premium on gold decreased and they procured duplicates of our machinery, with their low wages, they are again driving us to the wall. Since 1883 we practically have received no dividend and have been obliged to reduce the wages of our men 15 per cent. Foreign granite can be purchased in New York, duty paid, 30 per cent. less than we can furnish it, if we work without profits.

There was not a granite monument factory in the State of Vermont before the tariff of 1861. Their quarries were sheep pastures. To-day there are hundreds of factories. One town, then almost unknown, has now over forty. This has become the second industry of the State, with millions of capital invested, giving employment to thousands of men. In a measure, this is true of New England and other States. Monuments are selling 30 per cent. less than they were in 1861 when the English made their own prices. If this duty is a tax, give us more taxation. The duty of 1861 has practically become a tariff for revenue only, and as the people emphatically expressed by their ballots of 1888 a wish to have a tariff for protection, we respectfully request a duty of at least 60 per cent. on finished granite. In verification of the above statements, I respectfully submit to you these letters from many manufacturers, who know whereof they speak.

Second. In behalf of the thousands of stone-cutters engaged in this industry, I respectfully request this increase of duty. The small tariff of 1861 greatly increased their wages. Foreign competition, with their cheap labor, is again reducing it. Half of the present manufacturers have earned the money to commence business since 1861 with the hammer and chisel. I did not know of a stone-cutter previous to that time who had earned a home with his hammer and chisel making monuments. To-day hundreds have homes. It has taken their children from the factories and mines and placed them in schools and colleges. In fact, the stone-cutters in Massachusetts have

more money in savings banks and more value in homes than their brethren in all the rest of the world outside of the United States, and I do not think any person in this country is any poorer on account of the blessings bestowed on them by the tariff of 1861. In behalf of all laboring men, I ask this increase of duty, as the wages of one class affects the prosperity of all.

Respectfully submitted.

P. B. LAIRD.

MARBLE AND GRANITE.

[For other testimony on Marble, see *ante* page 496.]

FROM MARBLE DEALERS OF NEW ENGLAND.

The Committee on Ways and Means, House of Representatives :

The following is a supplement to the petition from the marble industry for a re-adjustment of the tariff on sawed marble slabs, dated Boston, January 22, 1890.

This supplementary petition has the concurrence of marble mill-owners, whose memorial, addressed to the Committee on Ways and Means, is dated from New York, January 7, and postscript of 15th of same month.

The present tariff act, Schedule N, reads as follows :

“Marble of all kinds, rough or square, 65 cents per cubic foot.

“Veined marble, sawed, dressed, or otherwise, including marble slabs and marble paving tiles, \$1.10 per cubic foot.”

We recommend the tariff act of Schedule N changed to read as follows :

Marble of all kinds, in block, rough or squared, 65 cents per cubic foot.

Marble, sawed, dressed, or otherwise, including marble slabs or paving tiles, not exceeding 1 inch thickness, 12 cents per superficial foot.

Marble slabs over 1 inch thickness, and not exceeding $1\frac{1}{2}$ inches thickness, 15 cents per superficial foot.

Marble slabs over $1\frac{1}{2}$ inches in thickness, and not exceeding $1\frac{1}{2}$ inches in thickness, 18 cents per superficial foot.

Marble slabs over $1\frac{1}{2}$ inches in thickness, and not exceeding 2 inches in thickness, 24 cents per superficial foot.

Marble slabs over 2 inches in thickness, 12 cents per superficial foot in addition for each inch or fractional part thereof, in excess of 2 inches in the thickness, but if exceeding 6 inches in thickness, such marble shall be subject to the duty imposed upon marble in the block.

The re-adjustment, as requested, does not change the duty on block marble, but it does secure an equitable adjustment of and correction of the evident error or oversight in the present tariff, which discriminates against home, and favors foreign industry. The practical effect will be to import marble in the block, instead of the sawed slabs, as at present, and thus enable us to distribute the money for sawing our marble among our own people instead of paying it to Italy.

THE RETAIL AND WHOLESALE MARBLE DEALERS' ASSOCIATION
OF NEW ENGLAND.

STEPHEN MASLEN, *President, Hartford, Conn.*

VIEWS OF TENNESSEE QUARRYMEN.

The Committee on Ways and Means, House of Representatives :

Your attention is especially called to the operation of the tariff act of 1883 upon this industry. Under that act block marble pays 65 cents a cube; marble sawed pays \$1.10 a cube.

The above looks all right on its face, but practically it is decidedly wrong. Slabs three-quarter inch thickness are now imported at a cost 5 cents less per superficial foot than they can be produced here from imported block marble.

“The irregularity of the present tariff which discriminates largely in favor of foreign mill-owners has led to the building of large mills in Italy, whilst since 1883 but two Italian marble mills have been built in this country. Several have been closed, or have ceased to be used as such, and the importation of sawed marble slabs has largely increased and is constantly increasing.”

Owing to the great waste in sawing marble, and the average per cent. allowed for imperfections, 150 cubic feet in block marble will produce only 100 cubic feet of sound slabs, three-quarter inch thickness. The waste is about 40 per cent., to which the freight on this excess in weight must be added.

The cost of sawing marble in the United States is much greater than in Italy, and under the existing tariff our mills can not compete with theirs.

"We have taken slabs three-quarter inch thickness, as that thickness constitutes the larger part of the importation."

"Having made evident, as we think, the irregularity of the tariff as it applies to this industry, we venture to submit the following rates for the consideration of the Committee on Ways and Means, should the present duty on block marble be continued."

Marble sawed, dressed, or otherwise, including marble slabs or paving-tiles, not exceeding 1 inch in thickness, 12 cents per superficial foot.

Marble slabs over 1 inch thickness, and not exceeding $1\frac{1}{4}$ inches in thickness, 15 cents per superficial foot.

Marble slabs over $1\frac{1}{4}$ inches in thickness, and not exceeding $1\frac{1}{2}$ inches in thickness, 18 cents per superficial foot.

Marble slabs over $1\frac{1}{2}$ inches in thickness, and not exceeding 2 inches in thickness, 24 cents per superficial foot.

In the foregoing petition we have quoted statements of facts, and several extracts which express our views from a communication addressed to your committee, dated New York, January 7, 1890, and signed by representative committees from New York, Philadelphia, Boston, Baltimore, Cincinnati and Chicago.

We wish it distinctly understood that this petition is for an adjustment of the present tariff, which now discriminates against this industry in the United States.

W. H. EVANS & SON,
By *J. E. Willard, Superintendent.*
TENNESSEE PRODUCERS' MARBLE COMPANY.
GREAT SOUTHERN MARBLE COMPANY.
STINETTE MARBLE COMPANY.
J. OELLIG BROWN.
CONCORD MARBLE COMPANY,
F. BARKER, *Secretary and Treasurer.*
REPUBLIC MARBLE COMPANY.
BEND MARBLE COMPANY.
GREAT BEND MARBLE COMPANY.

FROM THE CHAMBER OF COMMERCE OF KNOXVILLE, TENN.

KNOXVILLE, TENN., *February 18, 1890.*

Whereas the operation of the tariff act of 1853 has largely driven the industry of sawing marble from the United States and transferred the same to Italy: Therefore, be it

Resolved, That the officers of this association be instructed to forward a copy of the following petition to the Committee on Ways and Means, House of Representatives; also a copy to all Senators and Representatives from the State of Tennessee now in Congress assembled.

CLAYS.

[For additional Clay, see *ante* page 493.]

STATEMENT OF J. B. CLEMENTS.

ST. LOUIS, *February 18, 1890.*

DEAR SIR: Acting upon the kind suggestion in your favor of the 29th ultimo, we beg leave herewith to furnish you with some data showing that American fire-clay, especially ours of Missouri, is superior for glass house and other purposes to German, English, or any other imported fire-clay. To substantiate this, we refer you to the analysis of Regis Chauvenot & Bro., who stand in the front ranks as analytical chemists and assayers. (See Exhibit A.)

The working of our home clay mines gives employment to thousands of industrious citizens; we ourselves employ over one hundred and fifty men, and have during the past twenty-five years mined and sold many hundred thousand tons of fire-clay, which has been used mainly for glass-house pots.

We would, therefore, urge upon your committee the justice of imposing an import duty of at least \$5 per ton upon all foreign fire-clays. Not only will this tend to protect our home industry, but will be an act of justice to those engaged in fire-clay

enterprises, who have expended large sums of money in the construction of works and erection of machinery in many of the States of the Union, and notably here in Missouri. Permit us to urge this point, that unless there be a protective duty on all foreign fire-clays, these enterprising citizens who have already expended vast sums of money in developing this industry will be eventually crippled and thousands of industrious men finally thrown out of employment; on the other hand, by the restriction of a duty on all foreign fire-clays, home manufactures will increase and many of the States in the Union be materially benefited.

We trust you will give this communication, together with accompanying report of the Messrs. Chauvenet Bros., your careful consideration, and that you will see your way clear to granting our request.

Very truly, yours,

CHRISTY FIRE CLAY COMPANY,
By J. B. CLEMENTS,
Vice-President and General Manager.

Hon. W. MCKINLEY,
Chairman Committee on Ways and Means.

EXHIBIT A.

ST. LOUIS, January 29, 1890.

GENTLEMEN: In answer to your question regarding the value of your clays for the manufacture of glass pots, compared with certain English and German clays, we reply as follows:

It is only necessary to carefully compare the analysis of your clays with the most celebrated foreign clays, to see that they are equally good and peculiarly adapted by their high silica and the absence of any dangerous per cent. of alkali, for the manufacture of glass pots, and answer the most exacting requirements for high-grade clays.

Throughout the brief list of analysis of foreign clays, we have been able to find very few that come up to your clays in quality, and a great number which fall far below the grade of your selected clays.

We herewith give you a few examples of celebrated foreign clays, comparing them directly with samples of your clay, of which we have recently made analysis:

Mark.	1.	2.	3.	4.
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
Water	10.30	10.30	9.91	9.91
Silica	65.10	63.30	65.08	64.84
Alumina	22.22	23.30	23.55	22.35
Lime .....	.14	.73	1.06	1.56
Magnesia .....	.18	.....	.77	1.90
Oxide of iron	1.73	1.80	1.27	1.40
Alkalies .....	.18	1.50	Traces.	Traces.

No. 1. Best clay used by Messrs. Chance for glass pots. No. 2. Average Stourbridge clay. No. 3. Christy clay, analyzed by us December, 1889. No. 4. Christy raw clay, analyzed by us January 26, 1890.

It is evident, then, that we need not look further or go to foreign sources to satisfy the demand, when we have near at home clays of better quality.

The refractory nature of The Christy fire-clay is not without a cause, and is due to the unusual purity of these clays and especially to their freedom from alkalies.

In speaking of the Missouri clays, in his report on the manufacture of glass, in the Tenth Census Report, Mr. Jos. D. Weeks says:

"Our American clay is much purer than the German and is more refractory, but not as dense. It is much less costly, however, and must eventually supersede the German clay."

Mr. Thos. Coffin, one of the oldest manufacturers of glass pots in the country, says in regard to these clays:

"It is found by experience that the Missouri clays will stand more intense heat than any other * * * and American clay is fast superseding German clay because of the hotter running furnaces now being used."

That the Christy clays are superior in many respects to the German clay, the following analysis taken from the best authorities will make evident.

Mark.	1.	2.	3.	4.
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
Water	10.24	10.51	9.70	10.73
Silica	59.01	47.33	71.31	63.10
Alumina	24.26	35.05	15.66	23.70
Lime	1.32	.16	.....	.09
Magnesia .....	.72	1.11	.28	.06
Iron oxide	4.04	2.30	1.19	2.20
Potassa	1.20	3.18	.63	.08
Soda .....	.....	.....	.....	.04

No. 1, Hanover. No. 2, Grunstadt. No. 3, Coblenz. No. 4, Christy fire-clay.

The German clays shown above are not refractory; first, because they are too high in potassa, and, second, because the relation of the silica and the alumina is not as it should be to represent true silicates of alumina; in other words, true fire-clay.

The most refractory clays are those in which the silica is in the neighborhood of sixty-five and the alumina in the twenties, and which are at the same time free from impurities.

An honest comparison of your clay with any foreign clay must prove it to stand the highest and most exacting tests to which fire-clays can be subjected, and at the same time show that it is one of the purest clays yet discovered.

Very truly,

REGIS CHAUVENET & BRO.

The CHRISTY FIRE-CLAY COMPANY.

ADDITIONAL STATEMENT OF JESSIE B. KIMES.

DEAR SIR: We respectfully submit a statement of the importation of China-clay into the ports of Boston, New York, and Philadelphia, and used by China potteries, covering a period of ten years ending 1889, showing the number of gross tons and average valuation for each year.

Years.	Tons.	Value.	Value per ton.	Years.	Tons.	Value.	Value per ton.
1880.....	11,361	\$108,626	\$9.56	1885.....	15,184	\$118,557	\$7.80
1881.....	18,059	171,585	9.50	1886.....	16,343	119,337	7.30
1882.....	22,373	215,793	9.64	1887.....	23,171	137,923	5.95
1883.....	18,452	131,811	7.14	1888.....	17,641	97,358	5.51
1884.....	14,189	107,754	7.69	1889.....	19,249	109,398	5.16

The average valuation of China-clay entered at the port of New York in 1889 was \$5.04 per gross ton.

We also submit statement of American China-clay mined exclusively for potters' use, which we have obtained by correspondence with the respective clay miners of Pennsylvania, Delaware, and Maryland, and which I believe is correct, for the period of ten years ending 1889.

Years.	Nettons mined.	Years.	Nettons mined.
1880.....	12,928	1885.....	16,250
1881.....	13,824	1886.....	16,148
1882.....	14,586	1887.....	15,904
1883.....	18,040	1888.....	16,000
1884.....	17,006	1889.....	15,680

During the above period the price of American wrought or washed China-clay has receded from an average of \$14 per ton in 1883, to an average of \$10 per ton in 1889.

In 1880 there were 11,361 tons of China-clay entered at the above ports at an average valuation of \$9.56 per gross ton; in 1883 there were 18,452 tons entered at a valuation of \$7.14 per ton; in 1889 there were 19,249 tons entered at a valuation of \$5.16 per ton. Thus showing a continued increase yearly of foreign clay and a continued reduction of valuation.

We may here say that at an average value of \$5.16 per gross ton for wrought China-clay at the vessel's side at an English port, from whence comes all our foreign China-clay—produced there by labor of which is, at least, 80 per cent. of its value—at the wage price of 2 shillings per day—now paid at English clay mines—it will be impossible for many of our American clay miners to continue.

If we admit that American clay deposits are as advantageously located for mining as the English deposits are, it is not possible, in our estimation, to compete, when we pay on an average of \$1.30 per day for the same labor as English miners pay 50 cents for, and with the present tariff of \$3 per ton on wrought clay.

The railroad freight from our most advantageously located mines averages \$2.33 per ton, 2,000 pounds, to Trenton and East Liverpool, our principal pottery centers.

English clay is brought to our ports by steamers seeking landing, and is carried at a nominal price, the mere cost of loading and unloading, to save expense of taking ballast. We are assured by an importer of China-clay that he has paid 4 shillings 6 pence per gross ton as freight and charges for the clay laid on docks in Brooklyn, N. Y. The railroad freight on this foreign clay from New York to Trenton is 60 cents per ton, and to East Liverpool is \$2.70 per ton.

In 1880 there were produced at American China-clay mines for potters' use 12,928 net tons; in 1883 there were 18,040 tons, and in 1889 15,680 tons, and the price has been reduced from 1883 to 1889 full \$4 per net ton.

There is a capacity of output at our American clay mines already developed fully equal to all demands, and there is an unestimated abundance of kaolin lying undeveloped in nearly every State in the Union.

With the tariff rate of \$5 per ton on wrought or washed clay the American output was increased from 12,928 tons in 1880, to 18,040 tons in 1883, and was keeping pace with the increase of pottery interests.

Since 1883 the output of American mines has decreased, showing a reduction of 2,360 tons for 1889, while the potteries have increased in number.

In the foregoing statement we have not taken into account any China-clay produced in the Carolinas or Georgia, which is principally used by paper makers, but have confined ourselves to the clay used by China potters.

The kaolin deposits of Virginia, North Carolina, South Carolina, Georgia, and Texas are known to be extensive; but the development is retarded by the fact that they can not deliver to the paper manufacturers in the Northern States their product at a price less than that paid for the same quantities of English clays.

Our Southern products get as far north as Philadelphia, where they are sold at \$12 per ton. The competition with the English clays being so close that added freight to shipments at a greater distance rob the Americans of their own market.

The kaolin product of the Southern States is well adapted to all uses where impalpable clays are needed, as in paper-making, but it lacks that plasticity which makes it valuable to the potter. Properly protected, however, its development will be greatly encouraged, to the advantage of the labor of at least five of the prominent Southern States.

The United States Clay Miners' Association, in view of the fact above submitted, respectfully ask that the duties imposed upon foreign kaolins prior to 1883 be restored, to wit: \$3 per ton on crude or unwrought, and \$5 per ton on wrought or washed china clay.

Very respectfully,

JESSE B. KIMES,
Secretary United States Clay Miners' Association.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

MUSICAL INSTRUMENTS.**STATEMENT OF WILLIAM J. McCORMICK.**WILLIAMSPORT, PA., *March 1, 1890.*

When the present tariff was placed on musical instruments, especially the brass instruments, the number of factories at that time was very small, in fact none of any size, and certainly none that were prepared to make quantity, and the old tariff was probably based upon the idea that we could not supply the trade of the United States, or even a small part of the same, and so the tariff was made very low (25 per cent.) to enable the goods to come in at this low rate, and save the music-loving public a large amount annually for their band instruments. Now all this is changed, and in spite of an inadequate duty large factories have sprung up, employing a large number of men, and numerous small shops are struggling against the adverse circumstance of little or no protection trying to build up their trade and business. Some conception of their disadvantages can be had from a glance at the wages paid this class of workmen in the Old World and the prices ranging in the United States. There the average pay of a skilled workman is \$1 per day, while the pay-rolls of all the large makers in this country will prove that \$3.25 and \$3.50 are the daily averages paid here. Again, our raw material is bearing a larger proportionate duty than the manufactured goods, and, strange to say, all other brass manufactured articles (usually necessities, too) are protected with 45 per cent., while this line made of the same material, in which labor forms 90 per cent., of the cost, is left with only 25 per cent., forming little or no protection to this now important industry. In fact, the only way it is possible to enter our own home market at all is based entirely upon the superior class of instruments made by the American manufacturers, enabling them by doubling the price to sell a small quantity of the goods annually sold in this country. Now, if we could have even the duty that all brass manufactured articles bear, namely, 45 per cent., we could so largely increase our output that much lower prices would prevail and the profits, by reason of quantity, be increased. Now that the factories of this country are equipped to meet our home demand with a superior class of instruments, certainly they should be given a chance to make the goods in sufficient quantities to enable low prices with a high grade of instruments and protecting our industry to the reasonable extent of granting to them the same protection that all brass goods manufactured have now and have had for many years past. The Senate has studied the matter in all of its bearings as outlined above and have given us in their bill the just protection that we now appeal for from you.

We ask for only the same 45 per cent. that is granted to all in similar lines.

Respectfully,

WM. J. McCORMICK.

STATEMENT OF BRUA C. KEEFER.

The manufacture of brass band musical instruments is a comparatively young industry in the United States, and when the present tariff of 25 per cent. was placed on brass band instruments it was no doubt a just and fair charge, not for protection, however, as there were no industries of this character to protect, but as a source of revenue. Now, however, there are four large factories in this country, with thousands of dollars invested, manufacturing a line of brass band instruments that can not be excelled by any foreign country, and it is only by reason of the superior quality of our goods and the patronage of the truly American people, desiring American manufactured articles, that we are enabled to keep the wheels of our factories moving.

As the average daily wages paid in foreign countries to skilled workmen in this line is \$1 and in this country \$3.50, and with but 10 per cent. of the cost of an instrument representing material, the remainder labor, it will readily be seen that it is almost impossible with the present duty to compete with foreign manufacturers, whose goods are now sold in our markets at just one-half the price of our own manufacture. Due, as we have just shown, to the very low wages paid to their skilled workmen. As all other articles manufactured from brass are subject to a duty of 45 per cent., we know of no reason why this young and growing industry should not receive an equal protection with other manufactures the fostering and guarding of which by our Government in its tariff legislation has made the United States the great nation it is to-day.

Our goods are not a necessity, as are the many other articles manufactured from brass, and now subject to a duty of 45 per cent., but may be properly classed as a luxury, and well able to bear a fair proportion of the taxes.

We would therefore most respectfully ask that as an act of justice to a deserving industry we be placed at least upon a par with all other manufacturers making a line of brass goods.

BRUA C. KEEFER,
President Henry Distin Manufacturing Company, Philadelphia, Pa.

UMBRELLA RIBS AND STRETCHERS.**VIEWS OF JAMES CONAWAY & CO.**

PHILADELPHIA, January 29, 1890.

To the honorable Committee on Ways and Means, Washington :

The undersigned, manufacturers of steel umbrella and parasol ribs and stretchers, respectfully represent that the duty on those goods does not afford sufficient protection or encouragement for the manufacturers.

To defeat if possible the new industry, the foreign makers commenced the allowance of trade discount, and these have been increased from time to time till the present rate is 70 per cent. off and cash discount in addition.

Large amounts of capital were lost in the commencement of the manufacture, and what exists will have the same end unless labor can be obtained at some reduction.

The goods being staple articles, the struggle against the low-price labor abroad has been severe on the home manufacturers; but the time has now come when they hope attention will be given to their request.

They respectfully desire that the duty on ribs and stretchers made of any material for umbrellas and parasols be 60 per cent. and 15 cents additional for each hundred ribs.

Respectfully submitted.

JAMES CONAWAY & Co.

STATEMENT OF ASHER T. MEYER.*The Committee on Ways and Means :*

The undersigned, manufacturers of umbrella and parasol ribs and stretchers, respectfully represent that the duties on these goods do not afford sufficient protection or encouragement for the manufacture thereof. The present low duties enable foreign manufacturers to sell their goods in this market at prices that prevent domestic manufacturers from obtaining a reasonable return for their investment. Large amounts of money are invested in machinery in this industry and many thousand operators are given employment thereby. We have struggled for years to compete with the low-priced labor of England and Germany, and unless we can be protected by an adequate duty, will be compelled to surrender the business to foreign manufacturers who have for years past been continually reducing the prices, and will cause the money invested here to be a total loss, as the machinery is suitable only for this special purpose.

The importation of these goods has steadily increased from 1879, when they amounted to about \$40,000, to \$187,000 during the last year. The article manufactured in this country is equal, if not superior, to any produced either in England or Germany, but at a cost, owing to the enhanced price of our labor, that can not compete with foreign manufacturers. The relative difference in wages, say in England, where operators earn 8 shillings a week, the same class of workers in this country earn from \$7 to \$9 a week, while experienced labor that is paid here at the rate of from \$4 to \$5 a day can not, on the other side, receive more than \$1.50 per day. The same relative prices apply to the wages paid in Germany. We also beg to call your attention to the fact that these goods come in under different headings in the present tariff, some of them at 40 per cent., while others pay only 30 per cent., the latter being similar to the former in every respect. The chief materials used in the production of our goods pay a duty of from 45 to 90 per cent., while foreign goods similar to ours pay but 40 per cent.

Believing that Congress is willing to foster and protect home industries, we would respectfully request that the duty on umbrella and parasol ribs and stretchers, frames, etc., pay as follows :

On umbrella and parasol ribs and stretchers, 60 per cent. ad valorem, and in addition thereto, 15 cents per hundred ribs and stretchers.

Respectfully submitted.

AMERICAN MANUFACTURING COMPANY,
By ASHER T. MEYER, *President*.
WINTER & BALL MANUFACTURING COMPANY.

NEW YORK, March 17, 1890.

CANES AND UMBRELLA STICKS.

STATEMENT OF F. R. KALDENBERG.

NEW YORK, *January 28, 1890.*

GENTLEMEN: As manufacturers of canes and umbrella-sticks we desire to draw your attention to the disadvantages under which we have to labor in comparison with manufacturers in Europe with whom we are in constant competition.

The present duty on these articles is between 25 and 35 per cent. ad valorem, but we think it ought to be at least 75 per cent., as these goods are almost entirely produced by manual labor, the material forming but a small proportion of the value of the finished article.

Here in this country, in order to keep good workmen, we must supply them with work throughout the year, while in Europe during the winter months only large quantities of canes and umbrella-sticks are made in Germany, Austria, and France, all by people who in summer are occupied on their farms, and the compensation for the work done there is at least three-quarters less than we are obliged to pay here for the same labor.

Then, again, one of the most expensive items in the manufacture of the above-mentioned goods is alcohol, largely contained in the varnish used in finishing these sticks. Here we are obliged to pay four times as much for this article alone, in consequence of our Government tax upon alcohol and spirits.

There are many people here who are well qualified and very willing to do the work in this country, and there is much material also in the form of roots, sprigs, saplings, etc., that can be used to great advantage. But workmen here can live but meagerly on double the pay they would receive in Europe. Therefore the duty should be commensurate in placing us on a level with the working-men in the foreign country.

You will therefore see the justice of our request, and we trust that your committee will look upon it in the same light.

Yours, respectfully,

F. J. KALDENBERG COMPANY,
F. R. KALDENBERG,
Vice-President.

The COMMITTEE ON WAYS AND MEANS, *Washington, D. C.*

STATEMENT OF THOMAS W. BALL.

The Committee on Ways and Means:

As manufacturers of umbrella and parasol sticks and walking canes we ask your attention to the severe and discouraging competition with the manufacturers of France and Germany in the making of those goods.

The several exhibits are samples of the class of work imported into this country in large quantities and sold at such prices that competition is impossible.

They are entirely the product of hand labor and in such diversity of taste and style that machinery can not be applied to their manufacture, and are made of materials most of which grow in this country.

With a duty, therefore, of only 30 per cent. our manufacturers are practically driven from our own markets, because the price of labor here is two or three times greater than is paid abroad for similar work. We have the workmen and the materials of all kinds, but the difficulty is, the workmen of equal ability in Europe work for one-third of the price such labor costs here.

There is a large consumption and a growing taste for fine work on these goods. They are a branch of art that should be cultivated and fostered among our people, but with the present low duties not the smallest inducement is offered. The cost of materials is the smallest item.

Your petitioners therefore earnestly request that the duties on umbrella and parasol sticks and walking canes of any material up to 50 cents per dozen in value be 50 per cent. ad valorem, and for all such goods valued at over 50 cents per dozen 75 per cent. ad valorem.

WINTER & BALL MANUFACTURING COMPANY,
Per THOS. W. BALL, *President.*
WM. HARVEY & Co., *Philadelphia, Pa.*

CURLED HAIR.

STATEMENT OF GLOVER & WILLCOMB.

BOSTON, *March 9, 1890.*

SIRS: We notice on the new tariff that your committee have placed on the "free list" curled hair for mattresses and beds, which has always paid a duty when imported.

The following are the facts in the case: The article comes to us in the raw state from South America, free of duty, and is the tails and manes of horses.

England, France, Germany, and other countries of Europe procure it from the same place as the United States and at the same cost. We manufacture the curled hair, and it is then sold for mattresses and beds, the foreign countries having the advantage over us in cheap labor. The margin for profit is very small, and if curled hair is allowed to come in free of duty it would destroy our business, or if we continue in it should be obliged to cut down the wages of our employés.

The amount probably paid to employés in this country is perhaps \$500,000, and we and they would be the sufferers and the Government not benefited, as there is not any of the article imported.

The revenue received the last year was \$38.25. We therefore ask you to consider our case, and we trust you will see the reasonableness of the same, and allow the article still to remain on the list of dutiable goods as before.

Very truly,

GLOVER & WILLCOMB.

The COMMITTEE ON WAYS AND MEANS,
House of Representatives.

MARBLES.

AKRON, OHIO, *January 17, 1890.*

DEAR SIR: We beg to inform you that we have lately embarked in the business of manufacturing marbles, and are the first and only American manufacturers. We find there is a large demand for these goods, and in looking over the present tariff law we find that marbles are not specified.

The business is only in its infancy, and is naturally in the experimental stage. We are employing from fifty to sixty hands, but expect soon to largely increase the number, as 90 per cent. of the cost of marbles is for labor, there being no machinery for making them.

Our product is said to be superior in quality to foreign goods, and if we can be protected by a duty of 50 per centum ad valorem, think we will be able to hold our own.

We naturally expect that prices will be greatly reduced as soon as our goods come in competition with the imported article, and look to Congress for protection, and therefore kindly request that you present this matter to the proper committee and urge proper action.

Hoping for favorable results, we are yours very respectfully,

S. C. DYKE & Co.

Hon. WM. MCKINLEY, Esq.,
Washington, D. C.

LITHOGRAPHS.

NEW YORK, *March 8, 1890.*

GENTLEMEN: In answer to the statement of Mr. Ralph Trautmann, saying that lithographs on heavy stock could be imported on thin paper and pasted on board here, I beg to say that this gentleman knows perfectly well this is impracticable, as goods of this character are not printed on thin paper and thence mounted, but are printed on heavy stock.

I also desire to contradict the statement of the National Lithographers' Association, saying there are probably \$200,000 of cigar labels imported. There are but two or three parties importing them, of whom I am one and probably the largest. I feel justified in saying the sum will reach nearer \$50,000 than \$75,000.

In view of the facts herein mentioned and the statements submitted by Messrs. Charles and Maurice Kauffman, particularly those in relation to the insignificant

amount of imports as compared with the enormous amounts produced in the States, even a slight increase in duty would be detrimental to our business, and certainly of no benefit to home manufacturers.

Respectfully submitted,

LOUIS C. WAGNER.

The COMMITTEE ON WAYS AND MEANS,

WOOL.

[For additional Wool see *ante*, page 153.]

STATEMENT OF JACOB FUNCK.

FAIRFIELD, IOWA, *February 12, 1890.*

DEAR SIR: I see that you have invited all persons interested to come before your committee and give their views on the tariff so far as it affects their specific interests. Will you therefore please bear with me while I give my views on the question of revision of the wool tariff?

I notice that quite a number of said-to-be wool-growers have been before your committee pretending to represent the wool-growers of the country, and that quite a number of sheep-breeders' and wool-growers' conventions have resolved in favor of a higher duty on wool, claiming that unless they had more protection they would be compelled to quit the business. Now you will pardon me for inquiring how many of these pretended wool-growers care for their own flocks. Were not the most of them speculators in sheep and wool, or, if not, did they not do all their wool farming by proxy? Were they not men who expect to make their money by hiring some one else to do the work and then make enough over and above all expenses to pay them a big interest on their investment? I fear they were.

And now, what I wish to say is this: About all this noise about protection on wool comes from that class of men. The real flock-masters, I mean those who own no more sheep than they can care for and see to themselves, are not the ones that are calling for more protection (I speak of that numerous class of farmers who own from 80 to 160 acres of land and are their own shepherds). I have, except the last four years, handled sheep all my lifetime. I have gone through all the ups and downs of the wool business; but my sheep always knew my voice and recognized me as their shepherd. I not only believe, but I know, sheep to be the most profitable animal on the farm. The greatest drawback to the business is first, this everlasting tinkering with the tariff on wool. This alone has caused more losses to sheep men than dogs or wolves. Wool growing would be a much safer business if wool were on the free list. Possibly, if placed there, the price might drop a little; but it would soon rally, and we would have a more steady market. Nothing is so detrimental to the business man as these constant changes in the market. A low market if steady is far preferable to a constantly fluctuating market, even if at times the price is higher. I repeat, it is this eternal tinkering with the tariff on wool that plays the deuce with the sheep men; and for this reason, if no other, I favor placing wool on the free list. This would also stimulate manufacturers, as it would give a wider market for goods.

The second great drawback (in Iowa) is wolves and dogs. If we can be protected against these we can get along very well with wool on the free list.

But my principal reason for objecting to an increase of the tariff is that it is not needed and only adds unnecessary cost to one of the necessities of life. If possible, we should see that the poor can get cheaper clothing rather than that the rich get more dollars.

Another reason for objecting to the tariff on wool is that if there was less money in wool we would pay more attention to mutton, and as a result raise a better class of mutton sheep and incidentally a better grade of wool for our manufacturers. By the way, do you hear any complaint from those who raise the mutton breeds?

That all this cry about sheep not paying, and this wanting more protection on wool, comes from a set of speculators who know but little about the practical part of the sheep business will be clearly proven by some facts I shall give from men who care for and feed their own sheep. Because a man has plenty of land and money, and owns from 15,000 to 20,000 sheep, and can hire a shepherd to look after them, is no evidence that he knows anything about sheep. If he has a faithful, honest shepherd, he may possibly make some money out of sheep. But the chances are that the hiring will not see to the flock as the owner would, and as a result the owner begins to call for more protection so as to make good the loss sustained because of the carelessness

of his hired man. Then, again, some men are so greedy that if they make 100 per cent. every six months they would want more protection.

Now, as evidence of this fact, that wool and mutton are the best paying products of the farm, I will give the testimony of some men who feed and care for their own flocks, who are farmers in fact as well as in name. Read the following statements of facts as I gather them from citizens of our county. Speaking of our county as a wool county, The Tribune republished these articles from the Homestead:

"Jefferson County is, we believe, the second in the State in the production of wool, its southern neighbor being first. Last year McGaw Brothers shipped 96,000 pounds, paying out in Fairfield \$22,000. John Quillen bought in the same place about 50,000 pounds and 40,000 elsewhere. One farmer marketed \$1,000 worth of wool at one load. The wool is of the strongest, clearest fiber grown, and commands the highest price for its various grades, mostly medium."

In the Homestead of August 24, 1888, Mr. Jacob Funk, of this city, a well known agricultural writer, says:

"Just now there is much said about sheep raising in Iowa, and with a view to throwing some light on the subject we have gathered the following facts from a reliable source. Mr. Clark Vannostrand, one of Jefferson County's best and most reliable farmers, gives us the following statement as his experience in the sheep business the past year:

"Taking cost of stock April 1, 1887, he had on hand 196 medium wool sheep worth \$3.50 each, or \$686; at the end of year, or April 1, 1888, he finds he has on hand 240 head, worth \$3.50 per head, or \$840, making an increase in value of stock on hand of \$154. During the year the following sales were made: Wool clip of 1887, \$406; 40 head sold for mutton, \$200; 4 muttons killed in family, \$12; 12 old ewes, \$7.25; 3 killed and 1 crippled by cars, \$7; total sale during year, \$632.25. This shows the value of sales and increase during year to be \$786.25. Deduct as cost of keeping one year 196 head, at \$1.50 per head, \$294; 115 lambs (at half price) 75 cents each, \$86.25; shearing, twine, etc., \$25, making the total cost of keeping one year \$405.25. This leaves a net income for the year of \$381. Thus it will be seen that on an investment of \$686 Mr. Vannostrand has a net income of \$381, or a little over 50 per cent. Mr. Vannostrand is an old sheep raiser and knows how to handle them. He says he can take 300 sheep on his farm, and at a very moderate estimate can turn off in wool and mutton not less than \$850. Mr. Vannostrand considers sheep the most profitable stock on the farm; says a sheep can be well kept at \$1.50 per year; that he can pasture from seven to nine head per acre, and thinks fodder corn the best as well as the cheapest winter feed for sheep. He has 10 acres of fodder corn growing on his farm now that will winter 20 sheep per acre. Will not our farmers investigate this matter and compare sheep raising with grain farming and see where the most money is? It will be noticed that in the above we have calculated the cost of keeping for the entire flock for a whole year, whereas but few of those sold were fed a year, while we have allowed half price for keeping lambs, which is very liberal, but we prefer to have our showing a little below rather than above the real facts in the case. But the reader must remember that the above is not guess-work, but the plain, unvarnished facts; and any one doubting these statements can, by calling on Mr. Vannostrand, be convinced that the real facts are even better than the figures above given."

Again, in the same paper of September 28, 1888, Mr. Funk writes about what he calls "A little speculation in sheep:"

"Mr. John Hupp, one of Jefferson County's practical farmers and sheep raisers, gives us the following as his experience with sheep the past two years. About October 1, 1886, he bought a very inferior lot of 270 sheep at \$1.20 per head, or \$324. We saw his flock and can testify that it was about as hard a lot of sheep as we ever saw, yet with good care Mr. Hupp's sales from this lot for the past two seasons were as follows:

Wool clip of 1888.....	\$411.00
Sheep killed by dogs.....	18.00
Eight head killed for mutton.....	16.00
One hundred and twelve sold for mutton.....	275.00
Clip of 1887.....	200.00
Fifty-one head sold for mutton.....	112 20
Total sales since October, 1886.....	1,032.20

"He has on hand 39 head worth at least \$1.50 per head, making total sales and value of remainder of flock on hand, \$1,090.70. This is not a bad showing for Mr. Hupp's little investment of \$324, his excess of sales and stock on hand over investment being \$762.70. Mr. Hupp has been in the sheep business for over thirty years, twenty-two of them in Jefferson County, and claims that notwithstanding his (at times) heavy losses by dogs, wolves, etc., on the whole he has made good money out

of sheep and thinks them the best-paying stock on the farm; thinks our Iowa broken timber lands the very best for sheep and says blue grass is the best for pasture. He also says any kind of feed will do for sheep if placed before them in proper shape, and thinks fodder corn the best as well as the cheapest feed for wintering sheep. He has several times, when pinched for time, turned the sheep right into the field and let them gather the corn right from the shock themselves, and says there is no danger in this when sheep are on full feed, but thinks it a little wasteful.

"Mr. Hupp, like all other wide-awake sheep breeders, feels sure wool and mutton will command good prices (especially wool) for the future. He has faith enough in the business to stock up as fast as he can. He usually has from three hundred to five hundred on his farm. Sheep will surely pay in Iowa for years to come. Try a few."

In the agricultural department of the Iowa State Register, of January 21, Mr. Lewis Bonnett, of Chariton, Iowa, one of the prominent sheep men of our State, says:

"Without hinderance or restraint no business in which he can engage will be half as remunerative to the Iowa farmer as sheep husbandry. The business is profitable alike to the large and small farmer. One year ago County Treasurer H. G. Curtis bought thirty head of ewes at a cost of \$75, his wool clip sold for \$50, his wether lambs for \$27, or a total sale in one year of \$77 on an investment of \$75. He has on hand fifty sheep worth easily \$200. The farmers are convinced there is more money in sheep than in other stock, yet three-fourths of them are unable to take advantage of the boom in Iowa. Why? Simply because of the ravages of wolves. These depredators are found in every county, township, and neighborhood in the State, and everywhere are a danger and a menace to stockmen. * * * Given an efficient law in regard to wolf bounties and Iowa will be leader among the wool-growing and mutton-producing States of the Union."

G. W. Franklin, of Atlantic, Iowa, a prominent sheep breeder and writer of considerable note, writes, on January 27, 1890, and reports that Henry Bell, of Atlantic, Cass County, Iowa, sold eight yearling grade Cotswold wethers, weighing 174 pounds each, at \$4 per hundred weight, equal \$16.96 each, which brought, with the rest of the car lot, \$6.05 per hundred weight, in Chicago. They clipped 18 pounds of wool each, which sold for 22 cents, equaling \$3.96, all for eight wethers at eighteen months old.

Some recent testimony is given by Captain M. W. Forrest, of Locust Grove township, Jefferson County, Iowa, one of Iowa's most prosperous farmers and stock breeders. He read a paper on "Will Sheep Raising Pay" before a farmers' club in his neighborhood which was published in the Fairfield Ledger of the 5th instant, from which we make the following extract:

"Now, as to whether sheep raising will pay, we think it will. It has beat cattle for us in the last six years. Six years ago last spring we bought \$465 worth, and in the latter part of the winter five years ago we bought \$400 worth, making a total of \$865. In that time we have sold over \$4,000 worth of wool and mutton, have about \$1,500 worth on hand, leaving a gain of about \$5,000. We calculate that if we have \$1,000 worth in the fall, that in the year, in two installments, we will get our money out, leaving us the next fall with as many sheep to start in again. * * * I know a man who keeps about one hundred sheep, who says he has experimented by paying \$15 for a good steer calf and \$15 for ewes, and when the steer matured and was ready for market he had cash enough from sale of wool and mutton to buy the steer and his \$15 worth of sheep left as clear gain. It took no more feed or grass for the sheep than for the steer. It used to look to me like a small business, a little like the chicken or feather business, but if you will give sheep the attention women generally do in raising chickens and geese, you will make sheep pay. * * * In summing up, I would say, I have been in the business five years last spring; have paid out, all told, \$1,200 for sheep and have sold \$1,475 worth of mutton, and \$3,000 worth of wool, having now on hand \$1,500 worth of sheep, a gain in five years and six months of \$5,135."

That's pretty good evidence that Iowa can stand it without any more tariff on wool.

Now, then, I will give some testimony from Ohio, the State that we hear so much from, and where there is such a howl set up about more protection on wool. I quote from the Breeders' Gazette of January 22, report of convention of Ohio stockmen held at Columbus, January 14, 1890. See what Ohio men who feed their own sheep say:

"Hon. G. W. Glover, of Cadiz, Ohio, declared that his county (Harrison) produces more wool to the square mile than any county in this or any other State in the Union, and in reply to the question as to whether wool-growing is profitable he had to say that no business in which the agriculturist had engaged the past few years has proved very remunerative, but as his section is adapted to sheep husbandry it has proven more profitable than any other industry in which he had engaged. Some of them have been experimenting and changing to something else, but many stuck to sheep, and to-day they have come out much better than those who changed to other things. ['That's so, that's so,' came in chorus from a number of voices.]

"Sheep raising had proved profitable in Harrison County, the speaker affirmed, and those who had followed it were in good circumstances and had a surplus in bank. The conditions were all favorable with them, and the result is that those who went off into other branches of agriculture are now wanting to stock up again with sheep. They handled principally fine sheep; they were getting rid of the wrinkly sheep as fast as they could, and they wanted no more of them. The Delaine or Dixon, is what they are using—good smooth sheep that will weigh at three years old 110 to 115 pounds, and shear 7 to 8 pounds of good, clean wool. The Delaine sheep has proved most profitable with them. The crossing of these ewes with the rams of the mutton breeds has proved very profitable, not as sheep to keep, but to sell on the market."

Such testimony as this from a practical Ohio sheep-breeder should have some weight. But we have more of it.

Mr. L. N. Bonham, secretary of the Ohio State Board of Agriculture, also gives his testimony, as follows:

"I have listened to this discussion of a simple question, 'Should more farmers raise sheep?' and I concluded the poor and the tariff you have with you always. I thought this was a very simple question. I remember once saying in my office to Mr. Harpster, who is a very enthusiastic advocate of a higher tariff on wool, 'Mr. Harpster, if half the eloquence that has been expended on this tariff question had been expended by the wool-growers and sheep-men of Ohio in instructing the farmers as to the advantages of sheep-raising and the character of the different breeds of sheep we would have had an agricultural revolution in Ohio.' I am going to talk on this question just a minute. Our president of the state board [Mr. Pow] has thought it a very silly question. I believe there are millions in it. The gentlemen have switched it off into the tariff issue. I do not propose to let it go off into that issue. I want to hold it right to the question. We have heard the tariff discussed long enough. We want to discuss the sheep now and his merits for the farmer.

"I claim that the farmers of Ohio should raise more sheep, because it pays. Why? First, it is an animal that is doubly protected. The fleece is protected by the General Government, and the carcass is protected against dogs until it is more profitable to have our sheep killed by the dogs than to sell them to the butcher. In our county that is true. Double protection, then, is in its favor. Second, it is the animal with the golden hoof. It is beneficial on rich land and on thin land. We have been told what it will do in making thin fields rich, but on the rich soils of our valleys where we raise corn I have found the sheep a most valuable adjunct. I have found that in my corn-field (provided I had my corn free enough from cockle-burs and Spanish needles, and no decent farmer will have them now) I can fatten sheep. As soon as the corn is out of the roasting-ear you can turn the sheep in. Again, you can clean lands of weeds that you can clean in no other way. They are the best scavengers known in the world. And third, mutton is up, and mutton is bound to be up. First, because mutton has a reputation of being the most healthy meat produced. Sheepmen will tell you that is true, because no diseased sheep will get fat. If a mutton is fat it is evidence it was a healthy animal. Not so with the hog, not so with the beef. The public mind just now is prejudiced against these last two articles of food. We hear so much against adulteration, and against hog cholera, trichina, that the public stomach is being turned against almost all kinds of meat. We hear, too, that our cow can perpetuate tuberculous diseases to us, and the tape-worm comes through beef, and all this *ad nauseam*. Science has disgusted the public with beef somewhat. Maybe dressed beef has done something toward it, and the public mind has turned from them toward mutton as the most wholesome meat. I say the time is coming when the farmers of Ohio are going to raise more sheep, tariff or no tariff; that is, if they have the keenness of observation that I take them to have.

"We have heard that you can not afford to raise sheep, yet in spite of this assertion that has been put before the public the farmers that hold to sheep are making money. Judge Jones met Mr. Harpster in my office one day, and asked, 'How are you getting along, Harpster?' 'First rate.' 'Are you in debt?' 'No.' 'Well, how many sheep have you got?' 'I think he said about 12,000 or 15,000. Jones said, 'What is wool worth now?' 'Thirty-two cents.' 'You can't raise wool at less than 39 cents, I have heard you say; about 4½ pounds to a fleece, ain't it?' 'Yes.' 'Let us see, about 30 cents a head you are losing on every sheep. You must be pretty well heeled, Harpster, to stand it to lose 30 cents a head on 12,000 or 15,000 head and not in debt.' Mr. Harpster's answer does not sound well in conversation nor look well in print. The fact is he is not losing money on sheep. Let us look this square in the face and go before the farmers and say every farmer ought to have a few sheep on his farm to help him utilize and economize the little wastes of his farm, to better his land, and help him to sound mutton and to have a little wool for market. It is possible and it has been done, and I put this question before this convention for this very purpose, that farmers might learn that there is some good yet in sheep. I am sorry

that the brethren have so looked at this question and wrestled with the tariff so long that they see no good in their own pet animal."

Mr. S. H. Todd, of Wakeman, Ohio, president of the American Shropshire Association, is another witness on this question of whether sheep and wool-growing pay. At this same meeting of Ohio stockmen he said:

"After listening to the discussion that we have had here to-day and looking over this audience I felt as though I, perhaps, was not just in the right place. I see there are so many men here that have been studying this tariff question, and have got so wise that it seems to me a matter of presumption on my part to try to entertain you on the subject which I have before me. Now I see we are most all sheep men here and I thought perhaps to get you in sympathy with me I ought to steal a little of the hog time that I have to-day and talk about sheep, for I am interested in breeding sheep as much as any man here. I have bred the Merino sheep, those little wrinkly fellows with more grease than wool, and cried 'tariff' until I got sick of it, and then I went to looking for some other way out, and the way out I took was to introduce something into this country that the people wanted, and I introduced the Shropshire. I know when I say that that the Merino man will say 'How I love you!' But we took this course: we unfolded those labyrinthian folds that had been put there just for curiosity, and tried by that cross to put a sheep on the market that was worth three times as much and that the market wanted, and thus we obviated some of the great trouble that we were in and the great cry of 'protection.' Now I want to say to you, my friends, that I am interested in this matter, because I have seen its workings in our country. For the last four years we have wanted every single Merino ewe we could find to breed to Shropshires. The market wants it to-day, and if you have got any old worn-out Merino ewes that you do not want to use, we will put a Shropshire ram on them and get some good out of them, and no mistake about it."

Chairman ELLIS. "The more Shropshire the better."

"Mr. TODD. The more the better. Now I want to say this: For the last four years it has been true and I want to ask you when you have ever seen anything in the market that was more remunerative. I had two hundred and thirty-two lambs last year and sold them at the age of one year and they made me \$8 a head. Now with the tariff and everything else when have we ever done anything that was better? The year before that I fed one hundred and sixty and they made me \$8.25 a head. When have you ever done anything better than that with sheep? The year before that we had not got to understand it so well, but they made us \$6.25. Now this year they are going to make us \$8 or \$8.50. Now, then, we can raise a lamb at the age of one year old, and still have the wool of the ewe—that will bring us \$8 a head do not let us feel that we are body-sick and whine and whimper and try to ask something to be done for us when there is a big, wide door open for every man to get out if he will."

Such is the testimony of the practical breeders of Ohio, and I could multiply these witnesses by the hundred, but I think it unnecessary, as about all practical sheep men are agreed on this question. It is mostly those who "farm the farmer" who are complaining and calling for more tariff. You will notice that the prevailing opinion at this meeting was that more men should keep sheep. The feeling was that too large flocks were not profitable; but the great drawback to wool growing is not tariff, but dogs in Ohio, and dogs and wolves in Iowa. As the cry for more tariff comes mostly from Ohio, please note carefully what Hon. G. W. Glover, Mr. L. N. Bonham, and Mr. S. H. Todd say on this subject. No one will dispute their testimony.

Now, sir, in view of the above evidence and in the light of my own experience, I wish to enter my protest against any increase of tax on wool, believing that such a tax is unnecessary and unjust, and would only increase the cost of clothing for the benefit of a few speculators in wool growing; men who make their money "farming the farmer." If the Government has any money to spare in this direction, let them give it in the shape of a good bounty on wolves, and Iowa sheep men will receive more benefit and rejoice more than they will over any increase of the tariff on wool that they are likely to get. Remember that while a few of the 1,020,000 engaged in wool growing might possibly be benefited a little by a higher tariff, there are about 58,980,000 calling for cheaper clothing, and as all law is made with a view of the greatest good to the greatest number, we favor the cheaper clothing, believing that wool growing is at present fairly remunerative.

But why is it that Congress, when it seems so anxious to help the wool-grower, does not put a prohibitive duty on shoddy? Why is shoddy admitted at a duty of only 10 cents per pound to take the place of honest wool? when it is well-known every pound of it takes the place of a pound of cleansed wool, and that it is nothing but a cheat and a fraud from beginning to end, and the very worst kind of a fraud, and one that reaches every poor man in the United States. Yet we hear no one saying a word about this fraud. Now, sirs, I submit to you whether it would not be better to prohibit the importation of this fraud, and then compel manufacturers who use

the home-made shoddy to brand their goods as shoddy, and thus protect the poor man against this outrageous fraud, just as the law now protects the dairymen against all imitations of butter. Such a measure would reach every poor man, woman and child in the United States that wears woolen clothing (and who does not), and would be of more value as a protection than any increase of the wool tariff that is likely to pass. Besides, it would protect the consumer as well as the producer, a thing that no other tariff on our statutes does. Please investigate the matter, and you will find there are millions in it, all made by fraud, and that of the worst kind. This is a kind of protection that will benefit all classes. Shall we have it?

Respectfully submitted.

JACOB FUNCK.

The CHAIRMAN COMMITTEE ON WAYS AND MEANS.

HAT SKIVERS.

STATEMENT OF ADOLPH WIMPFHEIMER.

MARCH 6, 1890.

Mr. ADOLPH WIMPFHEIMER, of New York, addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, last January a committee of American manufacturers of leather appeared before you, and also a committee of importers. In presenting their cause of leather I do not think from the reports that I have read that they were properly presented. They did not present before you the question of hat skivers and hat leathers properly. This is an industry, gentlemen, that, compared with the leather industry, is rather small in this country. The hat leather manufacturers of the United States, of which there are only a few, have been growing rich by the duty of 20 per cent. on hat skivers and a duty of 30 per cent. on hat and cut leathers. Not being satisfied with driving us as close out of the market as they possibly could, they went before the Senate committee and argued that undervaluations in hat leathers were existing in the port of New York. The house at that time struck at was my own firm. The Senate committee granted them an increase of 10 per cent., that is, to the manufacturers of leather, which made the duty on cut leather 30 per cent. After investigation in the port of New York a special agent threw up the case and could not see any undervaluation whatsoever. Then they drove us to clause 2910, where one article comes in in a bunch cut in the run. It should pay the highest rate. They construed it should pay the highest value, and that is to say if an article is only worth \$10 and another one only \$1 it should pay a duty of \$10.

The Solicitor of the Treasury decided against us and afterwards changed his opinion. His opinion dismissed the special agent and sent the papers back to the collector, who decided that they should pay a rate of 20 per cent. as the law called for. This committee that came on here to represent leathers was really no committee on hat leathers at all. It was a committee of leather manufacturers, and the one who pretended to represent hat leathers was not a manufacturer of hat leathers, but cut leathers. Now, skivers for that purpose are different from skivers used for other leather purposes. In 1887, out of the \$20,000 duty collected, my firm imported 5,483 dozen skivers, or 16,058 of gross leathers, and we paid for that year more than half the duty collected in the port of New York on these articles. The American manufacturers made such good progress in the manufacture of their goods that we sought to import more cut leathers. We partly succeeded. To show you what progress the American cut leathers made in 1888, we only put in port 3,547 dozen skivers, or 8,697 gross leathers, and to-day—

The CHAIRMAN. Was that because the price had gone down for it?

Mr. WIMPFHEIMER. No, sir; that was because the American leather manufacturer had made progress in his industry. We are importing, Mr. Chairman, nothing but the better class of goods.

The CHAIRMAN. In regard to the progress that our people have made, has it lessened the prices?

Mr. WIMPFHEIMER. Yes; it stopped the importation, they claim. I want you to understand me correctly. They were manufacturing this article as good as you could, although their work was rather slipshod. They failed to employ the same leather. They could supply the same grade of leather.

The CHAIRMAN. That was, it would be equally profitable to buy this cheaper leather, would it not?

Mr. WIMPFHEIMER. Well, certainly; but they need good leather also. Hence they hurt the hat manufacturers on these goods. They do not want the duty raised on these leathers, because they go in part to make up their hats.

Mr. GEAR. Did you import more leather last year than the year previous?

Mr. WIMPFHEIMER. No, sir; because the American manufacturers drove us out.

Mr. GEAR. The American manufacturer drove you out?

Mr. WIMPFHEIMER. Yes, sir; the American manufacturer drove us out.

Mr. GEAR. In other words, drove you out of the market?

Mr. WIMPFHEIMER. They got a clause in to make us pay 30 per cent. on hat leathers in 1889; that is, we had to pay that on such goods as we do not produce here.

Mr. GEAR. What do you mean—that you only use such goods as you do not produce here?

Mr. WIMPFHEIMER. In 1889 we imported 2,423 dozen against 5,000 dozen in 1887. There are hat manufacturers in this country who will tell you or the members of this committee that it is impossible for a man like Dunlap or Knox to make a hat without using the imported leather, and hence all the American hat manufacturers can not make one if you advance the duty on these leathers. If you do so you will put them to such disadvantage that they can not sell their hats or anything of the kind. In this industry of hat leathers and hat skivers—

Mr. BAYNE. What is a hat skiver?

Mr. WIMPFHEIMER. I will show you this skiver imported as it is for a hat leather. It can not be used for any other purpose but for a hat. Now, gentlemen, there you have got a thing—a skiver—that pays 20 per cent. duty. Well, if the American should go to work and make such machines as would produce them it would not be necessary to import these hat skivers.

Mr. BAYNE. That is, the leather?

Mr. WIMPFHEIMER. Yes, sir; the leather in the raw material. In order to produce these skivers we have to employ American labor. We can not do without it. Here is one of the skins, and here is the leather that is cut out of these skivers.

Mr. MILLS. What is the cost of the material used in one hat?

Mr. WIMPFHEIMER. Well, we get for these goods about \$9 per gross, or about 75 cents a dozen.

Mr. GEAR. Six and a quarter cents apiece?

Mr. WIMPFHEIMER. Yes, sir. Now, there is another reason why a protection of 10 per cent. is necessary. As American citizens we have a right to trade wherever we choose, as you have said. I am satisfied when I protect the American industry every time. If you will protect them so far as it goes in order to cover the difference between the cost of labor in this country and the other side, why, I am perfectly willing—

Mr. MILLS. Does the material that goes into the hat constitute what is known as hat material?

Mr. WIMPFHEIMER. Yes, sir; this material that goes into the hat pays 20 per cent. duty, and it can not be used for any other purpose than hat material. That is what it is used for. Now, the American manufacturer claims that he can not get along unless you raise the duty to 35 per cent. on this material.

Mr. McMILLIN. Then the rate now is only 20 per cent.

Mr. WIMPFHEIMER. But the American hat manufacturers do not want it raised on this article. Now, the domestic manufacturer will go to work and take these skivers, which he imports free in the salt, and finish and cut them. And how does cut them? Where we in importing these skivers have to cut one at a time to get them right, he will cut a large number at once.

Mr. DINGLEY. What do I understand you to say the duty on the hat skiver is?

Mr. WIMPFHEIMER. Twenty per cent.

Mr. DINGLEY. Then you pay about 20 per cent.?

Mr. WIMPFHEIMER. Yes; but they want to raise it to 35 or more on the imported article.

Mr. DINGLEY. But the Senate advanced it simply to 30 per cent.

Mr. WIMPFHEIMER. The Senate bill did it under the clause for the manufacture of leather. We protested against that, because those are hat trimmings—

Mr. DINGLEY. Then what is imported is the skiver and it is cut into the proper form after it arrives?

Mr. WIMPFHEIMER. Yes, sir; after it arrives.

Mr. DINGLEY. So that an English skiver is an article—

Mr. WIMPFHEIMER. And the cut leather, both. We also import skivers for fine hats. On the skiver the domestic manufacturer gets 20 per cent. and on leather 30 per cent. duty. Now, you may well ask me if the duty is 30 per cent. on the cut leather and on the skiver only 20 per cent. why do you not import more skivers? Why, each manufacturer uses perhaps a dozen different shapes and it would be impossible to carry enough of each shape in stock, as the shapes change from month to month.

Mr. BAYNE. You can get them any shape he wants?

Mr. WIMPFHEIMER. We could not if the duty on cut leathers shall be raised. We could not import them, because the shapes of the hats vary and blocks change and a different pattern is required. Do you understand what I mean? The fashions of hats change. For instance, a hat made on a No. 8 crown could not be used for a No. 4, because it would not fit.

Mr. BAYNE. But he could import the skiver for it.

Mr. WIMPFHEIMER. Yes, sir; and what we ask is that the duty on the skiver shall not be advanced beyond the present rate, nor the duty on cut leather.

Mr. FLOWER. What is that section you mentioned awhile ago?

Mr. WIMPFHEIMER. Section 2910.

Mr. FLOWER. Do you import any hats?

Mr. WIMPFHEIMER. No, sir.

Mr. FLOWER. You can not do it?

Mr. WIMPFHEIMER. We can not do it.

Mr. FLOWER. Costs too much?

Mr. WIMPFHEIMER. Costs too much because you people will not allow raw material to come in free.

Mr. FLOWER. Whom do you mean by "you people?"

Mr. WIMPFHEIMER. I mean Congress as a rule.

Mr. BAYNE. The last Congress he is speaking of.

Mr. WIMPFHEIMER. Yes, sir, the last Congress. To show what further progress American manufacturers have made, there is consumed annually 150,000 dozen skivers for hat purposes. These all come in salt free of duty. Ten years ago three-quarters of these goods used for hat leather were imported in the finished state and paid a duty. To-day there are not 5 per cent. imported. Thus it will demonstrate to you that the American manufacturer of hat leathers needs no protection, as he is fast driving the importers out of the trade.

In the industry of cutting leathers in this country there are not four hundred mechanics or people engaged, out of which there are not fifty workmen engaged in cutting imported leathers. Hence what more protection is needed, except if you wish to enrich the two domestic leather manufacturers and compel the hat manufacturer to pay more for his material which he uses when the hat manufacturer has asked you for a higher duty on manufactured hats, and not to advance the duty on any materials which he uses? This material of skivers and hat leathers he uses in the manufacture of his hats. Thus by not advancing the duty on hat skivers and hat leathers you are protecting over 50,000 mechanics engaged in the manufacture of hats against foreign competition. I have here, Mr. Chairman, a memorial of the importers and manufacturers of leather of the city of New York in favor of the retention of existing rates of duty on importations of leather and manufactures of leather, which I desire to have printed as part of my remarks.

The petition referred to is as follows:

MEMORIAL OF IMPORTERS AND MANUFACTURERS OF LEATHER AT THE CITY OF NEW YORK IN FAVOR OF THE RETENTION OF EXISTING RATES OF DUTY ON IMPORTATIONS OF LEATHER AND MANUFACTURES OF LEATHER.

The Ways and Means Committee of the House of Representatives:

GENTLEMEN: At the hearing you accorded us on the 14th of January, instant, you were kind enough to give us more time for argument than we had at first supposed would be necessary, and yet, lest we should unduly trespass upon your kindness, we terminated our oral statement before we were able to cover all the points we desired to present.

Our interests were so various in detail and we were yet so united in our desire that the present rates of duty should be maintained upon importations of leather and manufactures of leather, that we took the liberty of asking your committee the favor of the privilege of submitting on a future occasion a statement in writing supplementary to the views we presented at the hearing.

Your committee were kind enough to respond favorably to our request in this regard, and we beg leave, therefore, briefly to submit to you the following points:

You will remember that at the outset of the discussion we pointed out the slight difference of cost of production between what is known as the unfinished chamois and the finished chamois. We explained to you that it was the purpose of certain gentlemen engaged in the sale and use of unfinished chamois in the United States to import the unfinished article at a duty of 10 per cent., and to have you advance the duty on the finished product from 20 per cent. (that now prevailing) to 35 per cent.

We showed that the difference of cost between the unfinished chamois and the finished chamois was only from 2½ to 5 per cent., and we explained to you that the process by which the unfinished article was converted into the finished condition was a simple one, involving the passing of the skin over what is technically called a knife, but in fact is a roller, the effect of which is to convert the hard and imperfect chamois into the soft and finished one with which we are all so familiar.

You took occasion to call out the circumstance that the difference of 10-per cent. duty between the unfinished and the finished article was several times as great as the additional cost of converting the unfinished chamois into the finished.

In order to bring to your minds very clearly the nature of the unfinished article we

inclose herewith a sample marked A. You will see at once by an examination of it that it is not such a charois as you would expect to purchase for use in your own house. Its condition is altogether too gross and unfinished to give you any satisfaction as consumers or users for practical purposes of the charois skin, and yet, as before suggested, the cost of converting this hard and unsatisfactory article into the soft and finished charois is in amount a mere trifle of its entire cost of production, that is to say from 2½ to 5 per cent.

We therefore respectfully insist that a difference of 10 per cent. between the unfinished article and the finished is all that under any circumstance should be exacted by the Government in connection with the tariff.

It should not be forgotten, as we suggested in the oral argument, that there are various degrees in what we may call the unfinished zone of imported leather.

Sample B, for example, is a piece of sheep-skin in what is called the crust, and is in a much more unfinished condition than is sample A of an unfinished charois.

Sample C is a finished goat-skin dutiable at 20 per cent. under the present statute, while sample D is what is known as a skiver used for bookbinders' purposes or for hatters' purposes. For the former purpose it is finished, but for the latter purpose it is not finished; and yet the article has been introduced at this port with a claim on the part of the importer that it is not a finished skin, and therefore not subject to the duty of 20 per cent.

These samples which we refer to in connection with our allusion to charois skins are equally applicable, in their general relationship, to the entire subject which we desire to present for your consideration.

As to charois skins, if those who advocate a 10 per cent. duty on the unfinished article and a duty of more than 20 per cent. on the finished product are dissatisfied with our proposition, they may easily use the real unfinished goods which come in free of duty, and of which there is a never failing supply always on hand in this country.

The truth is, what our opponents claim to be unfinished charois in the rough state can be put in a perfectly finished condition, as we have suggested, by the additional expenditure of from 2½ to 5 per cent. of their cost, and with very little manipulation, and without the expenditure of one single cent for materials of any kind.

The main trouble if our opponents prevail will be this, that in the effort to enter goods as unfinished the door will be thrown wide open to unlimited fraud, as it would be next to impossible for a Government expert to correctly determine the real value of the various leathers that might come in as unfinished, more or less. The shipper of the goods and the receiver of them would be the only persons able to determine such value.

The finely finished charois, which is the subject of importation, is an article which while sold in this country in limited quantity, as compared with the entire amount of such skins consumed in the United States, is an article which the home market does not supply, and which is nevertheless a necessity to those who need the charois in its most highly finished condition. It will be a boon, therefore, to the American consumer to permit him to continue in the enjoyment of this necessity, rather than to deprive him of it by a rate of duty so high in comparison with that on the unfinished charois as to become virtually prohibitive.

As to shoe leathers, foreign calf-skins, mostly imported from France, were twenty-three years ago, the standard, and a reproach to the American article of the same nature. There were in the city of New York fifteen firms exclusively engaged in importing such skins, while two brokers made a comfortable living by promoting sales from one to the other. There were also in the city of Philadelphia four houses. Furthermore, consignments for foreign calf-skins were frequently made to commission houses, and by them through brokers were sold either to importers or dealers in the largest cities of the East and the West. The duty upon finished calf-skins was then 35 per cent. There are at present in the city of New York but six houses engaged in the importation of foreign calf-skins. This change has been brought about by the brokers of American manufactures, which was possible notwithstanding a reduction of 15 per cent. in the duty, for we pay at present, and have paid since 1883, but 20 per cent.

One of these firms produces in this country finished calf-skins and sells to-day a skin weighing from 20 to 24 pounds per dozen for 90 cents per pound less 4 per cent., the usual domestic trade discount. This firm is also engaged in importing calf-skins and a skin of the same weight of foreign origin is being sold by them for \$1.50 less 2 per cent., the usual foreign trade discount. We have no knowledge that any foreign skins are sold as cheaply in this country as we know some American skins are sold. If you should advance the present duty of 20 per cent. to 50 per cent., you might think it reasonable to suppose that this would enable us to get a higher price for our domestic calf-skins and pay our workmen higher wages; but this would not be the case. American consumers would not pay us a farthing more than 90 cents, and this being so, we would not be enabled to pay higher wages.

These foreign calf-skins are mostly consumed in the manufacture of custom-made boots and shoes. Wearers of fine shoes are prejudiced in their favor, and therefore the importation of such skins will never stop altogether, but will probably retain the same insignificant proportion as at present in comparison with the production of American-made calf-skins, namely, from $1\frac{1}{2}$ to 2 per cent. This inconsiderable quantity surely ought not to necessitate an advance of tariff rates.

In speaking of shoe leather we have thus far referred only to leather used for the ramps of shoes in contradistinction with the leathers used for the tops of shoes. The leather in this country is entirely of American manufacture, as we believe. Certain it is that not one dozen of such leather is being imported against 10,000 dozens made in the United States. A single firm in New York produces approximately one hundred dozens per day of such leather, and there are very much larger concerns producing much greater quantities. So utterly independent is the American producer of this leather of any foreign competition that the taking off of the entire duty would not be to reduce the manufacture here by a single dozen, nor would it reduce the price obtainable for domestic goods one single cent. We earnestly suggest to your committee the importance of relying upon the larger manufacturers of leather in the United States for recommendations in this regard, rather than upon comparatively insignificant persons, few in number, and not distinguished as of great moment in respect either to the extent of their business or the success of their business ventures heretofore.

The following extracts are taken from the Shoe and Leather Reporter, which is a paper regarded as the principal sheet for the leather trade, boot and shoe trade, finding trade, hide trade, skin trade, wool, fur, and tanning materials trades :

Extracts of speeches made at the meeting of the Morocco Manufacturers' National Association, which was held at the Grand Union Hotel in Saratoga on Thursday, July 14, 1887.

[Extract of a speech made by John G. Baker, of Wilmington, Del., a prominent leather manufacturer.]

Mr. Baker spoke as follows: "The business is now in the shape where it is impossible for it to be overdone for years to come. Run every morocco factory in the United States to its full capacity on the new glazed kid and you can not more than supply the demand. There is room for every dozen that can be made with such facilities. I was called upon four years ago to appraise some imported kid in the New York custom-house. I saw from the records that 240,000 dozen were brought in here annually. All of us were then making pebbles and selling them at cost or less. It was said to me, 'You can't make this leather, smart as you boast yourselves to be.' I made up my mind then never to rest until I got at the secret. Here was an importation at, say, \$20 a dozen of \$4,800,000 worth of leather (with duty and profits added) and now we have that great trade in our grasp. Remember what I tell you, the women of the United States will wear all of it you can make."

William Clark, of Philadelphia, said that two-thirds of the factories in the United States were making the French article. Four years ago he was on the committee spoken of. He was told by the importers he did not know what kind of skins were tanned or what materials were used. The remark spurred him, as it did the rest of the committee, "And now," he said, "We are making as good a kid as the French, stronger and more reliable, and we can sell it."

In the same report of this meeting the manufacturers gave notes of the convention. In one of these notes they say as follows: "The statements about the manufacture of glazed kid were received with marked interest. There was talk of one firm having realized within five years \$1,000,000 in its production."

At the semi-annual meeting of the Morocco Manufacturers' National Association, which was held at Atlantic City, N. J., on July 12, 1888, John G. Baker, of Wilmington, was chosen to speak to the sentiment, "The excellence of American morocco." The Shoe and Leather Reporter says that the speaker did not know whether the members should extol the virtues of the old style of morocco, bid it a godspeed, and let it go. He did not know whether the new style of kid would ultimately survive or fall. Four years ago he read a paper predicting the great change that has almost revolutionized the industry. "The production," he said, "can not be too good, and our broad country and greatest of peoples will not allow others to take our market. French kid importations have fallen off 60 per cent. in three years."

Frank W. Norcross, of the Shoe and Leather Reporter, in response to a speech entitled "The Press," said: "Statistics show that five years ago the import of kid and morocco was from \$3,000,000 to \$4,000,000 a year. The amount has gradually decreased. The Treasury report just published is for eleven months up to June, 1888, and compared to the same period of 1887 the import of 1888 was \$1,917,579 in value against \$2,229,150 in 1887, showing a decrease of \$311,571 in the past eleven months."

Then at the semi-annual meeting at the Hotel Brunswick, New York, held in January, 1889, General J. Parke Postles, president of the association, spoke as follows:

In response to the toast "The Morocco Manufacturers' National Association, active in youth and vigorous in manhood," General Postles said that "it was not an entirely new experience for him to respond to this toast, as during the four years that he had had the honor to be its president that duty had fallen to his lot, and that he felt this evening as he had ever felt, much pride in being chosen as a representative of this great industry. The public generally did not appreciate the extent and importance of this industry, nor is it certain that all of us do." To illustrate he related an incident. A friend of his was traveling through the South, representing one of Wilmington's large manufacturing concerns, and met on the cars a representative of a New York house. The New Yorker professed ignorance of Wilmington and its industries, and dilated on New York manufactures and mercantile transactions to such an extent as to arouse the local pride of my friend, who, as an offset to what the New Yorker had said, commenced to dilate upon Wilmington and its industries, and after speaking of the powder and paper manufacture and the iron-ship building establishment located there, and which built the first iron steam-ship built in this country, and which had built more iron steam-ships than any other works in the country, he came down to the morocco industry. "Now," said he, "There is another important industry in our town. Why," said he, "You know that to keep the morocco factories of Wilmington running requires the slaughter of 15,000 goats daily." Now, to the New Yorker, who had probably never seen more than 15 or 20 goats at any one time, this seemed so gross a fiction that he could hardly believe anything that had been said regarding our little city.

"But, my friends, this was not an overstatement of the facts. Wilmington consumes considerably more than 15,000 goat-skins daily; but, taking those figures as a starting point, let us see something of the extent of our business. Philadelphia consumes, say, 45,000 daily; New York and Brooklyn and vicinity, 15,000; Lynn and vicinity, 15,000, and Gloversville, Baltimore, and other districts, 10,000; and we have at least 100,000 goat-skins consumed daily in the United States, and this is an understatement of the amount, which would amount to 30,000,000 goat-skins annually. Now, as a low figure allow \$12 per dozen as a value for these manufactured skins; we have a product of \$30,000,000 in value annually. Now, is not this an industry which any man might feel proud to represent? Three years ago we met on an occasion of this kind in this room, and many of you will remember the discussion which arose as to the impending revolution in our industry, and what steps should be taken to recover this market for our finer grades of kid, the French glazed kid having largely taken our own market from us. Some of us resolved, then and there, that we would never cease experimenting until we were able to produce an acceptable substitute for this French glazed kid. We went home from that meeting and some of us went into our beam-houses and tan-houses and went to work, and the result is that to-day many concerns which are represented here to-night are making a glazed kid in many respects superior to this French kid, and the importation of French kid, which previous to that time amounted to from 250,000 to 300,000 dozens annually, has fallen off one-half. This certainly should be all the encouragement needed to stimulate us to go on improving our product till we shall have entirely conquered this American market for American manufacturers. This we can only do with the excellence of our production, and not by attempting to build a wall by legislation to keep competing manufacturers out."

In the statistical statement we had the pleasure of presenting you in Washington we showed the gradual decrease of revenue since the enactment of the tariff of 1883 from finished skins, and the great increase of revenue from unfinished skins, which are used by domestic manufacturers in producing in this country the finished article. The table we presented shows unmistakably the needlessness of increasing the rate of duty on finished skins, and you will remember we only ask that the present rates may remain fixed.

The importation of dressed goat and kid skins has within the last few years been less and less. To-day it is not one-quarter of what it was, and the proportion of imported dressed goat-skins as compared with domestic dressed and finished goat-skins is probably not more than one to twenty.

As to skivers and cut leathers, which are also subjects of great interest to us, let us remind you that the dressed and finished skiver, which is a sheep-skin, pays duty at 20 per cent. Our opponents propose to advance the rate to 35 per cent. They desire to bring in their skins in the salt free of duty, and create a monopoly in this country of the sale of domestic finished skivers by putting upon the finished foreign article what would be as near as possible to a prohibitive duty.

This plan would be unjust enough if domestic manufacturers were able to produce a finished skiver such as is produced abroad. This, however, they can not do, and have never been able to accomplish, so that the manufacturers of the finest hats and caps for gentlemen which require hat-sweats or cut leathers made from the most

highly finished skiver will never consent to use the American production, but will demand sweats or cut leathers made from the foreign finished skin. This fact is notorious and is attested by the earnest remonstrance we filed with you, at the time of the hearing, from the leading manufacturers of mens' hats in the United States against the increase of duty upon imported skivers and cut leathers. We beg that you will not overlook this earnest remonstrance, for it comes from men deeply interested in the protection of domestic industries and most interested in the manufacture of hats, which is a source of livelihood to them and the thousands of operatives they employ.

Should you advance the duty on skivers the only persons who would suffer therefrom would be the consumers of hats. The Government would, of course, get the increased duty, but this result would not be an advantage to it, and certainly is not a necessity under present financial conditions.

As we have suggested in another connection, we apprehend you will find the applicants for increased duty on skivers few in number, unimportant in business circles, and suffering much more from competition among themselves than from any lack of benefit which an increased duty could possibly afford them.

Cut leathers our opponents propose to have advanced in duty to 50 per cent., but these articles of manufacture appeal to you very much as do the skivers already considered, with this additional qualification: Not 2 per cent. of the cut leathers or hat sweats consumed in the United States are imported, for the reason that nearly all of the finest leathers cut in the United States are cut from the imported dressed and finished skins.

The same competition, however, has occurred between the few domestic manufacturers of cut leathers who oppose us as has operated to cut down profits in skivers, namely, domestic rivalry and not a deficient tariff.

In view of these considerations, and emphasizing again the inconsiderable quantity imported of cut leathers for hats and the necessity among domestic home manufacturers for the few foreign skivers that are imported, we urge upon you a consideration of the injustice which would be done us by the retention of 10 per cent. duty on unfinished skins and the advance of the present 20 per cent. on finished skins to a higher figure, and the increase of the present rate on manufactures of leather to a rate out of all proportion with present necessities with the present condition of trade, and with the slight additional cost of labor in producing the finished as well as the manufactured article beyond the cost of the skin in its unfinished condition.

Very respectfully yours,

SHATTUCK & BINGER.
T. L. LATKINS.
SOLOMON & PHILIP.
A. H. RATHINGER & CO.
GOLDSON & LEBKUECHER.
LASKER & ZUNSTEIN.
A. ISAACS & CO.
ADOLPH WIMPFHEIMER COMPANY.
MARTIN BATES, JR., & CO.
SCHORESUNFREIRE & CO.
J. W. KOHL & CO.
LOUIS WEDDIGEN & CO.

NEW YORK, *January 27, 1890.*

ENGRAVINGS ON WOOD.

STATEMENT OF ROBERT UNDERWOOD JOHNSON.

MARCH 11, 1890.

Mr. ROBERT UNDERWOOD JOHNSON, associate editor of the *Century* magazine, addressed the committee. He said:

Mr. Chairman and gentlemen of the committee, I appear before you this morning with the object of petitioning on behalf of the publishers of the *Century Magazine* that the words "engravings on wood" may be inserted in the clause of the free list, number A 819, which specifies that "works of art, painting, statuary, fountains, and other works of art, the production of American artists living abroad," shall be admitted free of duty. This is not a request that works of art should be put upon the free list, but merely a request that there should be a more specific determination of what are works of art in the existing statute.

Mr. CARLISLE. Has it been decided these are not works of art?

Mr. JOHNSON. It has been decided recently by the Treasury Department, re-affirming an old decision, that these are not works of art under the statute, and my object is to present considerations to show that the legislation of the country should recognize what is already generally recognized by every other agency that goes to form an opinion as to what constitutes a work of art.

The CHAIRMAN (referring to package just received). I imagine these proofs were sent—

Mr. JOHNSON. Yes, sir; they are proofs of wood-engravings and were sent to you for the purpose of exhibiting more clearly my argument.

The CHAIRMAN. Are these wood-engravings?

Mr. JOHNSON. I have not yet seen them, but they are all from engravings on wood, I am sure. If you will permit me, I wish to exhibit by them the reason why the law should not follow the former decision, the art of wood-engraving having reached conspicuous excellence in this country since the former decision.

The CHAIRMAN. But it is now held that they are dutiable under the Treasury ruling?

Mr. JOHNSON. Yes, sir; and as it will not take up much time I will read rapidly the papers presented by us to the Treasury Department. They are as follows:

MEMORANDUM AS TO BLOCK ENGRAVED BY TIMOTHY COLE, AN AMERICAN ARTIST RESIDING IN ITALY.

The block in question is an engraving made by Mr. Cole direct from the original painting by Giovanni Bellini, in Italy. It was imported through Messrs. Baldwin Bros. & Co., express agents, by the steamer *Caledonia*, December 9, 1889. It was claimed by the Century Company that it should be admitted free of duty under the clause of the free list (819 A) which specifies that "works of art, painting, statuary, fountains, and other works of art, the production of American artists," may be admitted free of duty, the fact of such production being verified by a certificate of a consul or minister of the United States, indorsed upon the written declaration of the artist. Mr. Cole had made such a declaration before the consul, and his certificate accompanied the bill of lading of the block in question, but the customs officers declined to admit the engraved block as a work of art, and assessed duty at 25 per cent., referring us to decision No. 2468, which reads as follows:

DESIGNS AND ENGRAVINGS OF WOOD MADE BY AMERICAN CITIZENS RESIDING ABROAD—DUTIABLE.

TREASURY DEPARTMENT, *October 13, 1875.*

SIR: Messrs. George Stoker & Co. have appealed from your decision assessing duty at the several rates of 20 and 25 per cent. ad valorem on certain so-called "works of art" imported by them per steamer *Main* June 3, 1874.

The appellants claim that the said articles are entitled to free entry under the provision of section 22 of the act of July 14, 1870 (the importation having been made prior to the passage of the Revised Statutes), which reads as follows: "Paintings, statuary, fountains, and other works of art, the production of American artists; provided that the fact of such production be verified by the certificate of any consul or minister of the United States indorsed upon the written declaration of the artist." The same provision is re-enacted in the Revised Statutes, the clause containing it being headed "works of art."

It appears from the special report of the appraiser that the articles in question are engravings on wood, used in printing the *Aldine* newspaper, published in the city of New York, and drawings or designs on wood sent to this country to be engraved and then used in the same manner.

It thus appears that said articles are of two classes, namely, first, wood-cuts, fully executed and ready for use, the designs for which were drawn upon the wood by American citizens residing abroad; and, secondly, drawings on wood made by American citizens, the engraving of which, on the wood, remains to be executed after arrival in the United States.

In regard to the articles embraced in the first class, I would state that the Department is of opinion that they are excluded from free entry under the law referred to for the following reasons: The enumeration of paintings, statuary, and fountains in the clause in the act mentioned indicates, to some extent, the character of the articles which are entitled to free entry under the phrase "other works of art" immediately following. Paintings, statuary, and fountains are all finished productions ready for use as such, and not simply the means by which an almost unlimited number of impressions constituting pictures could be produced, as is the case with the wood-engravings in question.

The Department therefore concludes that the term "works of art" can not prop-

erly be applied to the article in question. In further support of this view, it will be observed that the tariff admits paintings and statuary, not otherwise provided for, at the low rate of 10 per centum ad valorem, whereas engraved plates of wood or other material are dutiable at the rate of 25 per centum ad valorem. If such plates had been considered works of art, in the sense in which paintings and statuary are so considered, it may be presumed that the same encouragement would have been given to their importation.

Assuming this position to be correct, the Department can not, however much inclined to encourage American artists residing abroad, recognize engravings on wood as works of art within the purview of the statute.

As a necessary consequence, the articles forming the second class above mentioned, which are in a less advanced state, will also be excluded from free entry.

The engravings on wood embraced in said importation are therefore properly chargeable with duty under the provision for "plates engraved * * * of wood or other material, 25 per cent. ad valorem," and the designs on wood, not engraved, at the rate of 20 per cent. ad valorem, as non-enumerated manufactured articles.

Your action in the premises is, therefore, hereby affirmed.

I am, very respectfully,

B. H. BRISTOW, *Secretary.*

COLLECTOR OF CUSTOMS, *New York.*

The Century Company then prepared the following appeal, which they had intended to revise and amplify and accompany by a personal presentation of the case when it should come up at Washington, but unfortunately through a misunderstanding it was forwarded without their knowledge, and this opportunity was lost.

IN THE CASE OF THE ENGRAVED BLOCK IMPORTED BY THE CENTURY COMPANY PER STEAMER CALEDONIA.

The facts in this case are as follows: This block is the work of Mr. Timothy Cole, who stands in the front rank of American wood-engravers. He is now residing in Italy, where he has gone for the purpose of engraving directly from the originals the masterpieces of the great Italian artists. This work he does with his graver upon the block, directly in front of the originals, and we claim that the work should be admitted free of duty under the law governing "works of art, the production of American artists residing abroad."

Mr. Cole's training, talents, and wonderful skill in his art certainly entitle him to rank as an artist, and his engravings seem to us in every sense works of art within the meaning of the statute. Had it been foreseen at the time the law was framed that wood-engravers were likely to go abroad for such study, or had the question been raised as to their work being possibly ruled out under the law as it stands, we have no doubt that its framers would have included this class of art-work by name. The intention of the law, as we understand it, was to encourage art in its broadest sense, and to enable artists residing or studying abroad to have the benefit of the home market without the payment of duty. We do not understand that the word "paintings" in the statute has ever been construed to include only those which have been done by a brush in either oil or water colors. As we understand, those executed in crayon or charcoal, or drawings done by means of the pen or pencil, are admitted without question under the law as it stands. Neither do we understand that any question has been raised as to the material upon which such works are executed; they may be upon canvas or pasteboard or paper or upon wood, and, indeed, we had supposed that an artist who preferred to etch his work would be at liberty to import his plate. Certainly, Mr. Cole's work is in a line with all these; he simply uses a graver instead of a pencil or pen, and in many cases he gets results much more beautiful. His work fosters the study of art and helps on the art movement which, as we understand, the law was designed to promote.

Even if it be urged that decision No. 2468 is against the admission of Mr. Cole's work, we would call attention to the fact that since that time an immense advance has been made in the art of wood-engraving. Men of really artistic temperament have adopted this method of expression, and American wood-engraving has been recognized of late as the best executed in the world. The present venture of Mr. Cole is with a view to executing works which will be recognized as masterpieces even in this advanced school of wood-engraving, and we respectfully submit that his work, which certainly comes under the title of "work of art" in its generally received sense, should be admitted free of duty, believing that this is entirely within the spirit of the law and in accord with its known purpose of encouraging the art of which Mr. Cole is so distinguished an exponent. All of which is respectfully submitted.

The Treasury Department sustained the assessment of duty in the following decision :

TREASURY DEPARTMENT, *February 20, 1890.*

SIR: The Department is in receipt of your letter of the 7th instant, submitting the appeal of Messrs. Baldwin Bros. & Co. from your assessment of duty at the rate of 25 per cent. ad valorem on a certain engraved wood block imported by them per *Caledonia*, December 9, 1889. The appellants state that the block is the work of Mr. Timothy Cole, who stands in the front rank of American wood-engravers, and who is now residing in Italy, where he went for the purpose of engraving from the originals the masterpieces of the great Italian artists, and they claim that the block is entitled to the provision in T. 1. 819, for "works of art," the production of American artists.

The Department having heretofore decided that engraved blocks are not embraced in the terms "works of art" (S. 2468), the claim of the appellants is rejected and your assessment of duty is hereby affirmed.

Respectfully, etc.,

GEO. C. TICHENOR,
Assistant Secretary.

COLLECTOR OF CUSTOMS, *New York, N. Y.*

We desire now again to appeal the case and to call the attention of the Department to the proof of the engraving in question, sent herewith, which seems to us to show more clearly than any argument the fact that Mr. Cole's engravings are entitled to rank as works of art.

Mr. JOHNSON (resuming). It will be seen that the present decision is based entirely on precedent, and not, as we think, with sufficiently full consideration of the real question involved, which is rather a matter of fact, whether wood-engravings are works of art, not whether they were so regarded by the gentlemen who framed the original law. I expected to ask a rehearing at the Treasury Department and went to see the Secretary yesterday for that purpose, but he was apparently so engrossed with the demands of that enterprising and active class of citizens who give the last touch of charm to official life, that I was not able to get a hearing with him. However, anything the Secretary of the Treasury should now decide might be overturned by one of his successors; therefore, it is desired that the status of wood-engravings should be specifically recognized in the present provision for the free entrance of works of art made by Americans abroad.

The CHAIRMAN. You only want wood-engravings?

Mr. JOHNSON. Yes, sir; drawings in general are admitted at the present time.

Mr. CARLISLE. When made with a pencil ready for the engraver?

Mr. JOHNSON. We do not import drawings on the block. Other drawings by Americans are admitted, I believe. This block is an electrotype from the wood block. This white appearance upon the face of the block is given by card-board rubbed in to bring out for you the delicate lines that otherwise would not be clearly visible. Before this block could be used we should have to wash it. The original engraving is on wood and is so valuable that we avoid sending it by mail for the simple reason that it is likely to be knocked about and the corners and lines destroyed. The block which I present to you for consideration is the electrotype which is used in printing, in place of the original, which is liable to be injured.

The CHAIRMAN. It is transferred from the block to this.

Mr. JOHNSON. Yes, sir; it is done by an electrotyping bath. An impression of the block is taken on wax, which is hung in an electric bath and a copper deposit is made on the wax. At first it is a flexible shell, then it is backed up as you see to the height of a type, and is then ready for printing. If this one becomes injured another can be made from the original wood block.

In support of our contention that wood-engraving is an art, and especially that wood-engraving in America has become conspicuously an art since the decision made by the Treasury Department, I wish to read a short article by Prof. Charles Eliot Norton, of the chair of fine arts of Harvard College, which was contributed to the Nation on the 24th of March, 1889.

MR. COLE'S WOOD-CUTS IN THE CENTURY.

To the Editor of the Nation :

SIR: The engravings by Mr. Cole which are appearing from month to month in the Century as illustrations of the "Old Italian Masters" have hardly attracted the attention they deserve. Nothing that has as yet been done by the American engravers on wood who, during the last few years, have carried their art to the highest excellence in reproducing the characteristic qualities of the work which they have had to copy, has surpassed in exactness of delineation, in refinement and vigor of execution,

and in sympathetic rendering of the subtlest features of the original, these remarkable productions of Mr. Cole. The variety of the technical methods of which he shows himself master has enabled him to reproduce with equal success work as widely different in motive and style as the mosaics of Ravenna and the panel paintings of the Florentine artists of the fourteenth century.

No engravings hitherto existing of the works of early Italian art give so much of the essential spirit as well as of the manner of painting of these works as this series of Mr. Cole's. It is, therefore, invaluable to the student or the lover of the art of a period when the poetic genius of Italy was inspired with the first flush of conscious power, and was endeavoring to express itself in forms of beauty which it was not yet able completely to realize, but which, in their very simplicity and imperfection, often possess a charm beyond that of the more complete performances of a later and more sophisticated age.

Mr. Cole's skill is so masterly, and his artistic sympathies are so broad, that there is no doubt that he will reproduce the work of the painters of the fifteenth and sixteenth centuries not less admirably than he is doing that of their forerunners.

His notes upon the pictures which he copies are full of interest in connection with his engravings, and Mr. Stillman's papers which accompany the illustrations are excellent.

There is much more to be said of these engravings, but I have said enough, for the present, at least, if my words induce those of your readers who have not hitherto paid attention to them to recognize their extraordinary merit and exceptional interest.

Your obedient servant,

CHARLES ELIOT NORTON.

CAMBRIDGE, *March 24, 1889.*

We are making such progress in this country in many different directions that it would be surprising if all the members of the committee should have kept in touch with the progress that has been made in the art of wood-engraving since the Philadelphia Exposition of 1876, which gave a decided impetus to the development of all the graphic and beautiful arts in this country. This is shown by a comparison of this volume of the *Century Magazine* of the year previous to the Philadelphia Exposition with these recent examples of what we regard as the highest type of wood-engraving that this country has yet produced. I wish to call your attention especially to the enormous gap between the crude blocks of the earlier times and the superb finish and expression of the present work. And this progress, I may say, is not merely confined to the work of one man; it is characteristic of the whole American craft. Nothing in any other department of art has given us so general or so honorable a reputation abroad as the progress of American wood-engraving. This progress had its origin in the fact that the *Century* began about 1875 a series of experiments to enlarge the limits of the art, by the endeavor to reproduce on wood, more accurately than had been done before, the tone and the sentiment of the different forms of graphic expression, such as a crayon or pencil sketch, an etching, a water-color drawing, a painting in oils, and a daguerreotype. Some of these experiments were failures, but many were successful, and they and the movement which followed have advanced the art to its present excellence. Engravers were thus brought into close contact with draughtsmen and painters and with printers of wood-engravings, and the three classes have had an effect upon one another of great educational value. The engraver has aided the draughtsman to adapt his work to reproduction on wood, and on the other hand has learned from the draughtsman how to produce new effects. Meanwhile the printer has shown to both the draughtsman and the engraver the limitations of block printing and has learned through them to extend the limits of his own resources.

It is but a commonplace to say that American wood-engraving is the finest contemporary wood-engraving in the world; it is, moreover, the only department of art in which America has an acknowledged pre-eminence on the other side of the Atlantic. Among the beautiful products which we export to the countries of Europe there are two which are now particularly in demand: One the American wood engraving, and the other the American young women; and it may safely be asserted that the American engraving is not behind the American young woman in the national qualities of spirit, variety, delicacy, sensibility, cleverness, and charm.

MR. CARLISLE. You do not mean to say the American girl is a production of art?

MR. JOHNSON. I do, sir; and of the highest type.

MR. MILLS. Who would ever have thought that that joke would come from my friend on the other side of the table!

MR. JOHNSON. Now with regard to the question as to how far, historically, wood-engraving is recognized as a work of art. In addition to this letter of Mr. Norton, to which should be accorded the highest authority, wood-engravers are recognized as artists by painters themselves, both in this country and abroad. In England wood-engravers are admitted to the degree of Royal Academician. The chief museums of

art in America and Europe include wood-engravings as a proper portion of their exhibit, and no museum makes discrimination against them on the score of art. There has been a professorship of wood-engraving in our own National Academy of Design. The Munich International Exhibition of the Fine Arts and the Paris Salon (the greatest annual fine-art exhibition in the world) have awarded medals for engraving to American exhibitors; and, what is perhaps the greatest compliment that has ever been paid to American wood-engraving, the first gold medal for wood-engraving was bestowed by the fine arts section of the Paris Exposition upon an American, Mr. Elbridge Kingsley; and seven other special prizes were given to American engravers.

I have perhaps said enough to show that wood-engraving is not merely a slavish tracing of a design which is set before the artist, but requires artistic temperament and training; the different tones and shades of the original must be reproduced and the methods employed are as various and individual as those of the painter. The art is moreover a popular one and its achievements contribute in the most important way not only to the present glory of American art, but also to the spread of art among our own people, and consequently to that education which must precede our pre-eminence in art when our day shall have arrived. To class wood-engravers as artisans is to do them a grave injustice, for the mechanical part of their work is to the artistic as one to a hundred.

I shall be very glad to answer any questions the members of the committee desire to ask. With this exception I have nothing further to say.

Mr. CARLISLE. You say drawings on wood by American artists are now admitted?

Mr. JOHNSON. I will not say drawings on wood, for I doubt if any are imported; other drawings are so admitted.

Mr. CARLISLE. No stress seems to be laid upon the fact in the decision that they are simply copies, because that argument would apply to paintings which are copies.

Mr. JOHNSON. Assuredly.

Mr. CARLISLE. It is just simply upon the ground that it is not a finished work of art, the block itself; that the engraving itself on the block is not a finished work of art. That is to say it is not in a finished form.

Mr. JOHNSON. But these blocks are exhibited by themselves in museums as works of art. Certainly the art is in it when it leaves the hand of the engraver, all the art there is.

Mr. CARLISLE. Because nothing is to be done except take the impression.

Mr. JOHNSON. That is all. I will say further, Mr. Chairman, that I believe there will be no opposition whatever to the proposition we make.

The CHAIRMAN. Is there anything further?

Mr. JOHNSON. Nothing except that as this is not theoretically a tariff question but a question of the status of wood engravings it might be simpler to make the change by a special bill. I thank you, gentlemen, for your kind attention.

The CHAIRMAN (referring to the engravings). Do you desire to leave these here?

Mr. JOHNSON. I should like to leave them for the members of the committee to see. I should like to direct attention to the extraordinary delicacy of these engravings, and while there are not many artist engravers of America who are doing work abroad, probably not three; at the same time under the present interpretation of the law they are subject to onerous discrimination. Their own country officially refuses to recognise the honor which they confer upon it and which is officially recognised in foreign countries.

The CHAIRMAN. And this system is just beginning; it is only comparatively recently that our artists have gone abroad for the purpose of making these engravings.

Mr. JOHNSON. Yes, sir; Mr. Cole is the only person I know of who has deliberately undertaken an important project of this kind. This is our project and we sent him abroad for the purpose of obtaining a reproduction for popular use of the best art of all times.

WATER-COLORS.

The Ways and Means Committee of the Fifty-first Congress of the United States:

Your petitioner, the Nicholson Company, of Rochester, N. Y., a corporation organized under the laws of the State of New York for the manufacture of water-colors, respectfully represents:

That, after many years of experiment and practical tests, it has succeeded in producing a water-color which is pronounced by professional and amateur artists to be equal to the best imported water-colors. Its catalogue, exhibiting the number and kinds of water-colors manufactured by it, is herewith submitted.

In placing its product upon the American market, the Nicholson Company finds, in offering its lowest possible discount to jobbers, that the English manufacturers of water-colors, Winsor & Newton, whose wares have had until now a practical monopoly of the American market, are able to and do offer a much greater discount. The

water-colors manufactured by both Winsor & Newton and by the Nicholson Company are put up in the same manner, namely, in small porcelain pans or cups, wrapped in tin-foil, sealed and labeled.

Upon examining our tariff laws, the reason why the English manufacturers are thus able to offer jobbers such discounts as to practically exclude all competition becomes at once apparent. The raw materials which enter into the composition of manufactured water-colors are usually imported, and upon them there is a duty of about 25 per cent. The manufactured article is put up in a small porcelain cup which costs in America more than double what it does in England, as your petitioner is credibly informed. The cup is then wrapped in tin foil, an article which is also much more costly in America than in England. These packages thus inclosed are then put into boxes sometimes of paper, more often of japanned metal. Incredible as it may appear, the water-colors thus inclosed in porcelain, tin foil, and sometimes in japanned boxes, are admitted on payment of a duty of 25 per cent. only. So far as the japanned box is concerned, your petitioner is informed that the administrative bill already passed and now in the Senate provides for a duty upon the japanned packages in which water-colors are imported into this country. This is good so far as it goes.

Your committee will understand without any further argument that no American manufacturer can possibly compete with the Winsor & Newton water-colors under these circumstances. The tariff upon the raw material and upon the manufactured article being precisely the same is equivalent to there being no duty whatever upon the foreign water-colors. When the greater price of labor, the greater cost of porcelain and tin-foil is considered, the American producer is at a positive disadvantage and must be beaten in the unequal fight. It is submitted that so long as the duty upon raw materials remains, consideration being taken of the difference in the cost of labor, porcelain, and tin-foil, a duty of 75 per cent. upon all manufactured water-colors would not be more than is required to protect American manufacturers. In case it should be deemed best to abolish the duty on raw materials, a duty of 50 per cent. upon the manufactured article would probably answer the same purpose.

Your petitioner desires nothing more than fair play. Unless the present discrimination in favor of the English and against the American manufacturer is put an end to by your action, the Nicholson Company and all other in like situation must abandon the attempt to manufacture American water-colors for the use of Americans. The industry is in its infancy, although the fruit of years of patient investigation and labor and of a very considerable expenditure of money. Your petitioner submits this matter to your committee with confidence that its action will be for the best interests of the American people.

NICHOLSON COMPANY,
By CHARLES F. NICHOLSON,
President.
JOHN J. VAN ZANDT,
Secretary.

SILK CULTURE.

[See ante, page 595.]

STATEMENT OF F. W. CHENEY.

We regret, gentlemen, that we did not fully appreciate the importance of the discussion of putting a duty of \$1 a pound on raw silk at the time of hearing before the Committee of Ways and Means, on the 6th of January. We had not known before that a project of this kind was likely to be presented to you by reliable parties or would be seriously considered by you. On reading over the report of this hearing we are struck by the many errors and omissions which occurred in transcribing the stenographer's notes, which would lead any one, who was not present at the time, to erroneous conclusions. For instance, I am made to say that the Serrell machine had been in successful operation several years in Europe. This I did not, and could not have said.

Great stress was laid by Mr. Walker on the performance of an automatic silk-reeling machine, known as the Serrell system, which has been experimented with in Europe for eight or ten years, and which Mr. Walker testifies to as follows, on page 604 of the report:

"We have a machine working at the Agricultural Department which is working as automatically as a printing-press. I put in the material at one end and it reels off silk at the other end; no attention being necessary except when the thread breaks and to keep the basin clean."

Also, on page 606, he testifies further:

"That it has been introduced in a dozen or fifteen mills aggregating 700 basins, and they are negotiating for increasing the plant."

These statements are misleading to the extent that they are wholly untrue as applied to the Serrell system as a complete system, for that has never been made to work in a successful way. It has not yet, after years of experimenting and with the aid of ample capital and the interest of many of the most important men in the silk trade of France, been adopted in France or Italy or been run except in an experimental way; and, so far as practical and financial results go, it is as yet a dead failure, and no one knows this to be the cold fact any better than Mr. Walker himself, who nevertheless has testified, as stated, to the contrary.

He will probably say that he was only referring to the preparatory machine for wetting out cocoons and gathering the ends preparatory to reeling, but this is a comparatively small and unimportant part of the Serrell system of automatic silk reeling, and should not be confounded with it.

The preparatory machine is as simple as a churn and works with very much the same motion, and is entirely without the electric automatic appliances which make up the novel features of the Serrell system. The last-named part of the machinery, which contains really all there is novel in the Serrell system, is never to be seen running at the Agricultural Department. It will not go and no attempt is made to make it go, so far as we can see.

All that has been claimed for this system of reeling is unproven and, to state it squarely, untrue. It has not been demonstrated that any reduction in the cost of preparing raw silk can be made by it. It must be laid wholly aside and counts for nothing in the question under discussion. It is unfortunate that an important Department of our Government should allow its indorsement to be given to a scheme which has already absorbed a great deal of money abroad, and has the suspicion of speculation attached to it.

Congress has appropriated, according to Mr. Walker's testimony, page 604, \$20,000 a year for the last four or five years, and this sum, he says, has been expended in various experiments for salaries, eggs, and experimental machinery. All there is to show for this expenditure in the way of machinery is a very imperfect plant, which illustrates nothing, except the way not to do the work it was made for.

We do not object to the liberal expenditure of money for experimental purposes in developing any branch of the silk industry, but we do protest against any official indorsement of schemes which can only show a record of failure. The Government should at least keep clear of promoting and booming speculations in machines, which won't go when put to the test of actual service. Let enterprises of this kind be left wholly to the individual efforts of the boomers.

We do not think a duty of \$1 a pound on raw silk would result in the production of any considerable quantity in the next ten years. Two dollars a pound might accomplish more, and if it did the product would have to be sent to Europe for a market, for in the meantime the silk manufacture would have languished and died here. One dollar a pound is estimated by Mr. Walker to be the equivalent of 20 per cent.

ad valorem, but, as he says that the average of last year's importation of raw silk was \$3.48 per pound, it is evident that the duty is more nearly 30 per cent., a tax it would be utterly impossible for our manufacturers to overcome, as that is the duty on all kinds of silk threads and yarns, and the duty on fabrics under the proposed schedule is about the same, 30 per cent., on the better class of goods, and will not average more than 40 per cent. on the whole range.

Even at 50 per cent., as the rate stands now, the margin of profit to the manufacturer would disappear and the market would be given over to foreigners. If you wish to form an alliance with the importers to cripple the silk industry in America you could not do it in any more effectual way than to put a duty of \$1 a pound on the raw material. A smaller duty would only be an evil of lesser magnitude to the manufacturers, and would not be an adequate protection to the silk-growers. Silk culture for profit is not possible in America so long as the disparity in wages exists between us and the great silk producing countries of the world. One dollar a day here is not more than the equivalent of 10 cents in China, India, and Japan, or 25 cents in France and Italy.

It has been asked if the same differences do not exist in the wages of skilled labor employed in manufacturing. We think not to the same extent, but even if it were true, we ask whether it is right or wise to destroy an established industry, the growth of half a century, in order to create one which can only be carried on at a loss, probably for the next half century. When the possibility, or even probability of raising our own raw silk can be demonstrated, no set of men will hail it more gladly than our silk manufacturers, who will do all they can to make the silk industry native American in all its branches. They are not, however, ready just at present to throw away what they have in order to try experiments which have already been attempted over and over again ever since the early days of the Virginia colony. The literature of these attempts is ample, and it is hardly worth while to go over it now in a hurried way.

I feel that I know something about this subject myself, as it has been my study and occupation for over forty years in this country, and in India, China, Japan, and Italy. Members of my own family have faithfully tried silk culture in Connecticut, New Jersey, Ohio, and Georgia, and over a sufficiently wide range of territory, and for a long enough time to exhaust their stock of faith in it; and we are not willing to accept the statements, uncorroborated by facts, of theorists and amateurs, that the conditions are so changed, that the problem is now all worked out, and that all you have got to do is to tax the silk manufacturers \$5,000,000 or \$6,000,000 a year to make this a great silk-producing country. After the tax has been paid for a few years, there will not be money enough left among us to pay our funeral expenses, and no one will be richer except our foreign competitors. We will have the experience, and they will have the money.

We beg of you, gentlemen, to consider carefully the bearing of this proposed duty on our raw material before you recommend it. The losses incurred on account of it will not fall on the silk manufacturers alone, but will be distributed so that all will have a share of them. A duty sufficient to do any good to silk growers will have to be prohibitory, and it will take ten years at least to try the experiment to the satisfaction of the silk growers. We do not wish to be understood as being in any way antagonistic to giving encouragement to all who are honestly desirous of still further experimenting in silk culture, and we most earnestly recommend increased expenditures on the part of the Government to promote, in all reasonable ways, efforts which may in the end prove more successful than we now anticipate.

A bounty of several dollars a pound would only cost a few thousand dollars a year, instead of the \$5,000,000 or \$6,000,000 which would be exacted from the manufacturers, who, after fifty years or more of labor, have succeeded in establishing a flourishing industry, and one which should keep pace with the increase of wealth and culture of this country, and be ranked among the fine arts of manual labor.

STATEMENT OF PHILIP WALKER.

Mr. Chairman and gentlemen, on the 6th of January I had the honor of appearing before this committee in support of a proposition to place a duty of \$1 a pound on reeled silk. At that time there also appeared Messrs. Frank W. Cheney and B. Richardson, who, in the interests of the Silk Association of America, opposed the imposition of such a duty. These gentlemen have also appeared here to-day. I have here a series of books published under the auspices of that association. The first, published in 1876, is entitled "The Silk Industry in America;" the second, published in 1880, "The Silk Goods of America," and the third, published in 1886, "American Silk Manufacture." Following the historical portion of each of these works are annual reports of The Silk Association of America, each of which shows that its president at the time was Mr. Frank W. Cheney, and that one of its directors, and later one of its

vice-presidents, was Mr. B. Richardson, both of whom, as I have stated, have appeared before you. The statements made in the books at that time had, therefore, the sanction of these gentlemen who to-day oppose the imposition of a duty on raw-silk and announce that it would be ruinous to their interests. If it had not their personal sanction in had that of the association of which they were then and are now officers, and which they now represent before your honorable committee. Without desiring to take up too much of the time of the committee I should like to read extracts from these books and make some remarks upon them.

I do not wish to be tedious but I think that some facts which I can deduce will prove of interest to the committee.

It has been said that silk culture can not pay here; that it has been tried over and over again and failed; that it was protected from 1816 to 1846 and still was a failure; and thence it is asserted, as it was by Mr. Cheney before the tariff commission in 1882, that the idea of silk culture in the United States is a fallacy.

Everybody knows that the efforts at silk culture prior to 1840 degenerated into the *Multicaulis* craze.

"The young trees or cuttings which were sold in 1834 or 1835 for \$3 or \$5 a hundred, came soon to be worth \$22, \$50, \$100, \$200, and even \$500 a hundred. (1876, p. 39).

"The times were rife with speculation. The great panic and disaster of 1837 had thrown to the surface many restless, unscrupulous spirits, who were willing to embark in any enterprise, however daring or doubtful its character, which seemed to promise the slightest opportunity of regaining the fortunes they had lost. Numbers of these plunged into the *Multicaulis* speculation and made it more disastrous in its results than it otherwise would have been; but there is this ground of consolation in regard to them, that not one of them escaped the ruin they helped to bring upon others." (1876, p. 40).

Many men bitten in this craze are alive to-day and some in silk manufactures. Some of them you know.

"In January, 1838, Ward, Rush, Frank, and Ralph Cheney started at South Manchester the Mount Nebo silk mills. They had been for four or five years previous raising silk-worms and producing some silk, like their neighbors. The mills were closed for a time, when Ward, Rush, and Frank removed temporarily to Burlington, N. J. They established there mulberry orchards, cocoeneries, etc., and conducted and published from July, 1838, to July, 1840, the magazine known as the '*Silk-Growers' Manual*.' Other members of the family established mulberry plantations near Augusta, Ga., in Florida, and at Mount Healthy, Ohio. In 1841 they returned to South Manchester, heavy losers by the failure of the *Morus Multicaulis*. They re-opened the Mount Nebo silk mill, and with new machinery, commenced the manufacture of sewing-silk and twist." (1876, p. 60).

Thus are opinions formed, thus are opponents to silk culture raised up. In such times was the tariff imposed, when as we read in the book for 1886 (p. 32) "*Silk culture suffered an immense loss, both of capital and prestige, by the multicaulis speculation.*" Is it to be supposed that anything could succeed under such circumstances? A letter recently received bears on this:

PHILLIP WALKER, Esq.:

DEAR SIR: I find an old interest revived in noticing your appeal as reported in this morning's Tribune, and that of Mr. Cheney, before the Ways and Means Committee, in the interest of silk as a national industry. This question was all gone over industriously fifty years ago. (Please see Patent Office Reports for 1814, 1845, and 1846.) Then, had the nation encouraged and fostered, as you urge now, the production of silk would have been as certainly a staple as is cotton, or wool, or tobacco, and there is no sufficient reason why this may not be accomplished.

I devoted a vacation from professional pursuits during the years above referred to and spent considerable time in Washington in the interest of New York silk importers in the adjustment of silk tariff. My correspondence was large and opportunities extraordinary for knowing just what might be done in our country to establish this industry. Now, again, with the manufacture of silk established, the production of cocoons and raw silk becomes a matter of renewed and increased importance. I am now at liberty and would be glad to render service could I see just where such service would be effective.

Very respectfully,

A. C. VAN EPS.

And notwithstanding all this what were the feelings of the Silk Association of America later, forty years after the *multicaulis* epoch? Let us see by their own published statements.

"There is, happily no immediate danger of any serious effort to reduce the duties on manufactured silks. It is fortunate that silk goods are a luxury, a luxury which

will better bear a portion of the burden of taxation when a country finds a large revenue a necessity, than the necessities of life; so that while our Government has so much interest to pay on its bonds, the duty on silks, which furnishes a considerable part of the revenue, is not likely to be diminished seriously. But it is needful to prepare steadily and skillfully for the changes in the tariff that may be expected, when the reduction of the national debt shall diminish the amount of revenue required.

"Every improvement in machinery, or in processes of manufacture, which will facilitate the production of better goods, or of the same qualities at less cost (for we believe it is pretty generally admitted that our goods are now, in many departments of manufacture, superior to those imported), should be encouraged and adopted. All methods of reeling or throwing silk, which accomplish by automatic machinery what has hitherto been accomplished by hand labor, should be studied, and if found promising in good results, should at once be tested in actual operation." (1876, p. 130)

And later:

"There is no immediate prospect of a great or speedy revival of silk culture; but in each State where the climate and circumstances are favorable to the rearing of silk-worms, a filature, conducted by skilled reelers and moved by steam or water power, which should buy all good cocoons offered, might be started to advantage. These filatures would gradually serve to renew the interest in silk culture, and provide for its eventual increase. They would not prove directly profitable, but they might supply the lack of silk in bad years and would help our manufacturers in maintaining their position in spite of all assaults." (1876, p. 131.)

Mark the inconsistencies! It is recommended in the book mentioned that all methods of reeling silk which accomplished by automatic machinery what has hitherto been accomplished by hand labor, should be studied, and if found promising in good results should at once be tested in actual operation. And again, it is urged that in each State where the climate and circumstances are favorable to the rearing of silk-worms, filatures should be started which would serve to increase the interest in silk culture, and by furnishing silk in years of short crops help our manufacturers in maintaining their position in spite of all assaults from abroad. It might be well for the members of the Silk Association of America to enlighten this committee as to what in their opinion would be the object of experimenting with silk-reeling machinery, and endeavoring to establish silk culture, if the moment any serious measures are talked of it is opposed by these very persons who advocated it fourteen years ago. The silk-raisers of this country only ask some of that protection which in a vastly greater degree has been given to the opponents of this measure.

This was from the 1876 book. It was an *ex parte* statement, as there was no visible opponent in the field. The 1880 one (silk culture was looking up a little) is more guarded, but still there are hopes for the poor little industry that I represent before you to-day.

"The raw material of which silk goods are made is not produced in this country. This has been the case since 1840, with the exception of a few scattered experiments of little profit and no commercial importance. There had been some business done in silk culture for many years before the date named, but it was swept out of existence by the ruin which followed great speculations in mulberry plantations and a widespread blight of the trees. In a large portion of the United States healthy silk-worms can be bred and reared by anybody who has time, patience, and mulberry trees at command. The sole difficulty is to dispose of the cocoons at a profit. The manufacturer of silk goods wants reeled silk, not cocoons. Reeling is the most important process in preparing the raw silk, the value of that article depending largely upon the way in which the reeling is performed. It is best conducted at a filature where cheap but skilled labor can be applied. There is no filature at present in this country.

"Whether, under certain favoring circumstances, it would not be practicable to produce silk profitable in the United States is an open question. A great deal has been said and written upon the subject. The most reasonable conclusions that have been reached are to the following effect: It is not at all advisable to undertake silk culture anywhere on a large scale. The industry is not likely to be profitable, even though conducted in a small way, if the culturist must first be at a considerable outlay for land and mulberry trees, or has to hire labor specially for the undertaking. If the women of a farming household could, in addition to their usual labors, rear silk-worms; and if a sufficient number of families in a neighborhood were engaged in the business to produce cocoons enough to keep a filature busy, then capital could be easily found to build a filature and train its operatives. In any case it is not to be expected that the business would be highly remunerative, though it might, if skillfully conducted, add a little to the income of many households in the Middle, Western, and Southern States after the first difficulties were overcome." (1880, pp. 10 and 11.)

It is said silk culture is not practicable here, that silk-worms can only be raised where thunder-storms never occur. This statement comes, it is said, from a person

who is on my staff at the Agricultural Department. I do not believe he said it in that way because it is so ridiculously untrue. The sudden lowering of the barometric pressure attending thunder-storms sometimes affects silk-worms unfavorably, but it is by no means necessarily fatal. Governor Gear will bear me out in saying that the plains west of the Mississippi are noted for the severity of their thunder-storms and still the fact exists that they produce the best cocoons in the United States and in the greatest quantity.

I shall ask you to hear a member of my staff as to the quality of our cocoons. He has a wide experience in Italy and can speak as an expert, and in this connection I will submit copies of letters from Belding Bros. & Co., as to the quality of silk produced therefrom by inexperienced reelers:

NEW YORK, *February 12, 1887.*

PHILIP WALKER, Esq.,

Department of Agriculture, Washington, D. C.:

In reply to yours of 10th instant, would say that the silk looks very nice and is worth \$5 per pound to us, and we will take it at that price. We have shown it to some of our foreign friends and they pronounce it as being very good silk, and will write you on the subject. Please let us know if the price is satisfactory. If so, we will remit at once.

Yours, etc.,

BELDING BROS. & Co.,
Per EMERY.

ROCKVILLE, CONN., *February 4, 1888.*

Mr. PHILIP WALKER,

Washington, D. C.:

DEAR SIR: We send you by to-day's express a small package of silk representing the different processes in its manufacture. This silk was manufactured from the raw stock purchased from your Department, and we are much pleased with the working and quality of the silk. It runs very even and is free from rough places and produces a thread of good strength.

Very truly,

BELDING BROS. & Co.,
Per H. L. ALLEN, *Superintendent.*

About this automatic machinery with which it was made. I think my remarks on January 6 were clear on this subject, but they were befogged by subsequent remarks of Mr. Cheney which the adjournment of the committee prevented my replying to.

There are two classes of automatic machinery—one prepares the cocoons for reeling, the other reels them. The first machines are a success and in definite form, and in use in the Department filature and in mills aggregating seven hundred basins in Europe. The second, the reels, are still in an experimental state. They are not in commercial operation. They are not needed to make silk reeling paying, with a duty though, of course, they would add to the profit. With the automatic preparatory machinery and a dollar a pound duty, and without the automatic reels, we can establish silk reeling and thence silk culture. The reeling must come first to produce an outlet for the product of the culture. We have the preparatory machinery, we want the duty. I told the committee in January that I had two automatic reels running. So I had, and can start them up again to-day, but there are faults in their running which I am at work on and hope to correct. This is why Mr. Payne saw them idle. But this is outside the question. They will be an advantage, and an immense one, but not a necessity to profitable silk reeling.

The manufacture of silk is one-sided here. We do not start at the beginning, but in the middle. All our raw silk comes from abroad. The author of the book glories in the fact that silk manufacturing has become a success in the United States notwithstanding the fact that our manufacturers "labor under the disadvantage of having to procure their raw material from other countries." And yet they strenuously oppose any serious measures to establish in this country the industry which will produce the raw material which they need and now buy abroad. The manufacturers have been protected by various rates of duty since 1843, and in that time the United States has collected more than \$475,000,000 of revenue from duties on manufactured silk goods. These manufacturers have become wealthy through the influence of a protective tariff. In becoming wealthy and in organizing they have become powerful. Though I can not claim to represent them, I speak for a class of people who are poor and powerless. The fact that they are interested in this culture is sufficient proof that they are poor and that they need the paternal protection of this Government.

They are not prepared to be represented before this committee by influential persons, as are the manufacturers, and it is for this reason perhaps that I feel it to be my duty to present their claims more vigorously than I otherwise should.

No, gentlemen, the idea of silk culture is not a fallacy even in the United States. The only fallacy which I can perceive which has been pushed into this question is that of supposing that the committee would listen for a moment to the unsubstantiated opinions of gentlemen who are the natural enemies of silk culturists, and who make no pretense of being experts either in silk raising or silk reeling.

SIGNAL OFFICE, WAR DEPARTMENT,
Washington City, March 6, 1890.

SIR: Replying to your communication of the 5th instant inquiring as to the frequency and severity of thunder-storms in China and Japan, I beg leave to inform you that such phenomena are of frequent occurrence in the countries mentioned.

The record for June, 1883, the only month examined, shows upwards of twenty thunder-storms to have occurred at one station in China; they do not appear, however, to have been of unusual severity.

Very respectfully,

A. W. GREELY,
Chief Signal Officer.

Mr PHILIP WALKER,
Chief of Silk Section, Agricultural Department, Washington City.

PROTECTION FOR FARMERS.

STATEMENT OF HON. M. H. McCORD.

Hon. M. H. McCORD, of Wisconsin, appeared before the committee and said:

Mr. Chairman and gentlemen of the committee, I represent in part one of the best agricultural States in the Union, a State possessed of a climate and soil unsurpassed by any, yet notwithstanding our genial climate and fertile soil our farmers are not as prosperous as they should be; they believe, and I fully share in that belief, that the products of their farms are not receiving the protection from competition with foreign importation they are entitled to.

Mr. LA FOLLETTE. In what respect and on what articles do you think they ought to have greater protection?

Mr. McCORD. On all; on everything they produce; and if the committee will allow me I will briefly state how and why I think they should have greater protection from competition with foreign producers. The farmers suffer from competition by reason of importations from Canada and elsewhere. It is true that there has been some effort made to protect the farmers by imposing a duty on some of the articles they produce that are largely imported, but the duty is wholly insufficient to afford the relief they are entitled to. The statistics show that there are imported annually into this country of farm products about \$60,000,000. About \$3,000,000 of this is for vegetables alone. A million dollars worth of hay is annually imported and about 16,000,000 dozens of eggs, valued at over \$2,000,000. I give these figures from memory, not having had time to look up the statistics, but they are substantially correct, and I ask why is it necessary to import these products from Holland, from Scotland, from Nova Scotia, from Canada, from Denmark, Norway and Sweden? I call your attention to these facts in the hope of showing that something should be done to divert these large sums into the pockets of the American farmers and from the pockets of foreign producers.

Mr. LA FOLLETTE. What do you suggest in the way of increased duties on farm products?

Mr. McCORD. The farm products of the West and those in which the farmers are principally interested are barley, oats, barley-malt, beans, corn, buckwheat, butter, cheese, cabbage, eggs, hay, hops, poultry, flaxseed, and potatoes. To answer your question specifically I would say that the present duty on barley is now 10 cents per bushel, and it should be raised to 30; barley-malt, now 20, should be raised to 40; beans, now 10 per cent. ad valorem should be 40 cents per bushel; buckwheat, now 10 per bushel, should be 20; butter, now 4 cents per pound, should be 6; cheese, 4 cents per pound, should be 6; cabbage, now 10 per cent. ad valorem, should be 5 cents per head; eggs, now free, should be 5 cents per dozen; hay, now \$2 per ton, should be \$4; hops, now 8 cents per pound, should be 12 cents per pound; poultry, now 10 per cent. ad valorem, should be 3 cents per pound live weight; and 5 cents per pound dead weight; flaxseed, now 20 cents per bushel, should be 30 cents; potatoes, now 15 cents per bushel, should be 25. There is now a duty of 20 per cent. on live stock imported

except for breeding purposes; this should be at least double. The present duty on pork and beef is 1 cent per pound, that should be double; on hams, bacon, and lard, the duty is 2 cents per pound, and it should be 4. I believe the figures I have given will be but fair to the agricultural interests and no more than fair; and I hope the committee will seriously consider them, and not incorporate in the bill a less increase than I have indicated.

Mr. LA FOLLETTE. You introduced a bill, which was referred to this committee increasing the duty on potatoes from 15 to 20 cents per bushel. You now recommend an increase to 25 cents.

Mr. McCORD. Since I introduced that bill I have received many letters from potato-raisers in different parts of the country, saying that the duty ought to be 25 cents per bushel. At that time I did not know that over 8,000,000 bushels of potatoes were imported into this country in 1888, many of them being brought in vessels from the islands of the Gulf of St. Lawrence and from Europe as ballast, and when brought that way they are brought with only nominal freight charges upon them. The value of these potatoes thus imported for the year 1888 was over \$3,000,000, which sum ought to have gone into the pockets of the American farmers. The American people should be clothed with American goods, manufactured in America, and supplied in all respects with American products, and I most decidedly believe that the American people should buy the products of the American soil, produced by American farmers.

Mr. Chairman, I would like to say a word about the tariff on lumber, as I represent one of the largest lumber manufacturing districts in the United States, but I feel that I have already trespassed too long upon your valuable time.

Mr. LA FOLLETTE. Give us your opinion briefly as to whether the present duty on lumber ought to be reduced or left as it is?

Mr. McCORD. My opinion is that it ought to remain as it is. If the duty on lumber was taken off, I do not think it would reduce the price of the lower grades of lumber, to any appreciable extent, and on the upper grades not at all. The manufacturers of lumber are not making an unreasonable profit on their manufactured product, when the amount of money invested and the amount of labor employed is taken into account. The pine land-holder would not reduce the price of stumpage no matter how low the price of lumber might go. The only effect a reduction in the tariff on lumber would have in my opinion would be to appreciate the value of pine stumpage in the Dominion of Canada.

In Canada the pine-timbered lands are held by the Government, and the lands are not sold; they are held by the Government and not taxed. They sell the right to cut the timber, and this duty of \$2 per thousand merely serves to equalize the price of stumpage between this country and Canada.

Mr. Chairman, one more suggestion upon the subject of agriculture which I think is proper for this committee to consider, and I am done. The value of the agricultural products for 1880 was \$2,213,000,000, while the value of manufactured products was \$5,370,000,000; the capital employed by the farming interests was \$10,197,000,000, and the capital employed in manufacturing was only \$2,790,000,000, or a little over one-fourth as much as that employed in agriculture. The value of the manufactured product is more than twice the value of the agricultural products. This shows conclusively there is something radically wrong, and I believe the discrimination unjustly between the manufacturing and the agricultural interests in the tariff legislation has something to do with it.

In conclusion allow me to say that I believe the great mass of the laboring people, and this of course includes the farmers, will be best subserved by taking the duty entirely off of sugar or as nearly so as the needs of the Government for revenue will permit.

DEXTRINE.

STATEMENT OF HORATIO N. GLOVER.

BOSTON, *February 25, 1890.*

DEAR SIR: In view of your proposed bill for the revision of the tariff, I wish to call your attention to an injustice in the existing laws, which, I think, upon examination, you will agree should be remedied. I refer to the duties upon dextrine, or burnt starch, and upon British gums.

I am, or rather was, a manufacturer of dextrine, and had built up a very fair trade in the article. This lasted until the last revision of the tariff when the duty on dextrine was placed at 1 cent per pound, and the duty on starch, of which dextrine is made, was put at 2 cents per pound; *i. e.*, the duty on the raw material was made just double that on the manufactured article. This is an actual discrimination against the home manufacturer, which was evidently an oversight on the part of the framers

of the bill, and puts him in an even worse position than if there was actual free trade in the articles, for then, at least, he would have a fair chance of competition without any handicap.

Almost all dextrine, and all of the better quality, is made from potato starch, which can be produced in Germany cheaper than it can be here; this fact, added to the actual discrimination against the domestic manufacturer of dextrine, inevitably drove the latter out of the market, and now I think I may truthfully say, all the dextrine used in this country is manufactured by foreigners, principally by Germans, and this not on account of any fault of the domestic manufacturer, for the home product is better than the foreign, but simply because the Government handicaps him by an unjust tariff and practically gives the foreigner a bounty of 1 cent per pound.

Within the last few years improvements in machinery have in a great many branches of business enabled the substitution of dextrine for the more expensive glue, and there is at present an immense and constantly increasing amount of dextrine used in this country every year which is entirely supplied by foreign producers, and of which the domestic manufacturer might supply his fair share if he could only have fair play from the Government.

The logical remedy for this state of affairs would be of course to let the duty on starch remain as it is, and to raise the duty on dextrine, or burnt starch, and British gums, which are all of a similar nature, to 3 cents per pound; but if this seems a trifle violent the duties might be transposed, that on starch might be placed at 1 cent per pound, and that on dextrine, or burnt starch, and on British gums, at 2 cents per pound. In the latter event the manufacturers of potato starch, who alone of starch manufacturers, I believe, have foreign competition to fear, would be compensated for the smaller protection which they would have, by the increased demand for their starch by the domestic manufacturer of dextrine, and I think that it is fairly certain that a tariff of 1 cent per pound would give them adequate protection.

Something in any case should be done, and if it were no more than to raise the duty on dextrine and British gums to 2 cents per pound, the domestic manufacturer would then at least have a fair field with his foreign competitor.

Any inquiries which you may desire to make I shall be glad at any time to answer to the best of my ability.

Very respectfully, yours,

HORATIO N. GLOVER.

HON. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

RICE.

[See *ante*, page 926.]

STATEMENT FROM GEORGIA PLANTERS.

SAVANNAH, GA., *March 22, 1890.*

GENTLEMEN: The members of the Rice Association of Georgia, a body composed of planters, millers, and merchants dealing in rice, having recently learned that your committee proposed making serious reductions in the duties now imposed by the tariff on rice, have requested me to represent to you that should these reductions be carried into effect the production of rice in this country would rapidly diminish, and would soon be discontinued.

By the conditions incident to the cultivation of rice the cost of producing it is regulated almost exclusively by the price of manual labor.

This is true of the domestic as well as the foreign grown rice, but the price paid the laborers in the rice fields of southern Asia is seldom more than 5 per cent., and in no instance is it as much as 10 per cent., of the amount received by the laborers in the rice fields of this country.

This can be readily and fully demonstrated by comparing the prices of Asiatic labor as stated in the official reports of our consuls with the ample data now in the hands of your committee in regard to the prices paid for field labor here.

If for the protection of American labor the Chinese are rigidly excluded from this country, should not the products of China and southern Asia be so regulated as to afford some protection to the laborers in the rice fields of America?

All parties appear to concur in the opinion that the duties levied on such imported articles as compete in our market with similar articles produced in this country should be proportioned to the relative cost of the labor employed in producing the foreign and domestic articles.

Should this standard be recognized in determining the duty to be imposed on foreign rice, it is apparent that the present rate, $2\frac{1}{2}$ cents per pound on cleaned rice, is not disproportionately high.

During the winter of 1887-'88 about 4,000,000 pounds of foreign rice, claiming to be "uncleaned," were brought into this port and sent to our mills to be cleaned. It had a dirty "uncleaned" look, and the collector allowed it to pass as such. As soon, however, as it came to be milled the fraud was detected. The whole of it had been subjected to some of the processes of cleaning, and a portion of it to all of them, with the subsequent and additional process of being adulterated with rice meal.

When these facts were represented to the Committee of Ways and Means, then engaged in revising the tariff, "uncleaned rice" was defined as rice with the outer husk off, but with the inner cuticle remaining on the grain.

The importers, learning that their scheme had been detected and to some extent defeated, Mr. Talmage, of New York, an importer and dealer in rice, asked to be allowed to address the "Rice Association," in order to prove that this definition was altogether incorrect and unnecessary. He was accorded a long and courteous hearing, in the course of which he endeavored to convince us that "The all important question in the tariff as it bears upon rice is that relating to the import of granulated rice. The Mills bill confirms the Treasury ruling and places the governing screen at No. 10 brass-wire sieve, instead of No. 14, as prescribed by Secretary Folger. Herein then is the menace to the crop. The duty on cleaned rice is nullified one-half and offers a premium on fraud."

He then assured us that any definition of uncleaned rice was unnecessary, inasmuch as to quote his words: "It can be demonstrated beyond truthful contradiction that even cleaned rice can not be adulterated abroad with meal, be passed through our customs at the rate of duty on uncleaned, and be prepared for market at any less cost than the cleaned plus the higher rate of duty."

When this statement was made the gentlemen ought to have known and probably did know, that the cost to the owners of the rice then being milled did not exceed 24 cents per 100 pounds for cleaning and placing it in a marketable condition, the charge for barrels (15 cents per 100 pounds,) included.

A letter purporting to have been addressed to your committee by Dan Talmage's Sons, of New York, has been recently published. In this, after alluding to the duties on "Paddy," "uncleaned" and "cleaned" rice, they state: "These differential duties are now about relatively correct, yet if any change is made we suggest that there be a slight widening between the difference of cleaned and uncleaned. The reason of our request is to assure that whatever imports of foreign rice are required they may be brought in an uncleaned condition, and the preparation for market performed within our own borders, thus advantaging the millers and laborers of the United States. They then earnestly protest against the insertion of any term descriptive of uncleaned rice, as that suggested in the Mills bill."

We fully concur in the opinion expressed above in regard to the class of rice that will be imported should the proposed changes in the tariff be made, as we do also with the motive assigned for their suggestion.

To promote this object, and for other substantial reasons, we beg leave to suggest another change in the tariff. Under any definition of uncleaned rice it would always be a perplexing question to decide where to draw the line between "cleaned" and "uncleaned," thereby offering, as Mr. Talmage expresses it, "a premium on fraud."

We therefore earnestly request that the term "uncleaned rice" be eliminated from the tariff, and that all imported rice be designated as "paddy" or "rough" rice, cleaned rice, and granulated rice.

If this is done the mills in Savannah will enter into an obligation, if required, to convert the paddy into cleaned rice at a cost not to exceed three-quarters of a cent per pound. This shall include the cost for elevating, distributing, grinding, pounding, etc., and also the charge for the barrels or sacks required to place rice in a marketable condition. "The millers and laborers of the United States" will then derive the benefit of the entire cost of milling instead of the small fraction of it they now receive, and the importers will pay less for converting the paddy in to cleaned rice than they assert it now costs them to clean the so-called "uncleaned rice."

Moreover, as rice with the outer husk on is less liable to be eaten by weevil or to become musty, the product of the foreign paddy milled here will be superior in quality to the product of imported "uncleaned rice." It will thus appear that all parties in interest—the American importer, miller, laborer, as well as the American consumer and producer of rice—will be benefited should you comply with our request.

Messrs. Bullett & Co., in behalf of the brewing interest, ask that the 20 per cent. ad valorem duty on granulated rice and rice flour be abolished and assign several reasons for this request.

If the present test of granulated rice (a No. 14 brass-wire sieve) is enforced, we would not be seriously injured by a reduction of the duty to 5 per cent. ad valorem.

This, though a nominal charge, might be sufficient to defray the expense of inspecting and recording the imports of granulated rice and rice flour.

With high respect, your obedient servant,

HOUSTOUN CLINCH,
President Rice Association of Georgia.

The COMMITTEE ON WAYS AND MEANS.

CANADIAN BARLEY.

COPY OF ARGUMENT PRESENTED BEFORE OSWEGO BOARD OF TRADE IN OPPOSITION TO THE INCREASE OF DUTY UPON CANADIAN BARLEY, MARCH 13, 1890.

Mr. President and gentlemen, the barley crop of this country amounts to about 66,000,000 bushels (this year's estimate), and imports from Canada amount to about 10,000,000 bushels.

The beer brewed in 1888 and 1889 was 25,098,765 barrels. The barley used for malting purposes was about 40,000,000 bushels. Of this 40,000,000 bushels we will estimate that 10,000,000 are imported from Canada, 8,000,000 are raised in New York State, and the remaining 22,000,000 bushels used are supplied by the West and California. There remains a surplus above the brewers' wants, which is used for feeding purposes, of 36,000,000 bushels.

It is proposed to raise the duty on Canadian barley from the present rate of 10 cents to 20 cents, under the supposition that by excluding the 10,000,000 bushels at present imported from Canada the American farmer will be benefited.

We maintain that such a proposition would be of little benefit to the American farmers generally, and would be an actual injury to the farmers of New York State, while it would at the same time inflict irreparable loss and damage to the vested interests and business of other equally worthy American citizens.

First. As regard the supposed benefit to the farmers. As 36,000,000 bushels of barley are raised and imported above the wants of the brewers, this entire quantity, with the exception of a small portion exported, is used for feeding purposes. The value of this large feeding surplus determines the value of the barley used for malting in accordance with a fixed law in the mercantile world. Now, how can the price of the total crop be raised by simply excluding the 10,000,000 bushels imported from Canada? There would still be left a surplus for feeding purposes of 26,000,000 bushels. The truth is that the price of Canadian barley and of New York State barley in the markets of the country is determined by the price of Western malt in those markets. A brewer will say, "I can buy Western barley and malt at such a price; for Canadian or New York State barley malt, if of a better quality, I can afford to pay a few cents more."

The increased duty proposed would tend to drive the malting business from the State of New York and the East generally to the West, where barley can be bought cheaper. This certainly would be of disadvantage to the New York State farmers, because if the malting interests languish and die out in the East who will be their customers for barley? It may be well to say that the Eastern maltsters consume all the Canadian and New York State barley; but if their supply of Canada barley is cut off they must look to the West for barley, and if they have to do that they will go to the West to make their malt, for the reason that it can be done cheaper near the base of supplies.

Second. As regards the damage that would be done to the maltsters, grain dealers, common carriers, and commerce of Lake Ontario, these men have under the offer held out to them by the United States Government to import barley at a reasonable rate of duty established their business and built their elevators, malt-houses, and grain store-houses at points favorably situated for the malting and handling of Canadian as well as State barley. They are not favorably situated for handling or malting Western barley, and it would be ruin to many of them if the duty were so increased as to render it a prohibitory measure, which would be the result, and would very materially injure the commerce of Lake Ontario.

The value of this 10,000,000 bushels Canadian barley is nominally 55 cents per bushel, or \$5,500,000; 40 per cent. of which, or about \$2,200,000, is paid by the shipper for duty and carrying expenses to put the barley on the American market. Of this amount \$1,000,000 goes directly into the United States Treasury, and a large proportion of the balance is paid to American vessel owners, canal-boats, railway companies, insurance companies, and the thousands of laborers who are engaged in transporting grain from the producer to the consumer.

In short, we can see no good that can result to any one by the increase of this duty, but, on the contrary, we can see that irreparable loss will result to the interests and holdings of many American citizens.

Finally, we think that instead of increasing the duty it ought to be greatly reduced, because under the present rate, with current prices, the Canadian farmer can hardly cultivate barley at a profit, and we fear he may give up its cultivation altogether, which would amount to the same thing as excluding our barley from our markets.

Upon motion the above argument was ordered printed, and copy thereof sent to Hon. S. E. Payne, Congressman Twenty-seventh Congressional district, State of New York.

D. M. IRWIN,
President.
J. B. LATHROP,
Secretary.

ACTION OF NEW YORK PRODUCE EXCHANGE.

NEW YORK, *March 25, 1890.*

At a meeting of the members of the New York Produce Exchange, interested in the barley trade, including maltsters, brewers, and dealers, held this day, the following resolutions were adopted:

Whereas a bill is now before the Congress of the United States proposing to increase the duty on Canadian barley from 10 to 30 cents per bushel; and

Whereas the passage of such bill would work material damage to a large and important branch of trade in the city of New York and vicinity, in which trade a vast amount of capital is invested and a large number of men employed:

Resolved, That the passage of the clause of the tariff bill increasing the duty on barley will work serious injury to the commercial interests of a large and important branch of trade in this exchange, and to the detriment of immense investments that have been made in the building of a valuable and important commercial interest.

Resolved, That we most earnestly protest against a system of legislation such as here proposed that will cause disaster and ruin, not only to those who are now dependent upon a business that has grown to such vast proportions, but will depreciate the value of such large vested interests, and virtually wipe out so important a port of entry in the United States as the port of Oswego.

EDWARD SCHWEYER,
Chairman.

ACTION OF MALTSTERS.

The Maltsters' Association of the city of New York and vicinity most respectfully protest against the passage of the proposed increase of duty on barley, for the following reasons:

First. That relying upon the basis established by the Government of a duty of 10 cents per bushel being a maximum amount, we have made large and heavy investments for the purpose of carrying on our business, which investments will be seriously affected by the passage of such a prohibitory duty. That we would be utterly unable to continue the malting business, the base of our supplies being cut off.

Secondly. That such an advance in duty will not work to the advantage of the American grower of barley, and that for the manufacture of a good quality of beer, Canada barley is a positive essential.

EDWARD SCHWEYER,
President.

FREE ART.

STATEMENT OF MISS KATE FIELD.

MARCH 26, 1890.

Miss KATE FIELD appeared before the committee on behalf of American artists and said:

Mr. Chairman and gentlemen, I desire to address you briefly on the duty of 30 per cent. now charged on works of art brought from abroad. I can not do better than to read a letter from Mr. Kenyon Cox, secretary of the National Free Art League. This letter is as follows:

We hold ourselves in readiness to appear before the Ways and Means Committee officially if we shall hear that we can have a hearing. Meanwhile your personal

work with the members of that committee is of great value to us and is appreciated. Our president, Mr. Beckwith, telegraphed you the other day that we should be willing to accept a reduction of the tariff on works of art in lieu of its abolition. This, perhaps, admits of some qualification and enlargement. We believe, as firmly as ever, that art is not a fit object of taxation, and are, on principle, as much as ever for free art. We have not asked, and shall not ask, as an organization, for anything else. But we are, though artists, not devoid of common sense, and recognize that a reduction of the tariff is better than nothing. If the Ways and Means Committee should see fit, in their discretion, to propose the reduction of the tariff on works of art from 30 per cent. to 10 per cent. we should be duly thankful, and should "accept" it as an installment of what we think is our due, reserving to ourselves the right to agitate the total repeal of the obnoxious tax at another time.

As your article in Washington shows, you are already acquainted with the general arguments in our favor, why we think that protection does not protect us, etc. I might suggest, however, certain additional facts and considerations. We have certain lists of figures that are not without interest. First, there is this list of importations of works of art, showing that the 30 per cent. tax does keep out such works.

Statistics of importations of paintings and statuary.

Year.	Duty.	Value.
	<i>Per cent.</i>	
1882	10	\$2, 574, 816
1883 (last year of 10 per cent. duty)	10	3, 088, 673
1884 (first year of 30 per cent. duty)	30	637, 753
1888	30	1, 440, 753
1889	30	1, 193, 072

The importations for 1883, when the impending increase of duty was known, were probably unduly stimulated by that fact, but importations have never since reached so great a figure as in 1882 before the increase of duty had been thought of. As the law has, so far, succeeded in its purpose, what has been its effect on American art? The general belief among artists is that it has been the reverse of good—that artists' sales have steadily diminished. We hope to obtain more proof of this than we have at present, but we have already the figures showing the sales of the Water Color Society for some years. They are as follows:

Sales at the American Water Color Society.

Year.	Amount.	Year.	Amount.
1881	\$32, 000	1886	\$28, 000
1882	33, 000	1887	21, 500
1883	18, 000	1888	23, 000
1884	16, 000	1889	20, 000
1885	20, 000	1890	19, 000

The Water Color Society always sells when any one can, and while these figures may not prove that the tariff has caused artistic depression, they certainly tend to prove that it has not brought about an era of prosperity to American artists.

We believe that the value of a work of art resides in the reputation of the artist and that it is hopeless to try to raise the value of my pictures by taxing Jones's; that the only result of taxing pictures and keeping them out is to reduce public interest in all art—the taste for art being an "Appetite that grows by what it feeds on"—and to place American artists in a position of more or less acknowledged inferiority to those of other countries against whom they are made to seem to desire protection. Do not these figures seem to show that we are right? How the artists themselves feel about it you know. Our league has now between twelve and thirteen hundred members and is constantly growing. The only thing that prevents its indefinite extension is lack of means to meet the expenses of enrollment.

But, really, I suppose that few make the protection argument now in good faith. What we have really to meet is the false idea that art is a luxury, purchased only by the rich, and of no general utility and therefore a proper object of taxation. "Why," say advocates of a tax on art, "let in the rich man's pictures free of duty while we tax the poor man's, etc." Well, in the first place, the artists are, as a

class, poor men, and perhaps they deserve some consideration. But there is a better argument than that, and one that has not been sufficiently dwelt on. Art is not a "luxury." It is not "consumed" by any one but stays in the country as part of its permanent wealth, and it is an educator of priceless value. We will lay aside if you please all considerations of higher civilization, general culture, the innocent and elevating enjoyment of millions—all that might seem sentimental—and come down to the hard test of dollars and cents. What is it worth to a country in money to be highly cultivated in art? And again we will dismiss the sales of works of art properly so called. We will not ask what the worth to France, for instance, of its exportations of pictures and statuary may be, but only what benefits its manufactures receive from the general artistic cultivation of its people. Why do French stuffs, French porcelains, French clocks, and carpets, and a hundred other things find markets all over the world? Why do American ladies buy their dresses in Paris? Because the French are an artistic people in whom taste has been cultivated to the highest degree, and because taste is worth money. If we wish to have good designers for pottery or wall-paper or oil cloth or dress patterns or anything else in which there is an element of taste we must have schools of art and good ones, and to have such schools we must have highly trained and prosperous artists. Can you not try to make the gentlemen in Washington see that it pays to cultivate the fine arts?

There is another point that I should like to impress upon some of these gentlemen in private, if I knew them personally, though it is hardly one that we could dwell on before the committee as a whole. I believe it would be exceedingly good politics for the Republicans to remove the duty on works of art just now. The gentlemen of the Ways and Means Committee know by experience how hard it is to take off any duty without raising a protest from the protected. Here is a duty that the "protected" beg them to take off, and by the abolition of which they could gain the reputation for far-sighted statesmanship and liberality, while they would meet with no real opposition. Why don't they do it? I can't yet make up my mind to despair of the passage of a clause placing "Paintings in oil or water color, drawings, statuary, and sculpture in relief, being the professional productions of a painter or sculptor," on the free list. If they will not do this and will reduce the duty to 10 per cent. we shall, as I said, be glad to take what we can get, but I think they will have missed their effect.

This letter is hastily written, but you are at liberty to make such use of it as you may think best for the advancement of our cause.

I remain, yours, very sincerely,

KENYON COX,
Secretary.

Having read the foregoing letter, Miss Field said:

Gentlemen, I want to have great respect for Congress. It is not a comfortable sensation to feel that our legislators are not the peers of Solon. Why are men in Congress if they don't know more than those who elected them to office. If they do know more, every folly committed by them proves greater idiocy in their constituents and gives the whole country a very black eye. William Walter Phelps, before sailing for Europe as Minister to Germany, declared in print that if the Republican party did not reform the tariff it would be ignominiously beaten in 1892. Governor Meriam, of Minnesota, tells the Farmers' Alliance that taxation should be reduced. Senator Allison, fresh from Iowa and a triumph that will keep him in Washington at least seven years longer, is ready for "reasonable protection." Then why not begin reform where no interested person wants protection? To force medicine down the throats of well people who never asked for it and are nauseated by swallowing it, is as sensible as to tax art.

I belong to the National Free Art League, and I protest. Being a woman and having no vote, this is all I can do. In common with every artist and every art-lover in the country, I ask for the passage of the free art bill now in the hands of the House Committee on Ways and Means, of which Major McKinley is chairman. In the name of justice, art, and beauty, we ask for the removal of "duty on paintings, oil and water colors, drawings, statuary, and sculpture in relief, being the productions of a sculptor or painter." We hope it will be incorporated in the general tariff bill; but if not, our only recourse is to make it a separate measure and do our best to have it properly presented to House and Senate.

What are the facts? Before 1861 there was no tax on foreign art in this country. In 1861 a tax of 10 per cent., the lowest of all, was instituted as a war measure. This comparatively mild burden was borne for twenty-three years. Then artists asked for its abolition, and Congress replied by increasing the tax to 30 per cent., making the burden 200 per cent. greater in peace and prosperity than during the period of bloodshed and financial depression!

The history of the passage of this 30 per cent. measure is significant reading.

It was not advocated by the press.

It was not demanded by the people.

It was not recommended by the Tariff Commission.
 No bill was introduced or considered.
 No legislator proposed or advocated it.
 Congressional requirements were not complied with.
 Senate and House disagreed on details of a bill on general tariff.
 The committee of conference inserted two or three lines which were passed unnoticed, March 3, 1883.

Does not such a trick savor of dishonesty?

Taxation is justified by two reasons, revenue and protection. This increase, therefore, was an outrage; for revenue was not needed, and artists wanted no protection.

The law was disastrous in its results. Duties fell from \$307,000 in 1883 to \$191,000 in 1884, a decline of 40 per cent., while general trade only fell 7 per cent., and jewels advanced.

The sales of American artists decreased, the demands for American art lessened. The export of paintings amounted to \$387,000 in 1883, and fell to \$176,000 in 1884. Foreign nations remonstrated, as well they might; for in Italy, France, Germany and Russia, art is free; while in all other countries, except Servia and those speaking Spanish, it is taxed only 8 per cent.

Keeping out foreign art decreases popular interest in art, deprives home artists of inspiration, and renders their work less valuable and less profitable. To claim, as does Mr. Mills, of Texas, who is too clever not to know better, that this tax falls solely on the rich, is to ignore artists who are, as a class, poor. It is to forget the people who are dependent upon public sales, exhibitions, and museums for their knowledge of the beautiful, whereby they become better educated and consequently make better citizens. Not only this, but Mr. Mills forgets all artisans who are prevented from attaining a high standard of work in many industries.

Not the least objectionable features of this outrageous tariff is the resentment it inspires in foreign artists, and the difficult position in which our own art students abroad are thereby placed. Our young men and women go to Paris and are received with open arms, never paying a sou for their education so far as public galleries and instruction are concerned. Their works are well hung and generously treated. They make reputation which brings them fortune more or less great. At last year's Exposition, American artists received one hundred and four medals and recompenses, the largest number ever given to a foreign country. We repay this magnanimity by virtually slamming our doors in the face of Europe. We say even to Verestchagin and Millet when sent here for exhibition—an exhibition of incalculable benefit to the artists and public—"Remain in bond longer than a year, and you must pay into our custom-house 30 per cent. of your value." So these wonderful educators must be galloped through the country, in order to get back to New York in time to take a steamer before the twelve months are up!

Is it strange that France and Italy, having no fear of our art, should retaliate on our pork? 'Tis a very poor rule that does not work both ways, and if this Republic wants to retain a shred of self-respect and receive consideration for its own commerce, Congress will look quickly to the abolition of the most senseless of all our stupid taxes.

"We don't want a tariff on foreign art," sing American artists in chorus. "Wool-growers may want a tariff, but we object. It is our ruin." "As long as wool is taxed, replies Mr. Mills, "you shall be. You are a luxury, wool is a necessity. You represent the rich, wool represents the poor." So, pulling wool over the eyes of his free-trading colleagues, Mr. Mills poses as the friend of labor! Was there ever more arrant nonsense? If farmers are fools enough to be hoodwinked by such demagoguery, they deserve the distress into which so many of them have fallen. Give the United States free art, and the sons and daughters of the soil will learn that the family chromo is but the dawn of beauty.

I commend these thoughts to your consideration and thank you, gentlemen, for your courtesy and kind attention.

KID GLOVES.

MEMORANDUM IN BEHALF OF IMPORTERS.

- (1) The present tariff is 50 per cent. ad valorem.
- (2) The proposed committee bill makes it a compound duty—divided into three classes—under \$5, from \$5 to \$8, and over \$8; and makes each class pay partly by the dozen and partly ad valorem.
- (3) The importers, manufacturers, dealers, and glove importing interests generally, ask for a specific duty, as determined by the simple rules of kind and measurement—but all equivalent to the present 50 per cent. rate.
- (4) Both domestic manufacturers and the importers, after conference, agree that the present law of 50 per cent. should be accepted by them all as a compromise.

REASONS FOR NOT ADOPTING THE COMPOUND SCALE.

(1) It raises duty beyond the point of protection on an average 25 per cent., making duties on lowest grade \$2.07 per dozen instead of \$1.43 as under present ad valorem.

(2) Raises duty from 50 to 72 per cent. on cheap grades worn by the poor. Preserves present rates on high price gloves worn by the rich. Moreover these grades do not compete with domestic manufacture for they are made of skins of animals not raised in this country.

(3) Breeds undervaluations and deceptions, establishes several additional standards, and fixes quality lines which dishonest importers can easily evade. Is pernicious and confusing and multiplies opportunities for deception and fraud.

(4) No good reason is furnished for the change.

(5) On the other hand the specific duty method we propose is simple, unchangeable, accurate, for the duty is conclusively determined by the kind of glove and its length. The eye of the appraiser and a 14-inch rule determines the duty instantly. Each pair of gloves by and of itself determines its own dutiable rate.

(6) Undervaluation and fraud are effectually prevented, for all question of value is removed and all incentive to false valuation is destroyed.

(7) The importers, commission houses, and wholesale dealers generally, unite in favor of this specific tariff and oppose the compound tariff. Ample protection is given the domestic manufacturers by the "extras" provided for in the bill and in which they are specially concerned.

Custom officers generally are also in favor of it, and declare it to be more equitable and fair and as preventive of fraud.

(8) The duties under the specific method yield the Government an equal amount of revenue.

We do not ask for a reduction. We do ask for a safer and more just method of determining the duty and for the removal of the mischiefs and evils of the ad valorem system.

(9) We respectfully urge the rejection of the compound duty and the adoption of the specific duty.

We call attention to the fact that the domestic manufacturers recognize at least the propriety of continuing the present 50 per cent. ad valorem duty. (See their agreement herewith.)

Special protection is given the domestic manufacturers by the bill we propose.

W. N. CROMWELL,

W. W. DUDLEY,

Counsel.

MARCH 26, 1890.

The Committee of Ways and Means:

We represent almost the entire glove importing interest of the United States, and also the largest dealers in such gloves, comprising manufacturers, importers, and dealers.

We have not been yet heard by your committee in the protection of these great interests, although we pay tribute of over \$2,500,000 per annum in duties on our importations at the port of New York, and our established business and business connections are so vitally affected by a change in the law.

The present duty is 50 per cent. ad valorem. The proposed duty, as per Senate bill, is a compound duty, specific and ad valorem, as follows:

"Gloves of all descriptions, composed wholly or in part of kid or leather, and whether wholly or partly manufactured, valued at not more than \$5 per dozen pairs, \$1.50 per dozen pairs and 20 per cent. ad valorem; valued at more than \$5, and not more than \$8 per dozen pairs, \$2 per dozen pairs and 25 per cent. ad valorem; valued at more than \$8 per dozen pairs, 50 per cent. ad valorem."

Our reason for not heretofore appearing before you is our reliance upon the agreement of the domestic manufacturers, hereto attached.

We respectfully object to the said proposed law for the following reasons, briefly stated:

That the compound rates proposed raises the duty from 50 to 72 per cent. on the cheapest grades (Schmaschen) worn by the poor, while it preserves the present 50 per cent. rate upon the high-priced gloves worn by the rich. The poor will be compelled to pay more. The rich alone remain unaffected.

We support this by a comparative statement hereto attached, and which was taken off at the time the Senate bill was passed.

The grades thus increased are not only those in which the poor alone are injuriously affected, but they are of kinds that do not compete with any domestic manufactured.

There is no domestic manufacture of these grades to protect, for they are made of the skin of animals not raised in this country.

The compound system breeds undervaluation and deception. It establishes several additional standards, and fixes quality lines which dishonest importers can easily evade. The dividing lines are drawn at popular prices, and, as a consequence, there is created the strongest temptation to undervaluations. For instance: If a dishonest merchant enter at \$5 a glove costing \$6, it is very difficult to detect the fraud, and the glove might easily pass at the \$5 rate. The duty by the proposed bill would be but \$2.50, while the honest importer might enter a glove at the actual cost, say \$5, and be taxed thereon by the appraiser at \$5.25. The duty would be \$3.31.

Thus, the dishonest importer would pay a duty of \$2.50 on a \$6 glove, and the honest importer would pay a duty of \$3.31 on a \$5 glove.

The strong temptation to value goods just a trifle under the next highest grades is self-evident.

Furthermore, no appraiser, however conscientious, can fix the cost or exact value within a few cents per dozen pair, and such dividing lines are bound, therefore, to cause infinite mischief.

This compound system is pernicious and confusing, and multiplies the opportunities for deception and trouble.

The compound law offers no advantage over the present 50 per cent. ad valorem duty, and no sound reason for the change is furnished.

We therefore respectfully oppose the proposed law.

As to a change in the existing law, we present the following as a more wise, just, and workable law, which will yield an equal amount of duty by a more equitable method, and one preventive of undervaluations:

"Gloves of all descriptions, composed wholly or in part of kid or leather, and whether wholly or partly manufactured, at the rates fixed in connection with the following specified kinds thereof, 14 inches in extreme length being in each case hereby fixed as the standard, and one dozen pair as the basis, viz: Schamaschen, of said length or under, \$1.50, and over said length, \$2.50; lamb, of said length and under, \$2, and over said length, \$3; kid, of said length or under, \$2.50, and over said length, \$4; suedes, of said length or under, \$1.50, and over said length, \$4, and all other leather of said length or under, \$2.50, and over said length, \$4. All men's gloves \$1 per dozen extra; all lined or fur-trimmed gloves 50 cents per dozen extra; all embroidery, except one seam or cord, 50 cents per dozen extra."

We regard it as desirable for the Government and for all concerned that a simpler method of ascertaining the duty should be created by establishing a simple rule of length, inflexible and unchangeable and applied to each kind of kid or leather glove. The appraiser, of course, knows instantly the kind of leather or kid presented to him (for he must possess that knowledge under any system) and has merely to ascertain the length by a 14-inch rule, kept at his hand, in order to instantly figure out the duty to be paid—conclusively, satisfactorily, and without room for doubt. No question of undervaluations or of foreign cost enters into the problem. All that mischief is swept away. Each pair of gloves determines for itself and by itself the duty it bears—simple, direct, and invariable. Undervaluations are made practically impossible, fraud readily detected; all importers are placed on equal basis respecting the same kind of gloves. It is needless to add that these various kinds of gloves are perfectly understood in the trade and by the appraisers.

The amplest protection is given to the domestic manufacturers by the "extras" added in the bill and which relate to the gloves they are particularly concerned in.

The importers, commission-houses, and wholesale dealers in the glove trade, including many of the largest houses in the dry goods trade, unite in favoring this specific tariff, and are opposed to the proposed compound law. Their written protests and petitions, obtained within the past three days only, are respectfully submitted herewith, and bear the signatures of many of the strongest and most influential merchants in America. These we can supplement without number, if opportunity be afforded us.

The customs officers generally are in favor of this specific method, and declare it to be more equitable and fair than the compound law, and as preventive of undervaluations.

The duties under our proposed measure are based upon the actual imports for the month in which the Senate bill was passed, and is carefully calculated so as to give to the Government the same amount of duty as at present.

We are not seeking to reduce the tariff much, as we would be gratified if that were done.

We do not ask for a reduction. We do, however, respectfully ask for a safer and more just method of determining the duty, and for the removal of the mischiefs and evils of the ad valorem system.

The compound duty but multiplies those evils. The specific duty extinguishes them, and inaugurates a simple and straightforward method of collection.

We therefore respectfully urge the adoption of the specific method above proposed by us, and, in all events, the rejection of the proposed compound duty.

WILLIAM F. FOSTER,
LOUIS V. HOLZMAISTER,
Committee.
SULLIVAN & CROMWELL,
of New York.
W. W. DUDLEY,
Counsel.

MARCH 26, 1890.

NEW YORK, March 22, 1890,

To the Senate and House of Representatives in Congress assembled :

We, the undersigned manufacturers and importers of leather gloves, hereby request the adoption of the following tariff, believing it the most practical and easy of collection.

Leather.	Length.	Duty.
Schmassen	14 inches or less	\$1.50
Schmassen	Longer	2.50
Lamb	14 inches or less	2.00
Lamb	Longer	3.00
Kid	14 inches or less	2.50
Kid	Longer	4.00
Suedes	14 inches or less	1.50
Suedes	Longer	4.00
Other leather	14 inches or less	2.50
Other leather	Longer	4.00

Measure from top of wrist to end of longest finger.
All partly made gloves same rate as finished. All men's gloves \$1 per dozen extra. All lined or fur-trimmed gloves \$1 per dozen extra. All pique or prick seam sewed gloves 50 cents per dozen extra. All embroidery except one strand or cord 50 cents per dozen extra.

We also beg respectfully to protest against the proposed tariff on leather gloves believing it will have a tendency to increase rather than curtail undervaluations and create much confusion by compound duties.

We have advocated and prefer strictly specific ones. In case these cannot be established, we pray you to continue the existing rates.

FOSTER, PAUL & Co.	H. B. CLAFLIN & Co.
HENRY M. PEYSER & Co.	BUTLER, CLAPP & Co.
L. V. HOLZMAISTER.	E. S. JAFFREY & Co.
MEGROZ, PORTIER, MEGROZ & Co.	LORD & TAYLOR.
SCHEFER, SCHRAM & VOGEL.	HILTON, HUGHES & DENNING.
HUGO ROTHSCHILD.	MARSHALL FIELD & Co.
ABEGG, DAENIKUR & Co.	ISELAN, NEESON & Co.
P. FLOQUET, per C. W. FITE.	C. AUFFMORDT & Co.
HARDT, VAN BERMSSEN & Co.	PIERSON & ARTHUR.
OELBERMANN, DOMINICK & Co.	CHARLES G. LANLON & Co.
JOHN WILLS.	EDWARD SCHUMACHER & Co.
WORTHENHAMER & Co.	PASSAVANT & Co.
SPIELMANN & Co.	SIMON SEELIGMANN.
ROBERT L. HOGUET & Co.	EGGELRICHT BERNHARDT.
MILLS & GIBBS.	PINGS & PINNER.
SWEZER, PEMBROOK & Co.	HARRIS BROS.
DUNHAM, BULKELEY & Co.	BOSSUTTERE & FILS.
TEFF, WELLER & Co.	S. MAASS & Co.

Leather gloves imported during January, 1889.

Quality.	Dozens.	Price.	Average.	Present duty.	Proposed duty.	Per cent.
Schmassen	20,581	\$75,286	\$2.86	\$1.43	\$2.07	.72
Lamb	5,603	22,890	4.08	2.04	2.37	.58
Kid	11,740	70,557	6.00	3.00	3.50	.58
Suedes	3,648	15,244	4.18	2.09	2.33	.56
Men's lamb	3,008	14,130	4.70	2.35	2.44	.52

OBJECTIONS TO NEW BILL.

- (1) Cheap gloves worn by poor people, and of which none are made in this country, are advanced 22 per cent., making duty 72 instead of 50 per cent.
- (2) Dividing lines are drawn at popular prices, \$5, say 25 francs or 20 marks, and offer great temptations to undervaluation errors.
- (3) The compound duty necessitates six different rates (three specific and three ad valorem) for one invoice, instead of one uniform rate as now.

Tariff comparison.

Quality.	Length.	Present average value.	Schedule of Senate bill.	Cash duty by Senate bill.	Present ad valorem 50 per cent.	Importers, manufacturers, and jobbers' proposed law.
						<i>Per dozen.</i>
Schmaschen	14-inch.....	\$3. 00	\$1.50 and 20 per cent..	\$2. 10	\$1.50	\$1.50
Schmaschen	Longer	5. 00	.....do	2.50	2.50	2.50
Lamb	14-inch.....	4. 00	.....do	2.30	2.00	2.00
Lamb	Longer	6. 00	\$2.00 and 25 per cent..	3.50	3.00	3.00
Kid	14-inch.....	5. 00	1.50 and 20 per cent..	2.50	2.50	2.50
Kid	Longer	8. 00	2.00 and 25 per cent..	4.00	4.00	4.00
Suede	14-inch.....	3. 00	1.50 and 20 per cent..	2.10	1.50	1.50
Suede	Longer	8. 00	2.00 and 25 per cent..	4.00	4.00	4.00
Other leather	14-inch.....	5. 00	1.50 and 20 per cent..	2.50	2.50	2.50
Other leather	Longer	8. 00	2.00 and 25 per cent..	4.00	4.00	4.00

N. B.—Schmaschen glove worn by poor people and none made in this country, advanced 20 per cent. by Senate bill schedule.

Lines are drawn at popular prices, making evasion easy and detection difficult or impossible, and encouraging instead of suppressing undervaluation.

GLOVE SCHEDULE AS PROPOSED BY IMPORTERS, DEALERS, ETC.

449. Gloves of all descriptions, composed wholly or in part of kid or leather, and whether wholly or partly manufactured, at the rates fixed in connection with the following specified kinds thereof, 14 inches in extreme length being in each case hereby fixed as the standard, and one dozen pair as the basis, viz: Schmaschen, of said length or under, \$1.50, and over said length, \$2.50; lamb, of said length or under, \$3, and oversaid length, \$3; kid, of said length or under, \$2.50, and over said length, \$4; Suedes, of said length or under, \$1.50, and oversaid length, \$4. All other leather of said length or under \$2.50, and over said length, \$4.

In addition to the above rates all men's gloves \$1 per dozen additional; all lined or fur-trimmed gloves \$1 per dozen additional; all pique or prick seam sewed gloves 50 cents per dozen additional; all embroidered except one strand or cord 50 cents per dozen additional.

JOHNSTOWN, N. Y., January 18, 1889.

Messrs. FOSTER, PAUL & Co.,
New York:

GENTLEMEN: We, the undersigned members of executive committee of Fulton County Manufacturers' Association, would say that it was agreed upon by our association that we endeavor by all honorable means to induce Congress to leave the glove tariff as it is, viz, 50 per cent. ad valorem, but that if pressure was brought too strong for a compound duty, that we would accept one as follows: On all gloves costing \$5 and under \$1.50 specific and 20 per cent. ad valorem; on those costing from \$5 to \$10, \$3 specific and 20 per cent. ad valorem; all over \$10, 50 per cent. ad valorem, and pique or prick seam made gloves 50 cents per dozen extra.

Now, gentlemen, we realize that your house and the houses you named as acting with you are honest importers, and only wish the law changed if by so doing undervaluations can be more nearly stopped. We have spent many hours discussing the matter and have come to the conclusion that above propositions are the wisest, all others proposed having features not at all practicable.

Your proposition as to extras was largely advocated and if you indorse it we think it will be a great help in permanently establishing fine glove manufacture in America.

Yours, respectfully,

D. W. CAMPBELL.
JOHN S. IRELAND.
WM. McDOUGALL.
J. LEHMAN.
R. J. EVANS.

P. P. ARGERSINGER.
DANIEL HAYS.
JAMES RADFORD.
J. P. MILLER.

JOHN C. ALLEN,
President of Association.
M. S. NORTHRUP,
Secretary Executive Committee.

ALBUMENIZED PAPER.

NEW YORK, *March 20, 1890.*

SIR: As importers of photographic albumenized papers we desire to lay before you the following facts:

Albumenized paper began to be used for photographic purposes about thirty years ago. Its application being limited, it was made in part by the consumer himself, in part by several small and unimportant factories both here and in Europe.

The duty on the imported paper was 35 per cent. ad valorem. It was decreased in 1883 to 25 per cent. and remained 25 per cent. till recently, when it was changed to 15 per cent. by decision of the Supreme Court.

The home production reached its maximum between 1880 and 1885, the whole output being made mainly by three factories. There were manufactured in 1880 about 4,000 reams of albumen paper which sold on an average at \$40 per ream. There were imported in 1880 6,000 reams, which sold at \$38 per ream. The American albumen paper then was better and brought a higher price than the imported.

In 1885 there were albumenized here about 3,000 reams; there were imported 12,000 prices being about the same for home manufactured and imported paper.

During 1886 and 1887, however, the home production fell off to 1,000 reams or less per annum, selling at \$31 per ream, while the importations increased to 18,000 reams, with a market price of \$33 per ream.

It will be seen that the decline in price and in quantity of the paper albumenized here go hand in hand.

It is a fact known to the entire photographic trade that the foreign manufacturers have continually improved the quality of their albumen paper, while the manufacturers at home did not do so, and it is due to this fact alone and not to any change in the duty, that the foreign product commands a higher price and has actually driven the American product out of the market.

None of the three large factories and, in fact, none of the early factories in the United States are now in operation. In this whole country there is only a single factory of any note; this sprung up about a year ago and could not, at that time, even find in this country the necessary skilled and experienced laborers.

In point of cost the American manufacturer is perfectly able to compete with foreign goods. They sell their paper universally at \$27 and in some cases at \$25 per ream, while the imported albumen paper brings \$31 and \$32.

If the American paper were first-class paper it could compete with the imported, and selling at the same price could bring the manufacturers an additional profit of \$5 per ream.

The profit of the European factories is not nearly as high as this. We annex a yearly statement for 1889, made by one of the most prosperous factories to the Government, which shows a net profit of 201,914 marks on sales amounting to 1,773,105 marks, or a net percentage of profit of 11½ per cent.

If, then, the amount of importations were dependent on the tariff, an increase of 10 per cent. in the duty would altogether prohibit the importation of albumenized paper.

An endeavor to prevent the importation of foreign albumenized paper by a still higher duty would be injurious for the following reasons:

(1) It is a duty that would be paid by the consumer. It would compel nine thousand photographers either to use a poor quality of paper, or, as the supply of this would be entirely inadequate, it would force them to pay exorbitant prices for imported paper.

(2) It would be impossible to manufacture albumen paper in America equal to the European paper. The manufacture of this paper requires a knowledge which is in the possession of a few men, and which only a study of many years can give, not a high price or a high tariff suddenly granted. The men at the head of the American

factory claim to have been in close connection with the best European factories; but even they can not succeed, and their goods do not command even a moderate price.

(3) It is to nobody's interest, save that of a very few men, to increase the duty. There is hardly any one in this country who asks for it. There is no one here who can manufacture fine albumen paper. There are no laborers here who are skilled to work in such a factory. If all the albumen paper used in the world were made here it would employ five hundred persons, generally women and girls. These could not be found here, but would have to come from abroad.

(4) The advantage (often claimed by manufacturers) of an increased demand for eggs is problematical. Already now large quantities of eggs are imported from Europe in order to supply our present demand.

(5) To discriminate in favor of plain paper used for photographers' purposes would greatly complicate the collecting of duties on plain paper in general, and would be an inducement to import all fine grades of paper under this heading. It is not possible to distinguish one from the other. Albumenized paper, on the other hand, can be most readily recognized.

(6) Finally, the history of the industry in this country has shown that tariff regulations were not able to keep it on its feet. It declined when tariff was high. It declined not for want of profit in the business in general, but because it could not sell at the price which better goods commanded, and which it would also have commanded had its qualities been better.

Because, then, free plain paper for photographers' use would complicate the tariff on paper; because an increased duty on albumen paper will increase its price to the consumer; because it will be opposed to the interest, the wish of the entire trade; because it could only benefit foreign laborers; and finally, because experience has decided against it, we ask of you that the present tariff on albumenized and plain paper may not be disturbed.

We remain, dear sir, yours, truly,

G. GENNER.

The CHAIRMAN COMMITTEE ON WAYS AND MEANS.

MOLASSES.

STATEMENT OF W. H. EMERSON.

BOSTON, March 19, 1890.

Hon. W. MCKINLEY, JR.

Chairman Ways and Means Committee:

DEAR SIR: I was surprised to find, in reading the tariff bill as reported, that it is proposed to levy a duty of 25 per cent. on molasses.

I am engaged in the manufacture of domestic molasses sugar, made almost entirely from Cuba molasses. Beside myself there are six boilers in Philadelphia, four or five in New York, and one in Portland. Our business is entirely separate from that of sugar refiners, and has no connection with the so-called "trust," or with those outside making refined sugars. We import molasses, boil it in our houses, and make a sugar averaging 82° polariscope test, which we sell to the regular sugar refiners.

Molasses pays a duty, under present duty, of 4 cents per gallon. As before stated, we manufacture a sugar testing 82°, dark in color, and it can not be used for domestic purposes until refined by a sugar refiner. A foreign sugar of this grade testing 82° pays a duty of \$1.68 per 100 pounds. In our manufacturing we expect to average about 5 pounds of sugar per gallon, so that from 100 gallons of molasses, paying \$4 duty, we obtain 500 pounds of sugar. The present free-on-board value of a foreign-made molasses sugar is about 2 cents per pound (\$2 per 100 pounds). The duty as proposed in new tariff bill is 35 per cent., or 77 cents per 100 pounds, against \$1.68 as now levied, the difference, 91 cents per hundred, being more than the entire allowance of 88 cents per hundred, which the Government has heretofore considered as a proper proportional allowance between foreign manufactured and domestic sugar.

Five hundred pounds 82° sugar, imported, pays \$1.68	\$8.40
One hundred gallons molasses, yielding 500 pounds, at 4 cents.....	4.00

Making a difference of \$4.40 on 500 pounds, or 88 cents per hundred in favor of domestic sugar, which is to cover the extra expense of labor in this country, the large proportion of residuum upon which freight has to be paid, and other similar expenses. We claim if the duty on sugar is to be reduced 50 per cent., or approximately that amount, molasses should be admitted free of duty, and there are many reasons therefor. The present value of molasses in Cuba ranges from 15 to 16 cents

per gallon, free on board, so that the duty now proposed (25 per cent.) would be $3\frac{3}{4}$ to 4 cents per gallon, or practically the same as now. In other words, you reduce the sugar with which we now compete 55 per cent., and do not reduce on molasses any. Under present tariff domestic sugars pay $47\frac{6}{10}$ per cent. as much as foreign; if 50 per cent. is deducted from foreign it exceeds entire amount levied on domestic. The reduction as proposed would lead to one result only—the stoppage of our business, the loss of our refineries (as they would be practically worthless), the throwing out of employment of many different classes of labor, besides vessels, etc., which are referred to later. Among the various reasons why this industry should not be driven out are the following facts:

First. All coopeage used in Cuba is grown and manufactured in the United States. Its manufacture gives employment to a large number of persons in the country, besides furnishing freight for railroads and vessels. Should duties be changed as proposed, it would prevent the importation of molasses here, as it would be mostly distilled into rum in Cuba, and thus stop all demand for coopeage.

Second. It is a fact almost without exception that molasses is brought here in American vessels, it being seldom, if ever, a cargo comes in a foreign vessel. The imports vary from 23,470,181 gallons, imported at all ports from all countries last year, to 37,392,399 gallons in 1887, making inward cargoes for some four or five hundred vessels, and in return vessels take outward cargoes, many of lumber and coal, the latter article being in demand in Cuba, and a vessel with coal is exempt from foreign port charges. All this freight business would be ruined, and at a low estimate the vessels engaged in the molasses business earned over \$500,000 freight the past year. This business comes at a very opportune season, when other freights are dull. One reason American vessels are preferred is the long experience of those in the business, and another because many vessels have been built expressly for this purpose.

Third. Our business employs many different classes of labor in addition to those employed making coopeage and on vessels. Our cargoes take a large amount of wharfage room, and give employment on landing to many on docks, such as stevedore crews, coopers, etc., besides the larger number employed, both skilled and unskilled, in the refineries themselves, averaging in each house some forty or more men. Again, the manufacture of sugar machinery is an important industry, its cost being large on account of labor.

Fourth. Boiling molasses does not come into competition with any product of this country, either as molasses or in the grade of sugars manufactured. At first this may seem open to question, but the proof is ample. With a single small exception (in one year, when New Orleans molasses was in large supply late in the season, and the market for yellow sugars exceptionally high, and some 5,000 or 6,000 barrels were boiled) all the molasses used for boiling is imported. The value of Louisiana molasses is from 50 to 100 per cent. above boiling molasses. In 1889 average value of boiling was 26.11 cents against 41 cents for prime to choice New Orleans. This was an exceptional year, as boiling molasses sold during the summer 8 or 10 cents higher than for many years. In 1888 average for boiling was 20.84 against 42.18; in 1887, 20.06 against 45.21, and from its high value Louisiana molasses can not be manufactured in competition with refined sugars.

The total amount of molasses, sorghum sirup, and glucose used in this country the past year is estimated as follows:

	Gallons.
Foreign molasses.....	23,470,181
Louisiana molasses.....	18,544,462
Sorghum molasses.....	25,000,000
Glucose.....	50,000,000
Making a total.....	117,014,643
	<hr/>
	Gallons.
Or foreign.....	23,470,181
Domestic.....	93,544,462
	<hr/>
	117,014,643
	<hr/>
Of this foreign.....	23,470,181
There was boiled.....	21,000,000
Exported Canada, etc.....	802,988
	<hr/>
	21,802,988
	<hr/>
Leaving the small amount only.....	1,677,193

as used for grocery purposes, or less than $1\frac{1}{2}$ per cent., and upon which the duty amounted to \$66,687.72.

Another item is the fact 4,937,998 gallons of black strap or residuum was exported, thus furnishing freight for vessels and giving in this country employment in its manufacture. I do not hesitate to assert that Louisiana and foreign molasses do not come into competition with each other. I have this personal testimony from every house in the molasses business in Boston to-day. Individually I received at New York over one-sixth of all the New Orleans received there the past season, and in connection with Messrs. Howell, Son & Co., who received nearly one-third (they being the largest receivers North, and myself second), we received about one-half of all coming to New York, and Messrs. Howell, who are also interested in the boiling industry in New York, will agree in this statement. If any comparison is needed to-day, Fancy New Orleans molasses has been sold recently at 47 cents, and the very highest for Fancy Ponce Porto Rico, the best imported, 36. The use of New Orleans molasses is entirely for family purposes, while foreign is used mostly for boiling. No grocery grades are imported outside of New York and New England.

Another feature showing the injustice the duty as proposed would work on the boiling industry, unless granted free molasses, is the fact that with proposed tariff on sugar this country will become the dumping ground of the world for all low-grade sugars. There are large quantities of very low-grade sugar in China, known as Jag-gery sugars, etc., costing from 1 to 2 cents per pound, and the proposed duty would allow these to come in at a duty from 35 to 60 cents per hundred. These sugars test from 70° to 78°, and while considered undesirable in many respects by refiners would drive molasses sugars out unless we can have molasses without duty.

Again, in the proper management of our business, we are obliged to buy our molasses in Cuba, arranging for it to arrive here at such times and in such quantities as will keep our factories running constantly. For our protection we are also obliged to sell our product for delivery as made, covering periods of one or two months. Under change now proposed, if we bought molasses at a favorable time in our judgment and sold the sugars against it, should the market advance from 20 to 24 cents—i. e., 4 cents per gallon—it would change an anticipated profit to a loss, and should it advance, as during past year, 12 cents per gallon, the loss would be \$3 to \$5 per hoghead. The closeness of competition compels us to do our business on a very small percentage of profit, the more so as we can only employ our houses from March to September or October. If we bought molasses and the price declined shipper would invoice it at price sold at. On other hand, if price advanced the invoice would have to be made at market value at time of shipment.

It certainly seems that a business employing so many of our own people should not be sacrificed, especially when no industry is injured in the smallest degree, but on the contrary it is a benefit to labor, to commerce, and the general business interests of the country.

It is fair to estimate the amount expended last year for labor and supplies, not including the raw material, at \$630,000, freight inward cargoes, \$500,000, leaving out entirely the value of cooperage, and the large amount of capital required to properly carry on the business. The amount of duty in comparison with loss of labor, freight, and ruin to personal property, is insignificant. In the bill prepared in last year's Senate, with a reduction of 50 per cent. on sugar, molasses was made free.

Trusting this explanation or statement may be of service,

I remain, respectfully yours,

W. H. EMERSON,
Proprietor Oznard Molasses Refinery.

We indorse the within statement as correct.

W. J. McCahan & Co., Philadelphia.
PENNSYLVANIA SUGAR REFINING COMPANY, Philadelphia.
GEO. E. BARTOL, for Grocers' Sugar Refinery.
GEO. E. BARTOL, for Enterprise Sugar Refinery.
HEYL BROS., Philadelphia Sugar House.
B. H. HOWELL, SON & Co., for Atlantic Sugar House, Brooklyn.
B. H. HOWELL, SON & Co., for Rush Street Sugar House, Brooklyn.
ALBERT BUNKER, for Brooklyn Sugar House, Brooklyn.
NATH'L TOOKER, for Yonkers Sugar House, Brooklyn.
GEO. S. HUNT, for Eagle Sugar House, Portland.

REVIEW OF THE PRESENT TARIFF.

STATEMENT OF J. S. MOORE.

Mr. J. S. MOORE, of New York, appeared before the committee and read the following paper:

The Chairman and Members of the Ways and Means Committee:

Esteeming highly the privilege granted me of appearing before you, I shall endeavor to be as brief as possible in my remarks on the proposed changes in the great economic question which now engages the attention of your honorable committee.

It is on the outset but just and fair to inform the committee in what direction and to what ultimate purpose my remarks will tend.

First, I will endeavor to show that the present tariff is a contradiction to protection as long as raw materials that enter into manufactured goods are taxed; and,

Second, that the tariff as it now exists is inadequate to realize the purpose of keeping foreign importations out of the country, while it imposes onerous and heavy taxation on the consumers.

Let me therefore at once go into statistical facts on the most vexed and at the same time most important industry of wool and woollens.

No one will seriously dispute the fact that during the last few years we consumed or used in this country at least \$300,000,000 worth of woollen fabrics. Fairly divided the home or American product of woollen goods was about \$220,000,000.

Importations of woollen fabrics and goods in 1888 cost abroad.....	\$47,158,000
Duties paid thereon.....	32,213,000

Total.....	79,371,000
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I have heard very able arguments made in this very room that Americans ought not and would not import this vast amount of woollen goods if an adequate tariff were enacted. Assuming that such arguments are made by men who truly and honestly believe what they say, the first duty of the political economist is to examine the existing duty and determine where the inadequacy exists. I therefore have presented to you from actual official importations for the fiscal year 1888 (the latest we have) the amounts of woollen goods imported and the duties or tax paid thereon to the Treasury. Of the \$47,158,000 of woollen goods imported in 1888 one class of goods known as woollen dress goods for women's and children's wear amounted to \$18,742,000, or some 40 per cent. of the whole value of the importation of woollen goods. The duty paid on these \$18,742,000 worth of goods was \$13,742,000, or as near as possible 73.29 per cent.

Now, it certainly goes without saying that if the exaction of 73.29 per cent. in average on these goods allowed the importation of \$18,742,000 that the protection of 73.29 per cent. is entirely inadequate; and our home woollen manufacturers of dress goods are entirely unable under the present tariff on woollen goods to compete with the foreign product. And if the true policy of a tariff is to enable home manufacturers to make us entirely independent of the foreign product, then there is but one alternative, and that is to make duties so high that they will prevent the importation.

But right here comes the pertinent question, how high should such duties be? I have shown that the aggregate duty was in average 73.29 per cent. But of these \$18,742,000 dress goods some \$7,886,000 paid a duty of \$6,603,000, or 83½ per cent. Hence it follows that even 83½ per cent. protection cannot keep these goods out.

Now, then, the 83½ per cent. of duty was paid on an article of woollen dress goods that cost abroad just 17½ cents a square yard. Therefore the duty was over 14½ cents per square yard; and 10 square yards, which is enough for a dress costing abroad \$1.74, had to pay a tax of \$1.45. Now, this proves a hardship all around. First, it is a hardship to the Treasury to accumulate by this tax a part of an immense surplus. Second, it taxes the brains of all our statesmen how to get rid of the surplus. Third, the tax is perfectly useless to the home woollen dress-goods manufacturers, because it does not protect them.

And, lastly, with your kind permission, I will call your attention to the hardship it is to the consumer who has to pay \$1.45 tax on 10 yards of dress goods. Of course, this latter hardship is not very well understood by a class of consumers known as

farmers, and it is, perhaps, ungracious for the political economist to point out, for instance, to the farmer of wheat in California that whereas he got just \$1.45 for a cental of wheat both in London and San Francisco, yet if this same farmer wanted to get 10 square yards of this woolen dress goods in London and pay for it in wheat it would require about 122 pounds of wheat, and it will take as nearly as possible 219 pounds of wheat to buy the same goods and quantity in New York or San Francisco. Of course, I leave for convenience' sake the charges and profits out. In other words, it takes for taxes alone 97 pounds more of wheat to pay on 10 square yards of dress goods that costs abroad 17½ cents per square yard. To the political economist this discrepancy seems a monstrous hardship. To the farmer, however, I must confess owing to his happy oblivion of the facts, it is perfectly natural, and he is, I hope, contented and happy. Therefore, we will leave him out of the controversy, as, indeed, all consumers. A tariff during the last thirty years has chiefly centered in interest between the manufacturers, Treasury, and even importers.

But the question I wish to try to solve is rather interesting to our home manufacturers. I am as a political economist also interested in not only keeping our home trade and preventing large importations of manufactured goods, but I wish, furthermore, to see manufacturers have the means of accomplishing that result. Of course, as I have already hinted, 73 or 83 per cent. is utterly inadequate to prevent the importation of \$18,000,000 worth of dress goods. Therefore, if our tariff duties have chiefly for their aim solid and unmitigated protection, the present duty ought to be at least doubled.

Now, gentlemen, this is not sarcasm. I mean it in full and sober earnest. It may prove a double remedy. First, it may give us our entire home market and wipe out, as in this case alone, \$13,750,000 of revenue. Unfortunately there will hardly be a majority that will consent to so heroic a measure. But the present duty tax, or even an additional 10 per cent. protection, will not remedy the evil of not only importing \$47,000,000 of woolen fabrics, but still increasing that amount year by year.

It seems, therefore, pertinent to inquire into this strange mystery why 73 per cent. fails to keep foreign woolen manufacturers out? Of course, the manufacturers, one and all, will tell you that the difference of wages between here and Europe is the sole and only cause. That in fact protection means high wages, and the competition with Europe becomes on that account without the highest protection hopeless.

The wage-earner, or the working man of this country, is protection's refuge. When poor Madam Roland was about to be guillotined and saw the statue of Liberty before her, she exclaimed: "Oh, Liberty, how many crimes are committed in thy name?" I am always tempted to say when I hear the manufacturers' devotion and anxiety for the wage-earners, "Oh, working-men and wage-earners, how many untruths are told in your name?"

Now, then, let me show you the actual wages paid in 1880, a year of prosperity and boom to the total hands in the woolen mills in the United States. In that year we produced \$194,216,000 worth of woolen and worsted fabrics. The wages paid for labor, or to all the wage-earners to produce the above amount of goods, was \$31,519,000. Now, if you deduct the wages from the value of the finished product, we get the amount of \$162,697,000. The wages, therefore, are less than 19½ per cent. In other words, if the condition of our woolen manufacturers were the same as those of the foreigners as regards material, machinery, etc., exclusive of wages, it would follow that if we put a protective duty of 20 per cent. on foreign woolen goods, and the foreigners would pay no wages at all, then our woolen manufacturers would be perfectly equal with them. I hope I make myself perfectly plain, and demonstrate by the above figures that, everything else being equal, a protection of 20 per cent. will pay for all the labor of the hands employed by the woolen and worsted mills of the country. This being a demonstrable fact, we must certainly come to the conclusion that it is not the higher wages here that prevent our woolen and worsted industry to compete with the foreigner provided we have only 20 per cent. protection. The causes must therefore be sought in other directions.

First, there may be prejudice in favor of the foreign fabric; in that case protection becomes futile. And the compulsion through heavy taxes to use an article of wear that a free citizen does not like or want is certainly an infringement of the most sacred right, and the sooner such an oppression is abolished the better.

Second, it may be that our manufacturers can not, for reasons that we don't know, produce the article required. In that case a reduction of duty and relieving the burdens of the people would not injure the manufacturer and would greatly benefit consumers.

But the above two suppositions, are, in my opinion, hypothetical. There is little or no prejudice in favor of foreign woolen fabrics of the cheaper goods, as the consumer rarely knows the difference. And, secondly, the American manufacturer can produce anything as good and tasty as the foreigner. The reason, therefore, must be in the fact that our woolen manufacturers are not on an equality with the foreigners. Our manufacturers labor under the disadvantage of paying a heavy tax on raw

material, a heavy tax on the dye-stuffs they may use, a heavy tax on the oil, on the machinery, and chemicals that are required for producing fabrics. The plea of the higher wages here is indeed exploded by the facts I have shown, that 20 per cent. protection will not only pay the difference in the price of labor, but will pay the total cost of labor for woollen fabrics.

Thus, then, it would seem, at least to the economist, that the true relief that can be given to the home manufacturer is:

First, to put him, as far as legislation goes, on a perfect equality with his foreign competitor by giving him untaxed raw material, untaxed machinery, and untaxed ingredients that are used to manufacture his fabrics or wares.

Second, as it is certainly as impolitic as it is impossible to put him on an equality with the foreigner as far as wages are concerned, then by all means put such a protection on our home wages that will always more than compensate the home manufacturer, and we shall indeed be astonished how far a protection of 20 per cent. or 30 per cent. really goes. The raw materials that ought to be as free as air, and without which our manufacturing industries can not flourish to that degree that a country of 65,000,000 of free and intelligent people is entitled to, are: free raw wool; free ores of all kinds; free fibres and grasses; free seeds; free timber; free coal, and sundry other smaller articles of a crude nature.

I fully understand the difficulty that such a proposition encounters; and it only demonstrates the fact that any tariff that has for its object any other motive than the raising of revenue that is needed, becomes sectional, creates jealousies, and leads sooner or later to the destruction of its own reared up edifice, and to other great misfortunes.

Is it not a hardship for New England, for instance, to be taxed on coal and ore that is found almost at her very ports, in Nova Scotia? Is it not more than a hardship for the woollen manufacturer to be deprived of the full "scope" of the raw wool markets of the world by putting a heavy tax on that raw material?

Just let me briefly show you what freedom in trade means.

In 1888 we imported 23,000,000 pounds of clothing wool. Of this amount 11,345,000 pounds came from England, and only 6,000,000 pounds direct from Australia. Of the 5,639,000 pounds of combing wools 4,957,000 pounds, or nearly 90 per cent., came from England, and she even sent us 25,892,000 pounds of coarse carpet wool. Now, little or none of this wool was raised in England. But England, having her commerce free, she has become the warehouse of the world. If we had free wool New York, Boston, or Philadelphia would indeed soon become the great emporiums for raw wool. Our woollen manufacturers would vastly gain, besides getting cheaper raw material by not being restricted; they would have the chance of selection at their own doors. In other words, restriction is a tax, perhaps more so than the duty imposed, and as long as these restrictions exist no actual permanent industrial prosperity is possible.

It would be useless to point out numerous other instances of a similar kind. They all tend to the same result. Therefore, I am fully convinced that our home market can only be secured either by putting our manufacturers on the same footing as to raw materials, machinery, and other ingredients they need with their foreign competitors, and secure to them by a duty, which should be perfectly ample and adequate, compensation for the higher wages paid here; or, retain the policy of protection in the highest and true sense, by advancing the duties on manufactures to a point that will prevent importations, and compel consumers to use the home products only.

And I again repeat, that a reduction of 10 per cent. on present rates will not benefit consumers much, and may injure manufacturers, whilst raising the duties 10 or even 15 per cent. will not prevent importations and augmentation of revenue.

The CHAIRMAN. What class of goods was that which paid 83½ per cent.?

Mr. MOORE. Eighty-three and three-fourths per cent. was paid on articles of woollen dress goods that cost abroad just 17½ cents per yard; consequently, it is a class of goods that our Fifth Avenue ladies do not wear. The rich people do not wear them. It is a class of goods simply for the wives of farmers and working men.

Mr. BRECKINRIDGE. Those goods are not a yard wide?

Mr. MOORE. A square yard of these goods abroad costs 17½ cents.

Mr. BRECKINRIDGE. Is it the running yard?

Mr. MOORE. It takes more than 10 running yards to make a dress. These manufacturers who want a special sort of legislation, or special taxes, invariably bring us evidence of that class of labor which is 200 or 300 per cent. higher here than in Europe, and which in the aggregate of production and consumption of this country is of no great consequence. But it is used as a good plea upon which to base an argument.

Mr. FLOWER. Are you in favor of the manufacturer being protected to the amount of the difference in wages between this country and Europe? There is one class of men I have received letters from that you do not speak of. I received a letter the other day from a farmer in the northern part of the State of New York, who told me

that the 150 miles of coast line along Lake Ontario was a splendid place to raise beans and peas for seed; that the tariff duty was 10 per cent. ad valorem; that the farmers of Canada had sold to the seed men in New York, and that our farmers could not compete with them, and could not sell their beans and peas for seed in this market. Now, you propose to reduce the revenue on woolen goods and take off this \$7,000,000 or \$7,000,000 in revenue. In your judgment, would it not be fair to raise the tariff on growing seeds in Jefferson and Oswego Counties to a point where the farmers there can sell that product, as is done with the southern planters who raise rice and sugar?

Mr. MOORE. I consider that rice ought not to be taxed, and beans and peas, notwithstanding the outcry and squeal of the New York farmers, I say ought to be free also.

Mr. GEAR. Would you apply the same rule to sugar?

Mr. MOORE. If the Government did not need the revenue, I should make sugar free.

Mr. GEAR. You said rice was a food, and is not sugar a food also?

Mr. MOORE. Yes, sir; and I say that if we did not need the revenue I would be in favor of free sugar.

Mr. GEAR. Then you ought to be in favor of free sugar.

Mr. MOORE. Well, I am.

Mr. BAYNE. Did I understand you to say that the importations in 1888 of dress goods were about \$47,000,000?

Mr. MOORE. The importations of the whole of woolen fabrics were \$47,000,000, except raw wool. The importation of dress goods was \$13,000,000, nearly 40 per cent. of the whole.

Mr. BAYNE. I think you are mistaken about 1888, because it was \$13,000,000 in 1888. Did you reduce this down to 17 cents per square yard duty?

Mr. MOORE. I said this, that of this \$13,000,000 worth of dress goods, \$8,000,000 of it were imported that cost 17½ of a cent per square yard abroad, and on which we paid this sum of \$6,600,000, or 83½ per cent., or 14½ cents per square yard. The goods cost 17½ cents per square yard. and the tariff was 14½ cents per square yard.

Mr. BAYNE. You have taken your statistics from the treasury reports, I presume?

Mr. MOORE. Oh, of course.

Mr. BAYNE. You think that the farmer did not know, it seemed to you, what duty he was paying, and therefore was uncomplaining.

Mr. MOORE. That seems to be the case.

Mr. BAYNE. You said also that you were in favor of free wool in order that Philadelphia, New York, and Boston should become great emporiums for the reception of foreign goods and foreign raw material. That would necessarily imply that there should be a vast importation of foreign wools in order to fill up those warehouses.

Mr. MOORE. Yes, sir.

Mr. BAYNE. Would not that vast importation of these foreign wools reduce the production in this country to the extent to which it was imported?

Mr. MOORE. It may be something of a hardship to the wool-growers of this country. At the same time I wish to call attention to the fact that you can qualify that statement. There was a gentleman here before you who seemed to be a wool-raiser. He said that he had 86,000 acres of land and 18,000 sheep. Probably to such a man it might be an injury—I say probably. But I am going to qualify that, because I am going to explain myself. When you come to the farmer in Ohio or in New York, where they have five or ten or twenty sheep, their hardship must be qualified to a great extent. That is the point. You can not produce a fine quality of woolen goods in this country without mixing the wool. This clothing or cloth that you wear can not be produced here with American wool alone.

Mr. BAYNE. There is a difference of opinion about that.

Mr. MOORE. I was told so by Mr. Slater, one of the greatest woolen manufacturers in this country. They have always told me so. They have to mix it even in England.

The CHAIRMAN. Mr. Bayne's coat could be made of domestic wool, but your's could not?

Mr. MOORE. That is because I am a free trader.

Mr. FLOWER. What would be the effect if this manufactured woolen goods was made here?

Mr. MOORE. I think foreign wool would become cheaper, and the American wool would appreciate in price.

Mr. CARLISLE. I had a letter from a wool grower who says that he needs protection against men like this gentleman in Texas, who has 86,000 acres of land and 18,000 sheep.

Mr. MOORE. I have stated that there are 65,000,000 of people in this country. Within ten years there may be 100,000,000 of people in this country. This country would not be able to produce sufficient wool to supply them. It is only a question

of time when wool will become scarce all over the world. I have been in Australia, and I have seen the farms upon which they raise wool in Australia—that was many years ago, of course. The conditions now are different. We have here a few States which are growing enormously. The State of Washington ten years ago was almost a wilderness. Now, I am glad to say that I have a smelter and a bank myself at Colville. At Spokane Falls property is as high as it is in New York. This country is not a sheep-raising country.

The CHAIRMAN. All this splendid prosperity has gone on under protection?

Mr. MOORE. I agree to that. I would say in spite of protection.

The CHAIRMAN. You have said that free trade in wool would diminish the price of foreign wool and increase the price of the domestic in this country.

Mr. MOORE. That is my opinion.

The CHAIRMAN. Will you explain if the foreign price is to reduce the finished product, how that is going to help the price of the domestic?

Mr. MOORE. I call attention to this fact, that of the \$320,000,000 worth of woollen and worsted goods we now consume annually we probably produce now \$300,000,000 worth; and only \$150,000 worth are exported. That seems a most remarkable state of affairs.

The CHAIRMAN. Perhaps the domestic product would not increase in price unless the foreign product was exhausted.

Mr. MOORE. My opinion is, you should place our manufacturers on the same footing as they are abroad for the same trade, giving them ample protection as to the difference of wages, which I admit and always have admitted is higher here and ought to be protected.

The CHAIRMAN. How is that going to benefit the manufacturer, if it increases the price of domestic wool?

Mr. MOORE. I maintain that we make \$300,000,000 worth of manufactured woollen goods. We are getting a fair price here and the surplus goes abroad. It is the surplus that injures the manufacturer in this country, for he has an unsalable surplus.

The CHAIRMAN. How do you mean to maintain him against the foreign market?

Mr. MOORE. I mean if you put him on the same plane and give him the same free raw material and free ingredients.

The CHAIRMAN. You have already said that you believed free wool would increase the price of the domestic clip. How is that going to help him to get out. If you are going to pay the same rate of wages now existing, how is that going to help him against the foreigner?

Mr. MOORE. He can sell his surplus. You do not mean to say that the English and the Germans make money on what they send over here?

The CHAIRMAN. We supposed that they made money on that. They are willing to sacrifice something to get into this market.

Mr. MOORE. Why should they not?

Mr. McKENNA. Is it your idea to sell the surplus abroad and not make anything on it?

Mr. MOORE. I mean that they should have a foreign market for their goods just as cheap as possible and be able to go in competition with the rest of the world, just like they do on sewing machines.

Mr. BAYNE. How about the wages paid to our workingmen? Can you pay the same wages and compete in the markets of the world?

Mr. MOORE. I think in some instances we can.

Mr. BAYNE. In what instances?

Mr. MOORE. In cotton and in woollen goods if we got a chance.

Mr. BAYNE. Why not advocate a reduction of duty on cotton instead of woollen goods?

Mr. MOORE. Woollen goods is a case that covers the whole system.

Mr. BAYNE. Mr. Carlisle has said to you that he had a letter from some gentleman, in which that gentleman said that what he had dreaded more than anything else was the competition of some men who are engaged largely in the production of wool, like that Texas man, with 80,000 acres of land and 18,000 sheep. He preferred to have free wool. If the warehouses were completed in New York and Boston and filled with free wool, would not those warehouse-men import their wools, and would they not become a much more lively competitor than the man in Texas who had 80,000 acres of land and 18,000 sheep.

Mr. MOORE. You can not make an omelette without breaking eggs, and you can not favor this \$300,000,000 industry (which is really the main industry of the manufacturers) without making some sacrifices.

Mr. BAYNE. You have said we pay more wages in this country, and you are in favor of protecting the laborer?

Mr. MOORE. I said that.

Mr. BAYNE. You think the low duty should be so arranged on all those products in

this country as to compensate for the difference between the wages paid in this country and those paid abroad?

Mr. MOORE. Most decidedly.

Mr. BAYNE. Then you stand where I do.

Mr. LA FOLLETTE. You favor a duty that shall measure the difference between the labor in manufactures in this country and the labor in foreign competing countries?

Mr. MOORE. Yes, sir.

Mr. LA FOLLETTE. Are you in favor of a like duty on a manufactured product of other industries which produce that which is raw material for manufacturers?

Mr. MOORE. Well, cheap or free raw material is the mainstay of the manufacturing industry. It would require under even a protection policy a lower tax than it does on manufactured goods.

Mr. LA FOLLETTE. That depends on the equity of labor required. Take, for instance, wool. That is the manufactured product of the farmer.

Mr. MOORE. That is just where I was going to make the distinction.

Mr. LA FOLLETTE. It is labor which the farmer is obliged to put into that industry. He comes in direct competition with cheaper labor in competing countries.

Mr. MOORE. If it is the same class of wool, he does.

Mr. LA FOLLETTE. Should not that labor upon the farmer's product be protected?

Mr. MOORE. With the exception of the man with his 80,000 acres of land and his 18,000 sheep. I maintain that on 90 per cent. of the wool the farmers do not incur any extra expense. Sheep pay for themselves.

Mr. LA FOLLETTE. They do not shear themselves.

Mr. MOORE. No; but they fertilize the land and make food. The manufacturer pays wages. That makes a great difference in large factories. Ore is wanted in mixing the same as wool. If you want the condition of this country improved you must give a free choice of markets? I know something about smelting. There is ore lying within three miles of my place in Washington Territory. I can not use it simply because I want two or three different kinds of ore that are mixed with it.

The CHAIRMAN. You want free ore to mix with it?

Mr. MOORE. I could not use it if it were free, because I am in the interior. Let me again repeat that our present tariff does not protect.

The CHAIRMAN. Does not it check importation?

Mr. MOORE. I thought that I had shown you that it does not. You ought to put on a higher duty to check importation. I should say if protection is a settled policy of this country, as the tendency seems to have been for a great many years, you have got to raise the duties on almost everything, especially on woolen goods, and if 200 per cent. is not sufficient you ought to make it 300 per cent. I believe it is not constitutional to prohibit entirely.

The CHAIRMAN. You want to experiment?

Mr. MOORE. I am a reformer. I have one great anxiety. I was afraid you were going to recant. Two hundred years ago, when an unfortunate was to be burned at the stake, up to the last moment he had a chance to save his life. The boys and people who wanted to see the show were always afraid of this recantation, and they would cry out to the victim, "Stick to your religion." They wanted to see the show. I was afraid that since the last election—

The CHAIRMAN. You were afraid that your fellows would recant. [Laughter.]

Mr. MOORE. I was alluding to the Ohio election. [Laughter.] Now, Mr. McKinley, I really thought after that gentle reminder you were going to give us some sort of a bill in the line of lower duties and thereby take the wind out of our sails, but I feel relieved of all anxiety.

The CHAIRMAN. You say that you want to help the farmers who are being injured without complaint?

Mr. MOORE. They are being injured without knowing it.

Mr. BRECKINRIDGE. In case the domestic wool is enhanced by free trade in wool, that would depend chiefly upon the fact that our manufacturers would not be discriminated against?

Mr. MOORE. They do not use our wool abroad. If they wanted to use it they would be compelled to pay the same price that we do. The time will come when our manufactures of woollens will be so large that the home product of our domestic wools will not be sufficient.

Mr. BRECKINRIDGE. If there was free trade in wool, whether higher or lower, it would not discriminate.

Mr. MOORE. That would regulate itself in the most perfect manner.

Mr. BRECKINRIDGE. The wool-growers in this country, I believe, can be divided into classes—farmers and ranchmen.

Mr. MOORE. So it seems.

Mr. BRECKINRIDGE. You live in the East and do business in the West. You have a general knowledge of both sections.

Mr. MOORE. I know something about the West.

Mr. BRECKINRIDGE. In the older States the flocks are generally small—10, 20, 30, 40, or 50 sheep to the farm.

Mr. MOORE. I believe, according to statistics, that that is so. It would follow that a farmer in Ohio who has twenty-five sheep raises say 150 pounds of wool. The present tax would enhance his wool 10 cents a pound, or it would increase his income \$18. This same farmer who raises 150 pounds of wool very likely has a family consisting of wife and six sons and daughters, and he would lose more than treble what he makes on his sheep in buying woolen clothing alone. That is unfortunately what the farmer can not see.

Mr. LA FOLLETTE. You are giving the farmer more children than he has sheep.

Mr. MOORE. I am estimating according to statistics.

Mr. BRECKINRIDGE. What is the average consumption of woolen goods in this country?

Mr. MOORE. It is about \$5 per head. I simply have made these estimates for the benefit of the farmer, not that he will read them.

Mr. LA FOLLETTE. You have made them for him unsolicited?

Mr. MOORE. Oh, I always do these things unsolicited.

Mr. FLOWER. You were speaking of how these agricultural lands have gone down. By reducing the tax, would it benefit them?

Mr. MOORE. I think so; if you reduce the tax it would. What the farmer gets for his product does not compensate him, because he sells in the lowest market and buys in the highest, paying 47 per cent. duties. I am told that in New York we send a good deal of dairy products to England. He does not get more money for it in New York than in London. If he could get a higher price here, he would sell it here. It is the same with wheat in California. We send abroad forty million bushels of wheat from California. If a tariff would benefit California, would not they keep their wheat at home and get more for it?

The CHAIRMAN. This surplus goes out.

Mr. MOORE. Exactly. Does the home trade get him any more for his wheat product?

The CHAIRMAN. It increases his capacity to buy. There is no question of that.

Mr. MOORE. Really I must insist on actual facts, which are that the California wheat-raisers have to pay 97 pounds more wheat to pay for 10 square yards of woolen dress goods in San Francisco than in London, yet they get only the same price for wheat in San Francisco as in London, hence the home market and the tariff prove that the wheat-raiser is not only not benefited but a heavy loser.

Mr. BURROWS. What is your business?

Mr. MOORE. I am engaged in smelting and banking in Colville, Wash. I live in New York.

Mr. BURROWS. Is that your only business?

Mr. MOORE. That is my present business.

Mr. BURROWS. What has been your business heretofore?

Mr. MOORE. Stockbroking. I am a member of the Stock Exchange now.

Mr. BURROWS. You represent no importing industry and never have done so?

Mr. MOORE. No, indeed; I never have.

Mr. BURROWS. Among your clients are there no importers?

Mr. MOORE. Well, no; I have got no clients that I care much for. I am attending, in my old age, to my own business. I am not and never was an agent of the British; I am, however, an honorary member of the Cobden Club.

Mr. BURROWS. Oh, are you?

Mr. MOORE. Yes. I was made an honorary member of that club the same year and the same month and the same day that our late friend President Garfield was made an honorary member of it.

Mr. BURROWS. And Mr. Carlisle?

Mr. MOORE. Mr. Carlisle is an old member, I suppose.

Mr. BURROWS. And you are a member in good standing of that club?

Mr. MOORE. I hope so.

The CHAIRMAN. There is no British gold in your pocket?

Mr. MOORE. No; they are awful mean; they do not send me any gold.

Mr. McMILLIN. You have been asked concerning the importation of wool free of duty.

Mr. MOORE. Yes.

Mr. McMILLIN. Would the importation of wool free of duty enable our manufacturers to make the woolen goods worn in this country, instead of importing those goods after they are worked up by foreign labor?

Mr. MOORE. That is just exactly what can be done, all the time, if you put the woolen manufacturers of this country on the same footing as foreigners. I think if we had free wool we would make our own woolen goods and not import any.

Mr. McMILLIN. And you think that that is the only way to do it?

Mr. MOORE. That is my opinion.

Mr. McMILLIN. Outside of that absolute exclusion that you spoke of?

Mr. MOORE. Absolute exclusion would be a heroic measure, and would certainly bring it about much quicker.

Mr. BRECKINRIDGE. If we manufactured \$50,000,000 worth more of woolen goods, would that increase the home market?

Mr. MOORE. It would seem as if it ought to improve the home market. I feel very much obliged and gratified, Mr. Chairman, at the way in which you have treated me, and for the kind attention which you and the members of the committee have paid me.

Mr. CHAIRMAN. We were very glad to have had you come before us.

WAREHOUSING.

STATEMENT OF JOHN W. KEOGH.

FEBRUARY 13, 1890.

Mr. JOHN W. KEOGH appeared before the committee and said:

Mr. Chairman and gentlemen, we are here, a committee of three consisting of ex-State Senator John Gilmore Boyd of New York, George Blair, and myself, representing the American Industrial and Anti-Monopoly League of New York, in relation to the proposed amendment of the tariff laws, which reads as follows:

"Be it enacted, that upon the withdrawal for home consumption of all sugar, hemp, jute fiber, and wool actually deposited in the United States bonded warehouses of Class III, there shall be an allowance made to the importer of the duty paid thereon equal to 1 per cent. of the duty for each month, or part thereof, during which merchandise shall have remained in bonded warehouses, provided the merchandise shall have been imported directly from the country where it is grown and produced."

I have here in support of that proposition indorsements from the Associated Trades of New York, Ocean Association of Longshoremen of New York, New York State Engineers' Society, New York Truckmen's Association, containing over 9,000 members; Executive Council Building Trades of New York, containing over 17,000 members; Executive Committee of Union Labor Party; and I have a petition here, signed by over 2,500 citizens of the city of New York, working along the river front and along shore and who are interested in this matter. This petition reads as follows:

"To the Honorable the Senate and House of Representatives of the United States:

"The undersigned workmen employed in handling merchandise imported into the United States do most respectfully represent that by reason of existing tariff laws their interests have been most seriously impaired, their wages and hours of work decreased and their numbers employed gradually lessened, that a large amount of merchandise is now stored in foreign countries, the labor upon which is done abroad, and the goods so shipped are only as required for consumption; and that our distress is certain in the future unless immediate and efficient aid is given. We therefore most earnestly ask that the wages earned in the handling and storing of such merchandise be transferred to American laborers, and to that end urge the adoption of the following amendment to the tariff laws as a measure which will afford the much-needed relief to our suffering interests, viz:

"Be it enacted, that upon the withdrawal for home consumption of all sugar, hemp, jute fiber, and wool actually deposited in the United States bonded warehouses of Class III, there shall be an allowance made to the importer of the duty paid thereon equal to 1 per cent. of the duty for each month, or part thereof, during which such merchandise shall have remained in bonded warehouses, provided the merchandise shall have been imported directly from the country where it is grown or produced."

Mr. Blair, who was to present the labor side of the question, is not here as yet; but I had a telegram stating that he left New York last evening; meanwhile Senator Boyd will present our statement from a business point of view. With your permission, I now beg leave to introduce to you Senator Boyd, of New York.

Mr. JOHN GILMORE BOYD spoke as follows:

Mr. Chairman and gentlemen of the committee, Mr. Keogh has prepared certain data, which I presume you are already familiar with, as the bill has been before your committee for some time, giving reasons why this bill should be passed. He has had them printed on slips, which will be distributed among the members of the committee.

The bill proposes that upon the withdrawal for home consumption of all sugar, hemp, jute fiber, and wool actually deposited in United States bonded warehouses of Class III, there shall be an allowance made to the importer of the duty paid thereon equal to 1 per cent. of the duty for each month, or part thereof, during which such merchandise shall have remained in bonded warehouses, provided the merchandise shall have been imported directly from the country where it is grown or produced.

Now, I do not know that I ought to occupy your time in reading all of these reasons over, as slips containing them will be distributed among the members of the committee at this hearing.

Slip reads as follows:

"Should foreign warehouses be supported at the expense of American labor? This proposed amendment to the tariff laws, giving a rebate of duty upon importations for the time during which they are stored in this country, is a measure comprehensive in principle and beneficial in its results. It stimulates commerce by encouraging the holding of foreign products in our own warehouses and enabling us to regulate their price. It makes our own country the depository from which to draw supplies; thus creating the market of the world. It revives the warehouse industry and the important interests dependent upon it. It distributes among our workmen the money now paid for labor upon merchandise stored abroad. It protects our interests at the expense of foreign interests alone.

"A glance will show the discouraging situation under the existing laws and the urgent need of a radical remedy.

"In 1879, 418,000 bags of Calcutta linseed were imported into the United States direct from India and none from Europe. In 1889, 449,869 bags were imported direct from India, and 558,869 bags from Europe. In 1879, 168,865 bales of manilla hemp were imported direct from the East Indies, and none from Europe. In 1887, 204,748 bales were imported direct from the East Indies, and 49,537 bales from Europe. In 1888, 236,379 bales were imported direct from the East Indies, and 98,375 bales from Europe. In 1889, 280,261 bales were imported direct from the East Indies, and 115,950 bales from Europe.

"This comparison shows clearly the steady increase of imports via England, where the goods have remained in store awaiting a market, instead of coming to this country and awaiting a market here.

"The result is inevitable that England will supply us with East India products at a price regulated by the quantity she has in store, as we need them; and England will absorb all the advantages accruing from her warehousing these products to the time they are needed for consumption. These advantages are reaped by English warehousemen, longshoremen, laborers, weighers, coopers, banks, and insurance companies, for storing goods means to benefit all these interests. It is time to check this loss of benefits to this country, and to turn the flow of advantages towards us by legislation such as is proposed.

"So with West India sugar. In 1879, 511,628 tons were imported into the port of New York, of which 331,144 tons were warehoused here. In 1889, 359,154 tons were imported, of which 170,662 tons were warehoused here. On January 30, 1889, there were stored in the warehouses of Europe and Cuba, 1,038,080 tons of sugar; and in the three ports of the United States, viz, New York, Boston, and Philadelphia, in stock, only 2,397 tons. This is an alarming situation, as it places our consumers absolutely at the mercy of foreign markets, from which our supply must be drawn. Store this product in the United States and this danger is avoided. The large decrease in the proportion of sugar so warehoused was a loss to this country, but a gain to Cuba where it was stored. No good reason can be offered why our country should not reap this gain.

"Consumers, by storing in Cuba, save duty on shrinkage; to counteract this, duties should be collected only upon the quantity of merchandise delivered from store; and an inducement should be offered for storing here sufficient to overcome the advantages now gained by storing in other countries.

"The proposed amendment does not propose to deal with the rate of tariff; that question is left without comment. But, the tariff being fixed, the amendment distributes a portion of the duty which otherwise would become revenue to our Government, among the interests accompanying and dependent upon warehousing goods.

"It says to the importer, store your merchandise and you will get a rebate of duty; but you will also incur the expense of storing. You are benefited because you can control the market, and you are not subjected to any additional expense through this amendment.

"The importer who warehouses his goods gains no advantage of him who imports direct for consumption, because the rebate in duty is overbalanced by the expense of storing.

"The consumer is not affected because of the same reason; the direct importer pays a certain duty, and the importer who stores pays the same duty, except that a portion of that duty is the expense of storing, for the rebate is regulated according to the time the goods remain in store. Our Government can sustain no injury from the proposed amendment. The loss to its revenues will be of little importance compared to the benefits conferred.

"The average time importations remain in the store in this country is about two months. The duties upon the articles referred to in the proposed amendment were, in 1889, \$63,000,000, so that if they were all warehoused for two months (as a matter of fact 50 per cent. will be delivered for immediate consumption) the rebate would

amount to only \$1,260,000 and of this sum over 70 per cent. would be contributed to the labor attendant on storing.

This amendment is no inducement for the importer to allow his goods to remain in store, because while getting the rebate in he is incurring an equal or greater expense of storage.

"It is therefore apparent that the amendment encourages our commerce, revives an important industry, and aids our labor interest, and it therefore is entitled to the support of all having the welfare of our country at heart."

Ex-Senator Boyd then went on to say: The bill refers to those goods usually deposited in warehouses of Class III, which means the kind of warehouses where goods uncalled for and seized goods should go. I will read from General Regulations, under Customs and Navigation Laws of the United States, published in 1884, in regard to the character of warehouses belonging to Class III.

"Act 620. Warehouses of Class III shall consist of an entire building used solely for the storage of bonded merchandise and of uncalled for and seized goods ordered thereto by the collector. (Revised Statutes 2960, section 3608.) And the rates of storage and compensation for labor in the handling of bonded goods will be as agreed on between the owner or importer of the goods and the proprietor of the warehouse, who will receive all amounts due for storage and labor, the collector looking to the safe custody of the goods. The proprietor of such a warehouse is liable as in other cases for the safe-keeping of unclaimed and seized goods, the charges on which for labor, storage, and other expenses are not to exceed the regular rates.

"The collector or chief customs officer of the port will determine the correctness of such charges, and such goods shall not be withdrawn without payment of the proper charges.

"Every warehouse of this class must be placed in charge of an officer of the customs under the regulations of the custom-house. An additional officer or officers may be assigned for duty at any one warehouse when the collector deems same necessary.

"The proprietor of every such warehouse will be required to pay monthly to the collector a sum equal to the salary of the officer or officers assigned to such warehouse and to provide at all times a suitable office for his or their accommodation."

Now, I am told that citizens have invested large sums of money in erecting and providing warehouses where such goods can be stored, and that many of these are empty because the quantity of goods imported is not sufficient to fill them. The storage in Europe and other countries is so very much cheaper than here that our importers find it more profitable to store their goods abroad than to pay full duties and keep their goods locked up here, paying increased rates of storage, for any considerable length of time. Heretofore in Europe and other countries laboring men, insurers, coopers, truckmen, and warehouse people, benefited at the expense of our people, but if American importers receive proper encouragement, they will extend the sphere of their operations, they will go to the countries where the class of goods referred to in the bill, are produced and they will bring them and store them here thereby giving employment to various classes of our industrial population, patronize our own warehousemen, and keep a vast amount of money that is now earned by foreigners, among ourselves. We all know that our country is rapidly increasing in population and our 60,000,000 of inhabitants will soon be increased to 100,000,000; and the question is whether our supply of foreign products shall increase in an equal proportion. If not, it will be detrimental to American interests, unless we devise some means for keeping a larger supply of foreign goods on store here.

Suppose, for instance, that a pestilence among the sheep breaks out abroad, or that there be a failure of the crops of sugar, hemp, etc., and we had not a sufficient supply of wool and the other materials on hand to last us for a year or two, or to supply the wants of our people, we would then feel the gravity of our mistake in not providing for a large supply of these goods to be kept on hand and to have our own warehouses well filled, in order that we should have a sufficient supply to last us until these evils should pass away.

Again, if these goods are stored here in large quantities instead of in foreign warehouses, merchants and speculators will be induced to push them upon our market and it will encourage competition among our merchants and manufacturers. Prices will thus be reduced, consumers will get their goods cheaper, and the mass of our people will be benefited in every way. It may be said that Government will have to pay for all this by the necessary reduction of the revenue. Of course it would deduct something from the revenue of the country, but our Government can well afford that deduction.

Government exists for the benefit of the entire people. In our country we believe and teach that men are not inferior animals and their destiny is not to spend their lives in mere drudgery and enforced ignorance, being content with the scanty pittance which the downtrodden masses of foreign countries are compelled to accept and feel thankful for. An inspired writer has said that the Creator has made man but

little lower than the angels, and this truth, this principle, has been recognized by the people of this country since the Pilgrim Fathers proclaimed it at Plymouth Rock by their heroic actions and their liberal policy. It is the policy of their descendants that every effort should be made to elevate the condition and promote the happiness and prosperity of all mankind, and especially among our own people. The legislature of the United States was organized to carry out this policy, and the passage of this bill will be an act in pursuance thereof.

Our laboring men and mechanics with their families have not means enough perhaps to indulge in the luxury of Axminster, Moquet, or Persian carpets, but if they can get a sufficient supply of good jute carpets and matting to cover their floors at a price which will be within their means it will materially add to their comfort and happiness, and will thus be a great means in elevating their tastes and promoting their moral and material elevation. The passage of this bill will greatly tend to cheapen the prices of those goods and immensely increase the supply imported into and manufactured in this country.

Sugar is an article of absolute necessity in every family. The health of our people require that they should be supplied with such a quantity as nature demands. The passage of this bill will lead to the importation of larger supplies of the raw material, and this will tend to make sugar cheaper and place all that is required within the reach of every citizen. The people and our Government will take good care that neither trusts nor monopolies will snatch from the people all the benefits which will result from the enactment of this bill.

There are various other reasons which may be adduced to show why this bill ought to become a law; but I think that you gentlemen of the committee are sufficiently acquainted with all the details involved in the proposition now before you; and as your time is valuable, and as it would be presumption in me to attempt to instruct you in regard to the merits of a measure, the importance of which is admitted by every citizen, I shall not attempt to detain you any longer, but leave the matter entirely in your hands.

We, that is Mr. Keogh, Mr. Blair, and myself, represent large numbers of the mercantile community and of the mechanics and laboring people in the city and county of New York, and they are all in favor of this amendment to the existing law.

As to the present condition of the tariff, we make no reference to that whatsoever; that remains with you and doubtless will be duly considered by you at the proper time. We are here in the interest of no faction, party, or syndicate. We are here as citizens to do our duty in expressing to you the desires of our fellow-citizens. I claim and all our people claim that the Government ought to encourage the importation of these goods in the manner provided for in this bill. The legislature should pass this bill so that our importers would not be compelled to leave their goods in foreign warehouses until they are immediately needed for home consumption, as they are now compelled to do under present regulations. Under the laws that exist in this country to-day, the people of foreign countries are enriched and their enterprise encouraged at the expense of our own citizens; and the business enterprises of our own people are greatly impeded under the operations of our present laws, which are sought to be amended by the passage of this bill.

It may be said that labor is cheaper abroad, but if it is, we know that the condition and character of the laboring people of foreign countries is of a lower order than that of American citizens. Our laboring people must have compensation for their services at a rate which will enable them to keep pace with and live up to the requirements of our higher civilization; and it should be the policy of our Government to adopt every means which will tend to give them constant employment at such rate of wages as will enable them to live, support and educate their families in accordance with our American ideas and style of living. Thus the Government will be doing its duty in elevating the condition of all classes of our citizens and increasing the intelligence, happiness, and prosperity of the whole people. Let this bill become a law and its beneficial influences will be far-reaching indeed. It is impossible for us at present to foresee the benefits which will accrue to the whole community from the enactment of this truly reform measure.

Mr. Bayne suggested that the bill ought to be carried to the Senate committee, whereupon a discussion ensued to the effect that it was not necessary; and Mr. Boyd continued:

Mr. Boyd stated that this was a measure of justice to all parties concerned and he hoped that the committee and other members of Congress would take the same view. He thanked the committee for their courtesy.

MR. FLOWER. I want to say that Mr. Boyd is a representative man from New York, an ex-senator from the first district. And now Mr. George Blair would like to say some words to you.

STATEMENT OF GEORGE BLAIR.

Mr. GEORGE BLAIR addressed the committee, and said:

Mr. Chairman and gentlemen of the committee, I have been permitted to come before your committee on the ground that it is understood by the working people in New York that this measure is calculated to benefit them. It is thought that if a rebate of 1 per cent. is given to the importers; or, in other words, that if encouragement is given to the people of this country to order their goods sent direct from the places where the goods are raised to the port of New York or any other port of this country, it would stimulate trade and indirectly the industry of this country. It is argued, and I believe with considerable force, that a large portion of the raw material consumed in this country and coming from abroad, is stored in India and in other countries, and held there because of the cheapness of storage rates and, I presume, the cheapness of labor.

Therefore, without making a very long argument, and I presume all that you want are the facts in a nut-shell, I will say that as we look at it, the Congress of the United States should always, in making laws, look first to the interests of the common people. I believe that is the spirit that prompted the fathers of our Government to give us the legislative branch of the Government, and if we can show that this rebate of 1 per cent. is a benefit to the people, then it is your duty to look favorably on this bill.

It is estimated that in the past year \$63,000,000 was paid by the importers of raw material; if 1 per cent. is paid back to the importer it will throw \$1,260,000 into the hands of the people of this country and also give employment to a large number of the working class. Of course we can only tell after the measure has been adopted whether our assumption is correct, that instead of stimulating British industry, it would encourage our importers to order their goods direct from India and from other points where the raw material is produced, and bring them direct to the port of New York or other ports of this country; and that instead of \$1,260,000, there would be several millions added, in the shape of extra plant, etc.

First, the raw material would come here, and, encouraged by this rebate of 1 per cent., the warehouse people would have an opportunity to expend their money in the employment of labor. Truckmen and longshoremen would have employment. These men number some twenty thousand, and although at times they work day and night, they frequently have hardly enough to do. If this measure is passed it would make business more steady; it would tempt importers, knowing of the rebate, to order their goods forward, and so labor would be more steadily employed. Not alone that, but there would be more employment.

It strikes me that it is of the utmost importance that this measure has consideration, and, in my judgment, the interests of the working people and the business men of this country demand such consideration. Now, it was claimed by the dominant party in the last campaign that the last campaign was fought in the interest of protection to American industry and labor; and if that be so, then this measure, if passed, will be at least one step in the right direction.

I have given the matter of labor and its interests serious consideration from boyhood, and I claim that I am somewhat familiar with this subject. In fact, before President Cleveland was elected I, as president of the Workingmen's Assembly of the State of New York, requested an investigation into the condition of labor in Europe; and upon my recommendation Congress ordered that this investigation be made; and you will find, if you look up the records, three volumes upon the subject of American labor and the condition of labor abroad.

Hence, I believe that I know a thing or two about this subject, and while we are not now discussing the condition of American labor, any movement or any measure that aims to benefit the labor of this country, whether it be in the reduction of the tariff or whether it be in admitting raw material that we use in manufacturing, should receive attention; and it strikes me that it is of the utmost importance that Congress should consider first measures that are calculated to benefit the interests of the people.

I have yet to learn that any serious opposition has been raised by either party; in fact, I know of no opposition to these principles. Democrats and Republicans alike that I have spoken to recognize that it is a proper measure for legislation. We do not injure American interests by the reduction of this 1 per cent. per month. You are more familiar than I am with the amount of raw material from abroad that is used in this country; but I know that it does not in the least jeopardize home interests to make this reduction of 1 per cent. The same amount of goods will be brought from abroad. It simply aims to encourage our own labor. By carrying out these principles, bringing goods from the country where raw material is grown direct to our own, we benefit our own people.

This bill aims to strike at British interests; it aims to take from the warehouses of London, England, France, and Germany, goods that they stored and have been consigned to American houses. It aims to take these goods and send them direct from the country where they are raised, to our own. It does not in the least affect our home interests, it rather stimulates home industry. It aims at taking away employment from British laborers in the warehouses of London and giving it instead to American workmen. It gives people in this country, who have capital invested in warehouses, labor to sell, and in a general way gives to American capital and American labor what is now to a great extent carried on by British capital and British labor.

This is the whole case in a nut-shell, and I will not detain your committee any longer except to say that from what I have gleaned since I have been in this room, the importance of this measure does not seem to impress some of the members of this committee as it should; and I trust that it will be most seriously considered, and I hope that it will be favorably reported upon at an early date to the House.

Mr. Blair was here asked by a member of the committee as to the average length of time that sugar is stored in warehouses abroad. He replied that he did not know; but supposed that the matter would be examined by those familiar with the details of the business. In answer to another question he replied that importers pay duty when goods are delivered, and if they should use them for two or three months they were paying a percentage for what they do not use.

ADDITIONAL STATEMENT OF JOHN W. KEOGH.

Mr. KEOGH again addressed the committee as follows:

Gentlemen: Mr. Blair represents the working people of the lower part of New York City, who are now a very large number and who do not earn more than \$8 or \$10 a week the year round; and they have to live in very cramped quarters.

Mr. Keogh was here asked by a member of the committee as to how long sugar was stored in the warehouses. He replied: "As I understand it, sometimes as long as a year, though sometimes only six months. The idea is as I understand it from a gentleman familiar with that line of business, that sugar evaporates and that therefore it is not taken out of bond until required to be used."

A member of the committee here said that the tariff was not collected until the goods were taken out of bond. Mr. Keogh replied that this statement might apply to goods or material placed in bonded warehouses, but if he was not misinformed, it did not apply to the articles mentioned in this amendment; as he was informed by importers of these articles that the tariff was collected the moment the goods were docked at our sea-ports, and that these goods were not placed for storage in United States bonded warehouses, as the question of the gentleman suggests.

What they wanted was to bring the raw material from which these goods were produced and store it here in warehouses; and they asked the Government to make a rebate of 1 per cent. for the time the material lay in the bonded warehouses. He said: I am not perhaps sufficiently familiar with the subject to discuss it in detail, but I fall in with the workman's side of the question, and what I know is, that there are probably five or six thousand unemployed men who worked alongshore in New York, at the present time; I also know that there are large storage warehouses almost empty of goods, and that the design of this bill is to give work to the poor man, and give him more steady employment than he has now.

I am not a free-trader, but I know it would be to the interests of these men to have this bill passed. I am a protectionist and I believe that the gentlemen who spoke before me are also protectionists and also are of my way of thinking. We believe that the reduction or rebate of 1 per cent. a month will induce the importers to store their goods here. This would not in any way interfere with the tariff; it would simply stimulate our industries in New York.

I live in the district lying from Canal street to South ferry in New York City for the last twenty-five years, and have done business in it, and have worked at my trade, and I know pretty well the present feeling of the people who live there; they number about forty or fifty thousand and work at loading ships, trucking, etc., and if the members of this committee would go along with me there they would appreciate the situation as I do. I also want to say in this connection that we have always believed in New York that if the tariff could be revised it would improve the condition of the workingman as well as the manufacturer. It would help the capitalist and it would help the laborer by enabling the former to give employment to the latter.

Now, I don't feel that I can say anything further in relation to this matter. We don't come here either as Republicans or Democrats. We simply come here for the benefit of our people. Mr. Boyd has represented the first senatorial district of New York, and was elected by the workingmen. He understands the needs of the people

from Houston street to the southern end of Staten Island. Mr. Blair is one of the leaders and initiators of the labor movement in this country.

We have here, gentlemen, a petition that is signed by about 2,500 people. These signatures are all genuine; they are not taken from the directory, and we can produce affidavits as to their authenticity from the men who collected them. These signatures are obtained from Republican and Democratic laboring men, and from others who are unaffiliated with either party. The petition if stretched out to its full length would measure over 125 feet. The names upon it are not alone genuine, but we were careful to have the signers of them understand exactly the meaning of the petition to which their signatures were affixed.

Now, gentlemen, we are here to ask simple justice, not only to the wage-earner, but also to the men who, by their enterprise and business activity, have helped so much to build up the prosperity of our nation. We are confident that our appeal to you will not be in vain, and I can assure you that you have our thanks and that of the people we represent for the courteous and polite treatment accorded us by you to-day.

Mr. Boyd stated to the chairman of the committee that the friends of this bill would present to the committee, through its chairman, in the course of a few days, important statistics and other information in regard to the storage capacity of the warehouses in America, the amount of goods usually kept stored in Europe and other countries, and the length of time during which those goods were so stored.

NEW YORK, February 22, 1890.

DEAR SIR: Permit me to offer through you, to the chairman and members of the Ways and Means Committee, the following information as to statistics asked for by them at the hearing granted the committee from our organization on the proposed amendment to the tariff laws in relation to the bonded warehouses, February 13, which our committee agreed to furnish.

(1) Duties are levied on imported raw material mentioned in the bill when it is landed on the wharf, but are paid just prior to the delivery from the warehouse.

(2) From the best estimate that can be gathered, the passage of the bill would increase the volume of the amount of raw material stored in this country about one-third.

(3) The average rate of earning of the longshoremen here is \$12 per week and abroad about \$6 per week.

(4) Under the new law there would be an increase in the number of men employed in the handling of the material of at least 50 per cent.

(5) The principal item effected under the amendment would be sugar. The largest amount of sugar produced here is in Louisiana, and is consumed almost entirely in that section. The stock of imported sugar in this country to-day is 300,000 tons, against 1,378,911 tons stored in foreign countries at latest dates.

(6) It is estimated that under the operations of this amendment there would be a relative gain in the warehouses and laboring interests of over \$1,000,000 per year. There are storage facilities in the four great ports of New York, Boston, Philadelphia, and Baltimore to handle all the merchandise now in store in foreign warehouses intended for consumption in this country.

I hope this will be in time to be embodied in the official report of the hearing before your committee, and kindly request that you mail me some copies of the report when printed.

Very truly, yours,

JOHN W. KEOGH,
Chairman Committee.

Maj. JOHN M. CARSON,
Clerk Committee on Ways and Means.

STATEMENT OF J. P. ROBINSON.

The proposed amendment to the tariff laws giving a rebate of duty upon importations for the time during which they are stored in this country is a measure comprehensive in principle and beneficial in its results. It stimulates commerce by encouraging the holding of foreign products in our own warehouses and enabling us to regulate their price. It makes our own country the depository from which to draw supplies, thus creating the market of the world. It revives the warehouse industry and the important interests dependent upon it. It distributes among our own workmen the money now paid for labor upon merchandise stored abroad. It protects our interests at the expense of foreign interests alone.

A glance will show the discouraging situation under the existing laws, and the urgent need of a radical remedy.

In 1879, 418,000 bags of Calcutta linseed were imported into the United States direct from India, and none from Europe. In 1889, 449,869 bags were imported direct from India, and 558,869 bags from Europe. In 1879, 168,865 bales of manilla hemp were imported direct from the East Indies, and none from Europe. In 1887, 204,748 bales were imported direct from the East Indies, and 49,537 bales from Europe. In 1888, 236,379 bales were imported direct from the East Indies, and 98,375 bales from Europe. In 1889, 280,261 bales were imported direct from the East Indies, and 115,950 bales from Europe.

This comparison shows clearly the steady increase of imports via England, where the goods have remained in store awaiting a market, instead of coming to this country and waiting a market here.

The result is inevitable that England will supply us with East India products at a price regulated by the quantity she has in store, as we need them; and England will absorb all the advantages accruing from her warehousing these products to the time they are needed for consumption. These advantages are reaped by English warehousemen, longshoremen, laborers, weighers, coopers, banks and insurance companies; for storing goods means to benefit all these interests. It is time to check this loss of benefits to this country, and to turn the flow of advantages towards us, by legislation such as is proposed.

So with West India sugar. In 1879, 511,628 tons were imported into the port of New York, of which 331,144 tons were warehoused here. In 1889, 659,154 tons were imported, of which 170,662 tons were warehoused here. On January 30, 1889, there were stored in the warehouses of Europe and Cuba, 1,038,080 tons of sugar; and in the three ports of the United States, viz, New York, Boston, and Philadelphia, in stock, only 2,397 tons. This is an alarming situation, as it places our consumers absolutely at the mercy of foreign markets, from which our supply must be drawn. Store this product in the United States, and this danger is avoided. The large decrease in the proportion of sugar so warehoused was a loss to this country, but a gain to Cuba where it was stored. No good reason can be offered why our country should not reap this gain.

Consumers, by storing in Cuba, save duty on shrinkage; to counteract this, duties should be collected only upon the quantity of merchandise delivered from store; and an inducement should be offered for storing here sufficient to overcome the advantages now gained by storing in other countries.

The proposed amendment does not pretend to deal with the rate of tariff; that question is left without comment. But, the tariff being fixed, the amendment distributes a portion of the duty, which otherwise would become revenue to our Government, among the interests accompanying and dependent upon warehousing the goods.

It says to the importers, store your merchandise and you will get a rebate of duty, but you will also incur the expense of storing. You are benefited because you can control the market, and you are not subjected to any additional expense through this amendment.

The importer who warehouses his goods gains no advantage of him who imports direct for consumption, because the rebate in duty is overbalanced by the expense of storing.

The consumer is not affected, because of the same reason; the direct importer pays a certain duty, and the importer who stores pays the same duty, except that a portion of that duty is the expense of storing, for the rebate is regulated according to the time the goods remain in store.

Our Government can sustain no injury from the proposed amendment. The loss to its revenues will be of little importance compared to the benefits conferred.

The average time importations remain in store in this country is about two months. The duties upon the articles referred to in the proposed amendment were, in 1889, \$63,000,000, so that if they were all warehoused for two months (as a matter of fact 50 per cent. will be delivered for immediate consumption), the rebate would amount to only \$1,260,000; and of this sum over 70 per cent. would be contributed to the labor attendant upon storing.

The amendment is no inducement for the importer to allow his goods to remain in store, because while getting the rebate he is incurring an equal or greater expense for storage.

It is therefore apparent that the amendment encourages our commerce, revives an important industry, and aids our labor interests, and it therefore is entitled to the support of all having the welfare of our country at heart.

STATEMENT OF WILLIAM SMITH.

Mr. WILLIAM SMITH, of 31 Old Slip, New York City, appeared before the committee on February 27, and said :

Mr. Chairman and gentlemen of the committee, we have the honor to appear before you as a committee of coopers, representing Coopers' Union No. —, of New York and Brooklyn, having — members in their ranks.

Our mission is to place before your honorable body the causes which, we think, have injured our business, and at the same time to tell you what measures, in our opinion, will cause relief and be the means of giving more employment not only to our branch of industry, but also to thousands of others who depend upon wharf and warehouse labor in the cities of New York and Brooklyn.

It is our hope that we may succeed in impressing upon your minds the relief we ask for, which, after many debates among ourselves, seems to be the only way of improving our condition and giving satisfaction to the many thousands of laboring men placed in the same condition as we are.

In order to give you a clear idea of how our business has suffered by the new methods employed in transacting business—especially in the sugar and molasses trade, which was our main dependence in former years—when all sugars came in hogsheads or boxes, these hogsheads and boxes were manufactured in the United States. They were bundled up and called shooks, accompanied with the required number of heads and hoops, furnishing outward cargoes to our vessels. This industry employed thousands of coopers, besides furnishing labor to our farmers during winter months in most of our Eastern, Northern, and Middle States; its value was about nine millions annually.

It was the custom in former years for the sugar producers of Cuba and Porto Rico to send their sugar, when ready for market, principally to Philadelphia, New York, and Boston, consigned to different merchants at these ports, who acted as their agents and advanced money on the goods. When the sugar was landed it was weighed and sampled by Government officers, and allowed to remain a certain time on the wharf, usually about ten days; if not sold during that time, it was ordered into bonded warehouses. This caused work for coopers, warehousemen, and many others; times were brisk, people were contented, and able to make a decent living.

But all this has changed. Our warehouses remain empty during the greater part of the year, and the sugar comes cost and freight for immediate discharge to the refinery. The change, in our opinion, was caused by the independent attitude of the Cubans and other sugar-producing islands, who, when they discovered that agents and buyers representing the sugar refineries of the United States were constantly among them and buying from them on the spot, soon saw the advantage opened to them, and commenced building warehouses in Havana, Matanzas, Cardenas, Cienfuegos, and in all the principal ports of the island, holding the sugar there and waiting for the accommodating agent, who now, in most all cases, pays storage and freight, and delivers the sugar in New York as and when wanted.

This is what has driven so many merchants out of the business, causing a great loss to us, besides weighers, warehousemen, and many others.

We therefore ask of your honorable body to make a liberal concession to the importers, that they may be the means of making the bonded warehouses of the United States the depots for all sugar and molasses coming from foreign countries, and revive business, attracting trade from Cuba, South America, Mexico, and East Indies, and the breaking up of a system which is helping foreigners at our expense. We ask you to make a concession to the importer of sugars of 1 per cent. of the duty for each month, during which such merchandise shall have remained in bonded warehouse.

ACTION OF ASSOCIATED LIGHTERMEN.

NO. 108 WALL STREET, NEW YORK.

February 4, 1890.

SIR: At a meeting of the Associated Lightermen of the port of New York, held on February 3, last, the following resolution was unanimously adopted, viz :

Resolved, That the Senate and House of Representatives in Congress assembled be respectfully requested to enact : That upon the withdrawal for home consumption of all sugar, hemp, jute-fiber, and wool actually deposited in the United States bonded warehouses of class 3, there shall be an allowance made to the importer of the duty paid thereon equal to 1 per cent. of the duty for each month, or part thereof during which such merchandise shall have remained in bonded warehouse : *Provided*, The merchandise shall have been imported directly from the country where it is grown or produced.

I have the honor to be, sir, your obedient servant,

Hon. WILLIAM MCKINLEY, Jr.,
Chairman, Committee on Ways and Means.

THOS. MATHEWS,
Secretary.

ACTION OF JOURNEYMEN COOPERS.

The following action was taken by the journeymen coopers, whose membership numbers three thousand:

NEW YORK, *February 19, 1890.*

At a meeting of the Journeymen Coopers' Association the following resolution was unanimously passed:

Whereas under the existing tariff laws the employment of labor upon importations warehoused in this country has steadily decreased and is insufficient to maintain those engaged in the service; and

Whereas the outlook is wholly discouraging and bids fair to drive large bodies of workingmen into other fields of labor, on decreased wages, and where success is doubtful, if not impossible; and

Whereas the Journeymen Coopers' Association recognizes the danger of the situation and the great loss and damage thereby sustained by the labor interests, and is keenly sensible of the great need for immediate relief from the present depressed condition of affairs; now, therefore, we confidently recommend this proposed amendment to the tariff laws relating to the warehousing of imported merchandise, viz:

"Be it enacted, That upon the withdrawal for home consumption of all sugar, hemp, jute fiber, and wool actually deposited in United States bonded warehouses of class 3, there shall be an allowance made to the importer of the duty paid thereon equal to 1 per cent. of the duty for each month, or part thereof, during which such merchandise shall have remained in bonded warehouse, provided the merchandise shall have been imported directly from the country where it is grown or produced," as a measure which will afford the much needed relief by giving employment to thousands of willing workingmen, now forced to remain in idleness for a greater portion of the time.

Resolved, That we earnestly urge upon Congress the adoption of the above proposed amendment as the best means of accomplishing the most good to such labor interests, and of relieving those interests from the great distress under which they have so long been suffering; and

Be it further resolved, That a committee of four be appointed to present this resolution to the Committee on Ways and Means of the United States Congress, now in session, and that a copy of this resolution be sent to the members of Congress of this State.

E. J. DEEGAN,
President.

P. J. GUNNING,
Secretary.

ADMINISTRATIVE PROVISIONS.

STATEMENT OF J. R. LEESON.

Mr. J. R. LEESON, of Boston, addressed the committee. He said:

Mr. Chairman and gentlemen, I appear before you as chairman of the legislative committee of the Home Market Club. Other members of the committee present are Hon. Alden Speare, president of the Boston Chamber of Commerce; Mr. F. W. Breed, president of the Beacon Society, Boston, and Mr. Jerome Jones, chairman of the executive committee of the Massachusetts Tariff Reform League. The Home Market Club is an organization formed and maintained to advocate the cause of protection and to disseminate information showing the benefits arising from the protective policy. Upon the question of rates the club has nothing to say, the adjustment of the schedules being left to those trade organizations and individuals having accurate knowledge of the particular requirements. But, when schedules are arranged and the duties assessed, collection of the revenues and the administration of the law supervenes. At that juncture, Mr. Chairman, the club approached the details and methods of procedure with the conviction that whatever the rate or regulation may be, the duties shall be uniformly collected and the regulations impartially applied; that while the just dues of the Government should be exacted in all places and at all times equally, the law should be administered in a broad and liberal spirit; that summary proceedings should be avoided, and that the tremendous weight of the Federal power should be so wisely and temperately exercised that no harshness shall be felt by any honorable citizen of the United States who may engage in the business of importing foreign merchandise. In this work all parties can unite on the common ground of justice, equity, and moderation. The Home Market Club welcomes and has availed itself of

the aid of Democrats and of those who are opposed to the policy of protection. In order to economize time we have made a short synopsis of our suggestions upon customs administration, and with your permission I will now read the same.

Mr. Leeson proceeded to read as follows:

A MEMORANDUM OF POINTS OF DIFFERENCE BETWEEN HOUSE BILL H. R. 4 AND A BILL PREPARED BY THE LEGISLATIVE COMMITTEE OF THE HOME MARKET CLUB, "TO REGULATE THE IMPORTATION OF FOREIGN MERCHANDISE, AND TO SECURE UNIFORMITY IN THE CLASSIFICATION AND VALUATION THEREOF, AND FOR OTHER PURPOSES," WITH REASONS BRIEFLY INDICATED IN FAVOR OF THE LAST-NAMED MEASURE.

I. Duties upon coverings.

We believe that the provisions suggested in the Home Market Club bill, which impose a duty upon every kind of covering, with the exception of those outer coverings which may be used solely to protect merchandise from injury during transportation and from necessary handling therein, accord with commercial usage and with the desire of conservative business men of every class. We hold that it is in accordance with equity to collect duty upon merchandise only, and not upon extraneous appendages which have no integral relationship to the merchandise itself. Moreover, it is the opinion of customs experts of good judgment in various branches of the service, that in the administration of the tariff there would be no difficulty in carrying out the provisions of the Home Market Club bill; also that there is a fundamental distinction between coverings which merely protect the goods thereby inclosed and those coverings which are an essential part of the merchandise, and therefore necessary for placing the same in merchantable condition, fit for sale.

2. The right of trial by jury.

We are opposed to any legislation which would restrict those rights of an importer or merchant which, as a citizen simply, would remain intact. Anything in the nature of class legislation is not in unison with American institutions, and the right to a trial by jury is one which, if enjoyed by any citizen, should be given to all. We are the more strenuously opposed to such restriction in this case, because we believe it is unnecessary for the attainment of the purpose in view—an equitable, a uniform, and just collection of customs duties, and the prevention of fraudulent undervaluation. We fail to perceive where the denial of this cherished right, as proposed in H. R. 4, will have any effect in the detection or prevention of fraudulent practices. It should be borne in mind that the stringent provisions in other sections of both these bills will render such practices hard of successful accomplishment. Such provisions make it both safe and advisable to relax the severity of the law at points whereat the probability of fraud is extremely remote.

Congress has always jealously guarded the right of a jury trial. In 1845 the Supreme Court, in *Carey vs. Curtis*, held that the second section of the act of 1839 took away the right of a jury trial. Congress, being in session when the decision of the court was rendered, passed on February 26, 1845, an act declaring that nothing in section 2 of the act of 1839 should be construed to take away the "right to trial by jury touching the same, according to due course of law."

3. Damage allowance.

The proposal to abolish damage allowance we regard as being opposed to a spirit of fairness, and also as uncalled for. We believe that the provisions of the Home Market Club bill, impartially carried out, supply ample protection against such frauds as have existed in this branch of the service. No one will deny that damage does occur to imported merchandise brought over seas. Much of the loss thus admitted to exist is of such nature that it can not be insured against; it is clear of demonstration, its extent readily ascertained. Shall we, because under a lax administration of the law frauds have been perpetrated, deny to the honest importer the right to have duty assessed upon merchandise as actually imported by him? Shall we, because some merchandise which was sound has been assessed as damaged by incompetent or unfaithful officials, in effect declare that no damage is ever sustained during transit; that all merchandise imported into the United States is in a sound and salable condition? We submit that such extreme measures are unnecessary, and that substantial justice can be given to the importer and secured to the Government without resort to violence and injustice as proposed by H. R. 4 through the total abolition of damage allowance, with certain exceptions.

Mr. McMILLIN. I understand that your club opposes the idea of imposing taxes on

coverings (where they are bona fide) of imported goods. You think that the tax ought to be imposed on the goods only?

Mr. LEESON. We do not think that any tariff is necessarily a tax. We think that the duty should be collected on the merchandise itself.

Mr. McMILLIN. A tariff is a tax so far as the Government is concerned. The Government gets its revenue in that way. You think that the duties ought to be levied on the commodity, and not on the bona fide covering that encases it?

Mr. LEESON. That has been our view, sir.

Mr. Leeson continued to read as follows:

4. *Time during which imported merchandise may remain in bonded warehouse without payment of additional duty.*

The provision in the Home Market Club bill, extending the time from one to three years, is in accord with the usage of the chief commercial countries, and is designed not alone as a needed extension of the privileges of merchants; it also has in view the encouragement of the export trade of this country. It is matter of history that the unlimited time during which merchandise may remain in bond in England has largely helped the development of English commerce with other countries. The accumulation of goods in the bonded warehouses of London has doubtless had no inconsiderable share in building up that foreign commerce of Great Britain which is the pride of her statesmen and the support of her merchants. We can see no good reason why New York and other large ports of entry in the United States should not have a similar advantage. We are assured that no obstacle exists to such extension of time in administering the law. At this juncture, when special efforts are being directed toward that extension of our export trade which men of all parties favor, we would strongly urge the desirability of making the change suggested, as an effectual method of furthering the end in view.

5. *Privilege of importer's presence with counsel during reappraisal hearings.*

It is so reasonable to permit the presence of a merchant and his counsel during a hearing on re-appraisal that we are at a loss to conceive any valid objection to such a fair proposition. If the Government can not sustain its case in open daylight and after careful scrutiny, no fair-minded man, whether merchant or official, should desire it to be sustained. Harsh or summary proceedings are out of harmony with our laws, and should certainly be avoided where no compensating advantage exists, as in this instance.

6. *Time allowed importers for making application for re-appraisal.*

Twenty-four hours is surely too short a time, and it does not seem to us that any interest of the Government will suffer if ten days, as proposed in the Home Market Club bill, be allowed.

Other points of difference to be noted.

The Home Market Club bill (section 26) extends the provision upon custom-house bonds, enabling one member or partner to sign all such bonds for his firm. This provision would be a great convenience to importers and would not endanger the rights of the Government.

Home Market Club bill (section 31) is of similar character, and deals with the number of packages to be examined in each importation; the effect of this section being to facilitate the transaction of business without imperiling the rights of the Government.

The provision for repayment of excess of duties (section 21, Home Market Club bill) we consider preferable to the provision in H. R. 4, section 23. This view will, we believe, be sustained by any well-informed official whose duties make him practically acquainted with the working of the law.

In suggesting these several modifications of the proposed law, the legislative committee of the Home Market Club has endeavored, at every point, to consult the convenience of merchants in their dealings with the Government, and at the same time to guard the just rights and privileges of the Government and its officers. We feel that such concessions as we suggest are in the interest of fair-dealing and efficient administration, and will subserve that good feeling and harmonious relationship which should subsist in all business transactions, whether between man and man or between the citizen and the Government's officials.

The CHAIRMAN. I understand that your club would like to have embodied in the

administrative bill, so-called, the right of trial by jury and damage allowances, and an extension of the time during which imported merchandise may remain in bonded warehouses. These are the three things that you are specially concerned about?

Mr. LEESON. I think that the other provisions are possibly of equal importance in the details of the working of the law. I think that all of these recommendations should be adopted.

VIEWS OF THE MERCHANTS AND MANUFACTURERS' ASSOCIATION OF BALTIMORE.

BALTIMORE, *February 12, 1890.*

The committee on customs, valuations, and rating have examined the bill known as the McKinley bill, H. R. 4970, the title of which is, "An act to simplify the laws in relation to the collection of revenues."

They beg leave to make the following report:

This bill, which is for the appointment of nine general appraisers who will constitute an appeal board from the local appraisers and the abolishment of merchant appraisers, we regard as a measure calculated to promote the interests of the whole country, and in substance to protect the honest importer and consignee.

All fair-minded importers and consignees should welcome a well-regulated law calculated to place them all upon the same equal footing.

The measure, however, though framed with high and patriotic motives, is in some respects defective, and to this end your committee would respectfully offer the following modifications:

Section 7, line 33, should read: The burden of proof, etc., to prove fraud should be upon the Government and not upon the consignee.

Section 15, line 11, which reads, "Review of the questions of law involved in such decisions," etc., etc.,

Should read, "A review of the questions of law and facts involved in such decisions."

Same section, lines 13 and 14, reads, "Said circuit court a concised statement of errors of law complained of," should read, "The said circuit court, a concised statement of errors of law and facts complained of."

Same section, lines 19 and 20, reads, "And the facts so found and certified shall be final and conclusive upon the court," should read, "And the facts so found and certified shall not be conclusive until the court has heard evidence submitted by the consignee or importer and by the Government."

Section 23, so amended as to allow the consignee or importer to have a reasonable claim for abatement of duties on all goods when the damages exceed 10 per cent. of the value of the goods.

Respectfully submitted.

ROBINSON W. CATOR.

A. G. HUTZLER.

THOMAS J. BOYKIN.

R. M. SUTTON.

W. STANLEY EASTER.

JOHN R. BLAND, *Secretary.*

DRAWBACK.

VIEWS OF PAUL BABCOCK, JR.

NEW YORK, *January 18, 1890.*

DEAR SIR: Referring to the proposed limitation of drawbacks or rebate of duties to such manufactured articles as have required an expenditure of at least 25 per cent. of the value of the imported material on them in the form of labor or cost of manufacture, permit me to call your attention to the danger of any such limitation, as necessarily the more money the American manufacturer is compelled to spend on the imported material in his manufactured article the less chance he has of successful competition with his competitor in Europe.

To illustrate allow me to show how any such limitation of the right of drawback would affect the industry in which I am engaged: Our business is very largely the manufacture and packing for export of refined petroleum in tin cans and wooden boxes. In this business we now have the active and close competition of Russian manufacturers, and they have the advantage of very cheap raw materials, low-priced labor, and very low ocean freights to the great markets of India and China. Last

year they marketed over five millions of packages in competition with us, and they are making great efforts to increase their trade.

If a provision is inserted in any tariff law which limits the right of drawback to such manufactured articles as have required an expenditure of 25 or 20 or 15 or even 10 per cent. of the value of the imported material of which they are composed—in the form of labor or cost of manufacture—then such industries as ours must cease in this country, for the reason that the duties paid on the imported material composing the packages in which we export our American product are more than the entire profit on such exported product whenever we come into competition with foreign manufacturers. Nearly 21,000,000 of cases of refined petroleum and its products were exported from the United States in 1889. This industry gave profitable employment to 3,000 laborers and skilled workmen in this country, representing probably over 12,000 of our people.

The value of the imported materials in the tin cans and wooden boxes in which this vast quantity of American product is being exported at the present time is about 34 cents for each case containing two cans, which together carry 10 gallons of oil out of our country.

Approximately, at present market values, say \$7.30 per box of 10 by 20 tin-plate, and say \$5 per box of 14 by 19½ tin-plate, and say \$14 per 100 feet for Canadian pine lumber. The value or cost of the tin-plate on two 5-gallon cans is about 25 cents, and the value or cost of the wood in the box is about 9 cents. Total, say, 34 cents not to mention the value of the foreign lead and foreign pig-tin which compose the solder with which the cans are made.

As a matter of fact the American manufacturer must convert these imported materials into a package for the carrying of his American oil abroad at a cost of but little over 3½ to 3¾ cents per package for labor or he can not compete with his rival in Russia, while such a provision as limited the right of drawback to such manufactured articles as had required an expenditure of 25 per cent. of the value of the imported material of which they are composed would shut us out from all drawback unless we expended 8½ cents on each package in the cost of manufacture, and if we expended any such sum on the cost of manufacture we could no longer compete with Russian and other foreign packers of oil. Even a 10 per cent. limitation would at times threaten our drawback, and a constantly changing valuation of imported materials would cause constant doubt and danger to the American manufacturer. He could never be sure of his drawback and the Government would often be in doubt as to whether he was entitled to it or not.

The present retention by the Government of 10 per cent. of the duties paid on imported materials in articles of American manufacture exported is a hardship from which American manufacturers should be relieved, and every candid and honest free-trader should find in the drawback system fairly and honorably administered the unanswerable reply to his argument that protective duties hamper the American manufacturer by keeping him out of foreign markets.

I sincerely trust the present retention of 10 per cent. of duties paid on imported materials on articles of American manufacture exported may be discontinued, and that no limitation as to cost of manufacture may be applied to any article of American manufacture in its right to drawback of duties when exported, especially if it is a package which is used to carry American products to foreign markets.

Very truly, yours,

PAUL BABCOCK, JR.,
President.

HON. WILLIAM MCKINLEY, Jr.,
Washington, D. C.

VIEWS OF E. GREENFIELD'S SON & CO.

NEW YORK, *February 13, 1890.*

DEAR SIR: As you have on two or three occasions during your public speeches on the tariff quoted the existing drawback laws in proof of the assertion that a protective tariff does not increase the cost of articles designed for foreign markets, we take the liberty of calling your attention to a feature of those laws which operates unjustly against the manufacturer who is compelled to use both foreign and domestic raw material in the composition of goods intended for export.

As you are aware, all laws relating to this subject are comprised in sections 3019, 3020, and 3026 of the Revised Statutes, and the acts of February 8 and March 3, 1875. Section 3019 provides for a drawback on all articles manufactured wholly from imported materials which have paid duty.

Section 3020 originally provided for a drawback on agricultural implements when the value of the imported materials used exceeds one-half of the value of all the material used, but by the act of March 10, 1880, it was so revised as to also allow a drawback on tin cans exported filled with the products of this country, provided

the imported material used is equal to 70 per centum of the value of all the materials used.

Section 3026 allows a drawback on the foreign saltpeter entering into the manufacture of gunpowder.

Section 10 of the act of February 8, 1875, provides for a drawback on the dutiable material entering into the manufacture of cartridges. Section 3 of the act of March 3, 1875, provides for the retention of only 1 per centum of the drawback allowed on refined sugar. Consequently an examination of these laws discloses the fact that with the exception of tin cans filled with the products of the United States, agricultural implements, gunpowder, and cartridges, all other articles manufactured in part from dutiable raw materials are not entitled, under existing law, to a drawback on exportation, and that manufacturers who have not been provided for in special statutes are compelled to discriminate against domestic raw material in order that their goods may be sufficiently cheapened by means of this drawback allowance to enable them to compete successfully in foreign markets.

In a great many instances, however, it is absolutely impossible to entirely use foreign raw materials, because the domestic and foreign raw materials must be united to attain the required standard of merit. Hence such goods which contain a proportion of dutiable raw materials in their composition, not being entitled to drawback on exportation, virtually pay an export tax, and are thus precluded from supplying the foreign demand on anything like equal terms with the goods of other manufacturing nations who have free raw materials.

In this connection we take the liberty of explaining the difficulties under which we individually labor.

We are engaged in the business of manufacturing confectionery, for which the principal ingredient used is refined sugar. By selling at a very low margin, and collecting the drawback on a few kinds of confectionery which it was possible to manufacture wholly from foreign materials, we have managed to establish a very fair export trade. We, however, manufacture many grades of confectionery in which we use large quantities of the best grades of refined sugar in connection with a small percentage of domestic material. The presence of the domestic material is essential to make the articles salable. As the articles are not thus wholly manufactured from imported materials, the drawback can not be recovered, and hence they can not be exported.

The disadvantage which we are placed at will be readily perceived when we state that the drawback now allowed on the grade of refined sugar referred to amounts to .02½ cents per pound. If the law were so changed as to permit us to collect the drawback we could compete successfully with England, both in her own markets and the foreign markets which she now exclusively controls.

We have been informed that it has been alleged by Treasury officials that such an amendment to the law would be productive of fraud. There surely would not be any grounds on which to urge such an objection if the law were so modified as to only allow the drawback when the part or parts of articles claimed on can be distinctly separated, either by chemical analysis or other effective means, and that it is possible to perform such an analysis with all articles manufactured chiefly from sugar can be practically demonstrated to the satisfaction of the Government.

In proof of the above assertion we would cite the case of desiccated cocoa-nut, upon which a drawback is now allowed, and which has in consequence been largely exported to England in the past. The quantity and grade of sugar used is accurately determined by the Government chemist from samples taken by the customs inspector prior to the lading of the goods on the export vessel. As the cocoa-nuts are admitted free they of course are not taken into consideration, although, if necessary, it would be an easy matter to determine the quantity used. We would also cite the case of cocoa-nut perfumings, upon which drawback has recently been allowed us on the exportation of same to Great Britain. The principal ingredients used were sugar, glucose, and cocoa-nuts. The law compelled us to use foreign glucose when, in fact, the domestic article is superior in quality and cheaper in price. If the law were so amended as to permit us to make entries for confectionery generally, the Treasury regulations now governing the allowance of drawback on the above-mentioned articles could be applied in exactly the same manner and with equal safety to the revenue.

If the suggestions contained in this letter meet with your approval, we would respectfully request that you use your influence to have incorporated in the proposed tariff bill an amendment to the present law that would serve to remove the feature we have pointed out, as we feel confident that it would be of incalculable benefit to manufacturers and exporters of every description of goods which contain dutiable materials.

Yours, very respectfully,

E. GREENFIELD'S SON & Co.

Hon. WILLIAM MCKINLEY, Jr.,
Chairman Committee on Ways and Means.

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